“We thank our customers and clients for the business they directed to Barclays in 2008. High levels of activity on their behalf have enabled us to report substantial profit generation in difficult conditions.

Our priorities in 2008 were (and remain): to stay close to customers and clients; to manage our risks; and to progress strategy.”

John Varley
Group Chief Executive

Our 4 strategic priorities

1. Build the best bank in the UK
2. Accelerate growth of global businesses
3. Develop retail and commercial banking activities in selected countries outside the UK
4. Enhance operational excellence

see page 2

Performance

We have managed Barclays carefully through this period.

While performances across the Group varied, every one of our businesses was profitable in 2008. This is a good achievement, given the environment.

see page 9

Corporate governance

The Board is responsible for managing the Company on behalf of its shareholders and must ensure that an appropriate balance between promoting long-term growth and delivering short-term objectives is achieved.

see page 18

> "In a very difficult economic environment in 2008, Barclays has steered a course that has enabled us to be solidly profitable despite strong headwinds. We are well positioned to maintain Barclays competitive strengths through the undoubted challenges that will come in 2009 and beyond."

Marcus Agius
Group Chairman

Our strategy

Our strategy is to achieve good growth through time by diversifying our business base and increasing our presence in markets and segments that are growing rapidly.

Strategic priorities

Build the best bank in the UK
- 36% share of net new mortgages in UK
- Acquisition of Goldfish UK credit card business

Accelerate growth of global businesses
- Strong income growth in interest rate products, currency products, emerging markets, prime services and commodities
- Acquisition of Lehman Brothers North American businesses

Develop retail and commercial banking activities in selected countries outside the UK
- Rapid organic growth: 809 new distribution points outside the UK
- Acquisition of Expobank in Russia and Bank Akita in Indonesia

Enhance operational excellence
- Conservative risk management and well controlled costs
- Strong capital position – maintaining strategic and operational independence

Highlights of the year

Group profit before tax was £6,077m, down 14% on 2007. Profit included:
- Gains on acquisitions of £2,406m, including £2,262m relating to Lehman Brothers North American businesses
- Profit on disposal of the closed life assurance book of £326m
- Gains on Visa IPO and sales of shares in MasterCard of £291m
- Gross credit market losses and impairment of £8,053m
- Gains on own credit of £1,663m

Global Retail and Commercial Banking profit before tax increased 6% to £4,367m
- UK lending increased to both retail and corporate customers
- Strengthened international presence in Barclaycard, Western Europe and Emerging Markets

Investment Banking and Investment Management profit before tax was £2,568m, down 24% reflecting significant gains on acquisition and disposal and the impact of credit market dislocation
- Barclays Capital's strategy of diversification by geography and business accelerated through the acquisition of Lehman Brothers North American businesses
- There were strong net new asset flows into Barclays Wealth and Barclays Global Investors despite declines in equity markets

Group balance sheet growth was driven by over £900bn derivative gross-up, growth in loans and advances of £124bn and impact of foreign exchange rates on non-Sterling assets

Risk weighted assets increased 22% (£79bn) to £433bn reflecting:
- the significant depreciation in Sterling relative to both the US Dollar and the Euro
- procyclicality: macroeconomic indicators generally, and corporate credit conditions specifically, deteriorated towards the end of 2008 leading to ratings declines

Capital ratios were strengthened through the raising of £13.6bn of Tier 1 capital. The year-end pro forma Tier 1 capital ratio was 9.7% and the pro forma Equity Tier 1 ratio was 6.7%

Barclays targets reduced adjusted gross leverage, capital ratios significantly ahead of regulatory requirements and recommencing dividend payments during the second half of 2009

Income statement highlights

For the year ended 31st December

	2008 £m	2007 £m	2006 £m
Total income net of insurance claims	**23,115**	23,000	21,595
Impairment charges and other credit provisions	**(5,419)**	(2,795)	(2,154)
Operating expenses	**(14,366)**	(13,199)	(12,674)
Profit before tax	**6,077**	7,076	7,136
Profit attributable to equity holders of the parent	**4,382**	4,417	4,571
Basic earnings per share	**59.3p**	68.9p	71.9p
Dividend per ordinary share	**11.5p**	34.0p	31.0p
Return on average shareholders' equity	**16.5%**	20.3%	24.7%
Cost:income ratio	**62%**	57%	59%
Number of staff	**156,300**	134,900	122,600

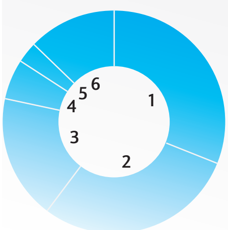
Income

£23,115m

Profit before tax

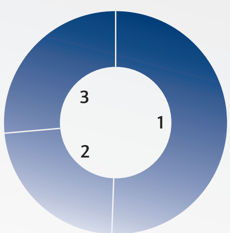
£6,077m

Contribution to Group profit £m



Global Retail and Commercial Banking
£4,367m
63%

1 UK Retail Banking £1,369m
2 Barclays Commercial Bank £1,266m
3 Barclaycard £789m
4 GRCB – Western Europe £257m
5 GRCB – Emerging Markets £134m
6 GRCB – Absa £552m



Investment Banking and Investment Management
£2,568m
37%

1 Barclays Capital £1,302m
2 Barclays Global Investors £595m
3 Barclays Wealth £671m

Barclays today

Listed in London and New York, Barclays is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services with an extensive international presence in Europe, United States, Africa and Asia. With a strong long-term credit rating and over 300 years of history and expertise in banking, Barclays operates in over 50 countries and employs 156,000 people. Barclays moves, lends, invests and protects money for 48 million customers and clients worldwide.

Senior management

Marcus Agius
Group Chairman

John Varley
Group Chief Executive

Frits Seegers
Chief Executive,
Global Retail and Commercial Banking

Chris Lucas
Group Finance Director

Robert E Diamond Jr
President, Barclays PLC
Chief Executive,
Investment Banking and Investment Management

Global Retail and Commercial Banking

UK Retail Banking
One of the largest retail banks in the UK with over 1,700 branches, 15 million personal customers and 660,000 small business customers.

Profit before tax
£1,369m

Number of customers
15.2m

Barclays Commercial Bank
Barclays Commercial Bank serves over 81,000 business clients through a network of relationship and industry sector specialists.

Profit before tax
£1,266m

Number of customers
81,200

Barclaycard
Barclaycard launched the first credit card in the UK in 1966. It now has 23 million customers in the UK, across Europe and the United States.

Profit before tax
£789m

Number of customers
23.3m

GRCB – Western Europe
GRCB – Western Europe serves two million retail, premier, card, SME and corporate customers in Spain, Portugal, France and Italy through nearly 1,200 distribution points.

Profit before tax
£257m

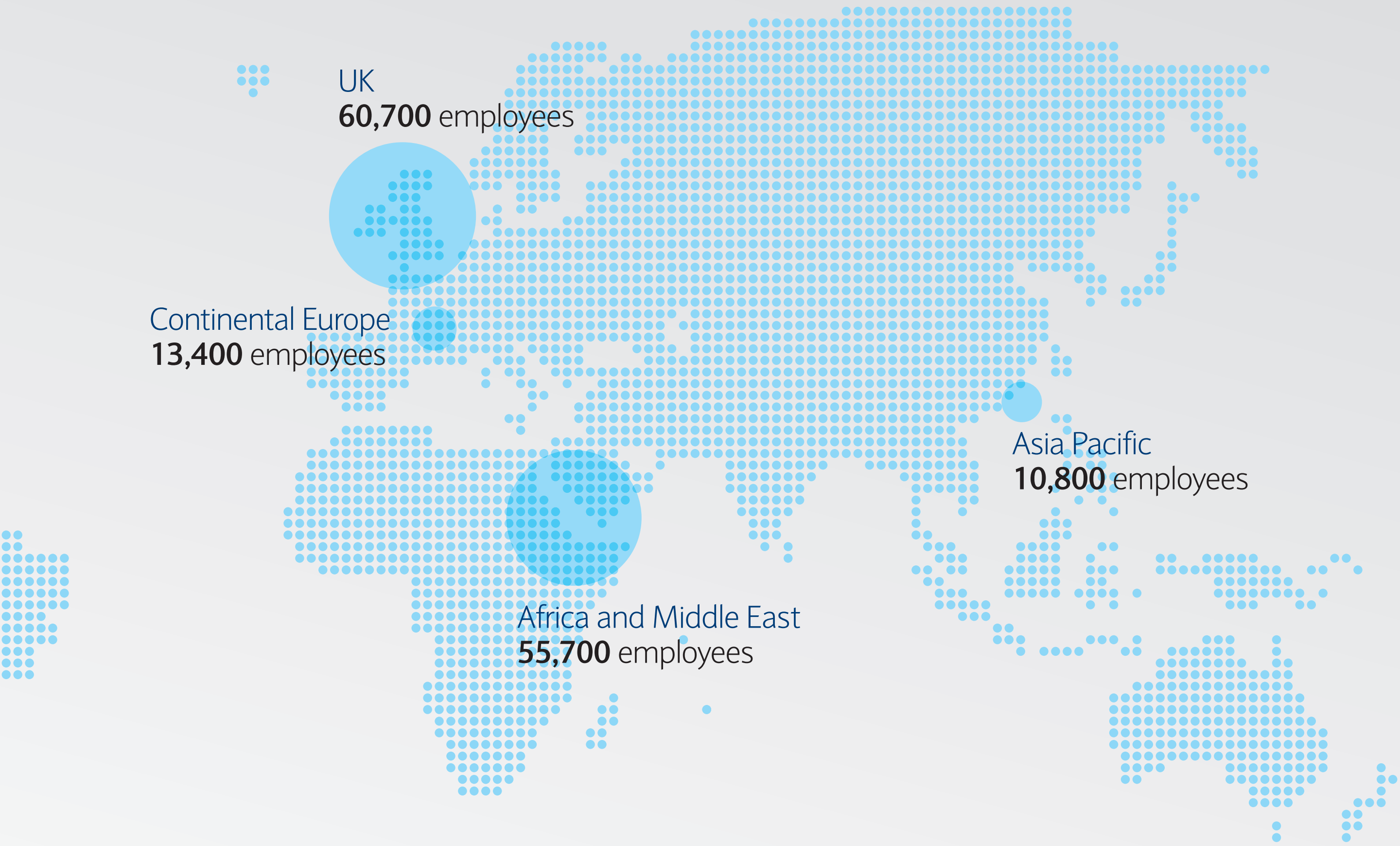
Number of customers
2.1m

GRCB – Emerging Markets
A rapidly growing part of the business – opening over 280 distribution points in 2008 and providing full banking services to over four million customers across Africa, Russia, the Middle East and Asia.

Profit before tax
£134m

Number of customers
4.2m

Diversified operations



Total number of employees
156,300

GRCB – Absa
One of South Africa's largest financial services groups with over 1,100 distribution points and over 10 million retail customers – offering a complete range of banking, bancassurance and wealth management products.

Profit before tax
£552m

Number of customers
10.5m

Investment Banking and Investment Management

Barclays Capital
Barclays investment banking division with the global reach, advisory services and distribution power to meet the needs of clients worldwide, holding top three positions in US capital markets and globally in commodities, foreign exchange, fund-linked derivatives, interest rate trading and investment.

Profit before tax
£1,302m

Number of clients generating more than £1m income
1,000+

Barclays Global Investors
One of the world's largest asset managers with US$1.5trn assets under management and the global product leader in exchange traded funds (iShares).

Profit before tax
£595m

Assets under management
$1.5trn

Barclays Wealth
Barclays Wealth serves clients worldwide, providing international and private banking, fiduciary services, investment management and brokerage. It is the UK's leading wealth manager by client assets and has offices across the Americas following the acquisition of Lehman Brothers Private Investment Management.

Profit before tax
£671m

Client assets
£145bn

Group Chairman’s statement

2008 was an extraordinarily difficult year for the financial services industry with the second half in particular seeing a period of exceptional instability.

Barclays was impacted by the difficult environment – we undertook two significant capital raisings during the year and incurred gross losses from credit market write-downs of approximately £8bn. However, a profit before tax for the year of just over £6bn, whilst benefiting from a number of gains on acquisitions and disposals, remains a resilient performance in such a difficult environment and reflects a continuing focus by all our people on servicing the needs of our customers and clients. We were able to absorb the level of credit market write-downs through the strong income performance of the Group.

As a result of raising over £13bn in equity and Tier 1 capital in 2008, our capital base has been substantially strengthened and we have over £37bn of equity capital and reserves. This scale of loss absorption capacity, combined with the underlying profitability of the Group, gives us confidence that our capital resources are sufficient, even in these difficult markets. Our liquidity position remains strong.

The share price performance during the year was acutely disappointing. Share prices in the sector as a whole were badly hit during the year by a number of factors. The Board is committed to creating the conditions to allow the share price to recover and to resume dividend payments in the second half of 2009, following the decision not to pay a final dividend for 2008.

As a Board, we very much regret what has happened to the banking sector in general and to Barclays share price in particular. We fully recognise that banks must review their internal governance systems and remuneration structures to ensure there can be no repeat of the turmoil that has impacted the industry, and the wider economy, over the last 18 months. The Board is also committed to ensuring that Barclays plays its full part in contributing to the restoration of the health of the global economy and with that the reputation of the industry. In particular, the capital position and ongoing profitability of the Group is enabling us to support our customers in the difficult economic environment. For example, our lending to UK consumers and UK commercial clients increased by 16% and 14% respectively in 2008.

We also recognise that some of our shareholders were unhappy about some aspects of the capital raising we announced last October. This unhappiness is a matter of great regret to us. I would like to give my personal assurance that the Board considered the capital raising very carefully. The Board regrets, however, that the capital raising denied Barclays existing shareholders their full rights of pre-emption and that our private shareholders were not able to participate.

Board changes

We announced in January 2009 that Sir Nigel Rudd had advised us that he did not intend seeking re-election at the forthcoming AGM. Sir Nigel has served as a Director for nearly 13 years and Barclays has benefited enormously from his commercial experience and wise counsel. He will be greatly missed. I would also like to pay tribute to Professor Dame Sandra Dawson who will also be retiring as a Director at the AGM. Sandra has served with distinction as both a Director and member of the Board Audit Committee. Stephen Russell will also retire from the Board in October after nine years excellent service, particularly as Chairman of the Board Audit Committee.

We have also announced the appointment of Simon Fraser as a new non-executive Director. Simon will bring valuable fund management and institutional shareholder experience to the Board.

Maintaining our commitment to sustainability

We focus our commitment in this important area on our ability to support our customers well in good times and bad; on our role as an equal opportunity company employing all races, creed, colour and orientation; on our commitment to play our part in managing the impact of climate change; and on our role as a responsible global citizen.

There is a universal benefit to be obtained from a return to confidence in the banking system and from the restoration of the reputation of the banking industry in general. I give you my assurance that we at Barclays will do our utmost to play our part in procuring this vital objective.

Marcus Agius
Group Chairman
Barclays PLC

“The Board is committed to creating the conditions to allow the share price to recover and to resume dividend payments in the second half of 2009.”

Delivering our strategy

We’re committed to supporting customers through the current economic climate, running over 800 savings seminars for customers in 2008.

51° 30' 16"N
London, UK 12pm GMT

We increased lending to social housing projects by over £2 billion.

£2bn

50° 48' 00"N
Portsmouth, UK 12pm GMT

Group Chief Executive's review

I reported in our interim results that the conditions in the market in the preceding 12 months were as difficult as any that we had experienced in many years. In the six months since, we have seen the bankruptcy of Lehman Brothers, substantial action taken by the UK and other governments, and a progressive deterioration in the consensus expectations for global economic prospects. The environment has been extraordinarily challenging for nearly two years, and remains so.

We have managed Barclays carefully through this period. We have remained solidly profitable. Although the 2008 profit before tax of £6.1bn includes several individually significant and one-off items, our performance during the year has mainly been driven by ongoing business. Where we have had the opportunity to generate non-recurring profits, we have done so, including a gain on the acquisition of Lehman Brothers North American businesses, a gain on the acquisition of the Goldfish credit card business in the UK, gains on selling the UK Closed Life Fund and from the Visa IPO and sale of MasterCard shares. These items, combined with record income generation across the Group, have enabled us to absorb substantial write-downs on our credit market assets and still post substantial profits.

But our shareholders have suffered a lot. Although we cannot control the price at which our shares trade in the market, we greatly regret the fact that the total return on our shares during 2008 has been heavily negative, and we acknowledge with regret, also, our decision not to recommend the payment of a final dividend for 2008, which is one of the consequences of the increased capital requirements introduced by the UK Financial Services Authority in October.

These facts have influenced significantly our compensation decisions in respect of 2008. This has resulted in the incentive payments across Barclays being significantly lower in 2008 than in 2007; in the application of high differentiation in incentive pools, based both on business and individual performance; and in our delivering a significant proportion of compensation for the most senior individuals across Barclays over multiple years. Executive Directors will receive no bonuses for 2008. For 2009 and beyond, we are reviewing our compensation policies and practices to ensure that they evolve appropriately. Our endeavour as we do this is to maximise the alignment between these and the interests of our owners, as well as to ensure that our compensation policies and practices are appropriately benchmarked to changing best practice in the industry.

Our priorities in 2008 were (and remain): to stay close to customers and clients; to manage our risks; and to progress strategy.

2008 priorities

Our approach of staying close to customers and clients is shown in the number of customers we serve in Global Retail and Commercial Banking, which has increased from 39 million to 48 million; in the increase in our lending volumes, particularly in UK mortgages, where our net lending mortgage market share was 36%, and in the Group as a whole where our loans and advances increased 32% to £510bn; and in sharply increased activity levels in Barclays Capital interest rates, currency products and commodities.

Managing our risks through the unfolding crisis has been a significant focus through the year. In the Annual Report we have set out extensive details on the nature and quality of our loans and advances, as well as further detail on our credit market assets. We have worked hard to reduce these during the year. £9.4bn of our exposures were sold or redeemed[a] and, in addition, we have announced a total of £8.1bn in gross write-downs of these assets. Managing these exposures will continue to be a priority in 2009. We are confident of the valuations of these assets at the year end: whilst we expect there will be further charges as we work down these assets, we also expect that gross write-downs in 2009 will be lower than the levels of 2008.

In progressing strategy in 2008, we have announced a number of acquisitions – Lehman Brothers North American businesses, Goldfish in the UK, Expobank in Russia, Akita Bank in Indonesia – and we also launched or expanded banking platforms in Pakistan and India. These steps will, we believe, have a significant collective impact in the future. We have also, of course, raised large amounts of new equity and other capital, increasing our shareholders' equity by almost 50% during the year.

As we look forward to 2009 it is clear that the economic and business environment will remain very difficult, and the quality of our assets and risk management capability will again be tested. The scale of our market presence in the geographies where we do business means that we will not avoid the consequences of severe downturn. Although we have been careful over recent years to avoid inappropriate risk concentration in our major loan

Note
a Includes redemption of £3.1bn leveraged finance exposure in January 2009.

We have committed to lend an additional £1.5 billion in 2009 to our SME customers.

£1.5bn

53° 28' 56"N
Manchester, UK 12pm GMT

Group Chief Executive's review continued

books in retail and commercial banking, our plans for 2009 assume that impairment will continue to be at a high level.

2009 strategic framework

Our framework for moving the strategy forward in 2009 has the following features:

1. Responsible corporate citizenship. Governments in the UK and elsewhere have taken significant steps to address the impacts of the financial crisis and recession, and we must work with the authorities and, of course, with our customers, to deal with the crisis in a way which is consistent with our obligations to shareholders.
2. We have committed to recommencing dividend payments during the second half of 2009. Thereafter, and as previously announced, dividend payments will be made on a quarterly basis. We will set out our dividend policy at the Annual General Meeting in April.
3. We must ensure that our capital position is robust and our balance sheet well-managed. For 2009, returns will rank ahead of growth.
4. To create good returns at this time, we must preserve strategic and operational choice. As conditions remain very difficult in 2009, we expect that there will be considerable value at stake for our shareholders in decisions that we take relating to resource utilisation, capital allocation and risk management. Our objective over time is to ensure that the cost of the capital we raised last November is covered many times over by the benefits of pursuing our strategy.
5. We must deliver solid profitability notwithstanding the global downturn. Our diversified income streams have served us well in recent years and have enabled us to absorb substantial costs from the financial crisis. We expect them to continue to do so.
6. We will seek to manage the composition of our profits, and capital allocation, to ensure that we optimise returns from our universal banking business model. What does this mean? It is clear to us that in the future there will be more capital in the banking system, and less leverage, particularly in capital markets businesses. This will be true at Barclays too, and will govern our approach to capital allocation and expected returns. We expect to see balance sheet utilisation by Barclays Capital fall over time, which will help us to deliver strengthening returns. We believe that the businesses that we have built from the integration of Lehman Brothers North American businesses and Barclays Capital will help in this regard, since the capital intensity of the advisory businesses in M&A and of the flow businesses in fixed income, currencies, equities and credit will be lower, once we have managed down our credit market exposures.

Goals

We set out last year our goals for economic profit for 2008 through 2011. Those were based on, amongst other things, the then regulatory capital requirements for the business and the then cost of equity. The regulatory capital requirements were significantly increased last year by the UK Financial Services Authority. The observed cost of equity has also increased. It is right, therefore, that we revisit our goals, to ensure that they are properly aligned with our new return and balance sheet objectives, and with the interests of our owners. We intend to publish revised goals in due course that reflect the changes to the environment in the past two years.

2009 trading

Customer and client activity levels were high in the first month of 2009, and we have had a good start to the year. In particular the operating performance of Barclays Capital, benefiting from the now complete integration of the Lehman Brothers North American businesses, was extremely strong. The trends that lie behind the strong operating performance in Global Retail and Commercial Banking in 2008 were again observable in its performance in January.

Conclusion

I end this review by recording the Board's appreciation of the dedication and hard work of our 150,000 people. We are doing more business with more customers and clients than at any time in our history, and have generated substantial profits. That we have been able to do this reflects the continuing focus of Barclays employees on delivering high-quality service to clients and customers despite the difficult conditions of the year.

John Varley
Group Chief Executive

> "Our performance reflects the continuing focus of Barclays employees on delivering high-quality service to clients and customers despite the difficult conditions of the year."

GRCB expansion continues outside the UK with over 800 new distribution points, a 34% increase year on year.

+34%

25° 03' 25"N
Dubai 4pm GST

In 2008, we achieved nearly double the number of Best Buy appearances for our products than in 2007, demonstrating the strength of our offerings.

55° 51' 39"N
Glasgow, UK 12pm GMT

Business review
Group performance

Barclays delivered profit before tax of £6,077m in 2008, a decline of 14% on 2007. The results included the following significant items:

– gains on acquisition of £2,406m, including £2,262m gain on acquisition of Lehman Brothers North American businesses

– profit on disposal of Barclays Closed UK Life assurance business of £326m

– gains on Visa IPO and sales of shares in MasterCard of £291m, distributed widely across the Group

– gross credit market losses and impairment of £8,053m, or £4,957m net of related income and hedges of £1,433m and gains on own credit of £1,663m

Profit after tax increased 4% to £5,287m. This reflected an effective tax rate of 13% (2007: 28%) primarily due to the gain on the acquisition of Lehman Brothers North American businesses of £2,262m, in part being offset by carried forward US tax losses attributable to Barclays businesses. Earnings per share were 59.3p (2007: 68.9p), a decline of 14% from 2007, reflecting the impact of share issuance during 2008 on the weighted average number of shares in issue.

Income grew 1% to £23,115m. Income in Global Retail and Commercial Banking increased 17% and was particularly strong in businesses outside of the UK to which we have directed significant resource. Income in Investment Banking and Investment Management was down 19%. Barclays Capital was affected by very challenging market conditions in 2008, with income falling by £1,888m (27%) on 2007. Excluding credit market related losses, gains on own credit and related income and hedges, income in Barclays Capital increased 6%.

Impairment charges and other credit provisions of £5,419m increased 94% on the prior year. Impairment charges included £1,763m arising from US sub-prime mortgages and other credit market exposures. Other wholesale impairment charges increased significantly as corporate credit conditions turned sharply worse. In Barclays Capital increased charges also arose in prime services, corporate lending and private equity. In Barclays Commercial Bank, increased impairment charges reflected the UK economy moving into recession. In the UK there was a moderate increase in impairment in UK Retail Banking as a result of book growth and a deteriorating economic environment. UK mortgage impairment charges remained low. There was a lower charge in UK cards as net flows into delinquency and arrears levels reduced. Significant impairment growth in our Global Retail and Commercial Banking businesses outside the UK reflected very strong book growth in recent years, and maturation of those portfolios, together with deteriorating credit conditions and rising delinquency rates in the US, South Africa and Spain.

Operating expenses increased 9% to £14,366m. We continued to invest in our distribution network in the Global Retail and Commercial Banking businesses. Expenses fell in Barclays Capital due to lower performance related costs. Underlying cost growth was well controlled. The Group cost:income ratio deteriorated by five percentage points to 62%.

Shareholders' equity
We increased shareholders' equity, excluding minority interests, nearly 57% from £23bn at the end of 2007 to £37bn at the end of 2008. The main drivers for this were: equity issuances in July and September of £5.0bn; equity impact of issuing Mandatorily Convertible Notes and Warrants of £4.4bn; and after tax profits of £5.3bn. Other reserves increased £1.6bn and we paid dividends of £2.3bn.

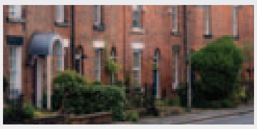
Capital management
At 31st December 2008, on a Basel II basis our equity Tier 1 ratio was 6.7% and our Tier 1 ratio was 9.7%, both stated on a pro forma basis to reflect conversion into ordinary shares of the Mandatorily Convertible Notes and inclusion of all innovative Tier 1 capital. Our capital ratios reflect a 22% increase in risk weighted assets to £433bn during the year. This was driven by the combined impacts on risk weighted assets of the weakening of Sterling and the pro-cyclical effects of the International Basel Accord as well as lending growth in 2008. The pro forma ratios significantly exceed the minimum levels established by the UK Financial Services Authority.

We expect a single digit percentage rate of risk weighted asset growth in 2009. We expect to maintain our equity Tier 1 ratio and Tier 1 ratio at levels which significantly exceed the minimum requirements of the UK FSA for the duration of the current period of financial and economic stress.

Outlook
We expect 2009 to be another challenging year with continuing downturns or recessions in many of the economies in which we are represented. In 2008 our profits were reduced by the impact of substantial gross credit market losses. In 2009, we expect the impact of such credit market losses to be lower. Whilst we are confident in the relative quality of our major books of assets, we also expect the recessionary environments in the UK, Spain, South Africa and the US to increase the loan loss rates on our loans and advances. Our planning assumption for 2009 reflects an increase in impairment charges as a percentage of loans and advances to a range of 130-150bps.

Governments in the UK and elsewhere have taken significant measures to assist borrowers and lenders in response to the emerging recession. We expect the combined impact of these measures and the lower interest rate environment to be positive for the economy in time.

Our share of new mortgage business in the UK in 2008 was 36% compared to 8% in 2007, with a conservative average mortgage LTV of 47%



51° 28' 43"N
Cardiff, UK 12pm GMT

Barclays India launches an innovative mobile banking service

28° 38' 07"N
New Delhi 5.30pm IST

Barclaycard announced a series of initiatives to give 3 million UK cardholders additional support including rate reduction.

3m

54° 35' 58"N
Belfast 12pm GMT

Business review

Global Retail and Commercial Banking

Barclays Global Retail and Commercial Banking was formed in 2006 with a clear goal: to become a strong growth engine for Barclays by diversifying into high growth markets, while continuing the steady growth in the UK businesses. Barclays believes this global scale will allow it to better serve retail and commercial customers in markets across the world.

In 2008, we have continued to make significant progress towards achievement of that goal. Barclays has attracted nine million new customers, mainly through organic growth. It has also continued to improve its offer to customers with the launch of Premier, a tailored exclusive service, with openings in Abu Dhabi, Lisbon, Milan and, in early 2009, London.

Barclays has continued the transformation of UK Retail Banking, increasing its share of net new mortgage lending to 36% and it is growing its share of many other UK products, such as instant access savings. Barclays has also continued to invest in upgrading the branch network by opening new flagship branches and renovating older branches.

Barclays remains committed to its SME customers. By the end of 2008, we have extended £15bn in loans to the SME market and have committed to lending a further £1.5bn in 2009.

In Barclays Commercial Bank, the focus on staying close to customers, combined with our considered approach to risk and deliberate diversification of the lending portfolio, means that Barclays is relatively well-positioned, with less exposure than some other banks to the riskiest market segments. For example, commercial property comprises only 5% of Barclays Commercial Bank's portfolio.

Barclaycard continues to benefit from its investment in markets outside of the UK and, today, has almost as many customers outside the UK as in it. Barclaycard has significantly expanded its cards franchises, with the purchase of Goldfish in the UK and partnerships with, for example, US Air and LL Bean in the US, and Woolworths Finance in South Africa.

In GRCB – Western Europe, Barclays has continued to grow the network, adding more than 340 distribution points during 2008. In Italy, Barclays acquired a high-quality residential mortgage portfolio, at a discount to net asset value, that immediately contributed to its profits.

The GRCB – Emerging Markets business continued to grow: acquiring Expobank in Russia and Bank Akita in Indonesia, and obtaining a banking licence and commencing operations in Pakistan. The network grew by more than 280 distribution points, which helped attract more than 2.2 million new customers.

In South Africa, Absa has continued to grow and now serves more than 10.5 million customers. For the third year running, it has been voted the best banking brand in the *Sunday Times*/Markinor survey.

2009 will be a challenging year as the global economic downturn puts pressure on Barclays customers and therefore on its profits. However, Barclays has pledged to remain close to its customers and clients and to continue lending. Barclays is committed to playing its part in bringing the UK economy, and all other economies where it operates, out of recession.

Key facts

- Barclays is committed to helping its customers and clients achieve their goals. More than 48 million customers and clients worldwide have entrusted Barclays to help them manage their finances.
- It has lent more than £285bn to customers and clients around the world and holds more than £192bn in deposits.
- 4,900 distribution points globally with more than 64% of the network outside of the UK.
- 816,000 mortgage customers in the UK, with an average loan-to-value of 40%.

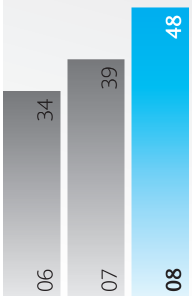
Employees outside UK
60%

Distribution points growth
20%

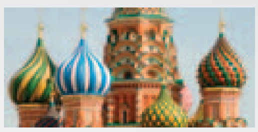
"Barclays wants to be the best retail and commercial bank for customers and clients – every time, every product, and in every one of our markets"

Frits Seegers
Chief Executive,
Global Retail and Commercial Banking

Number of customers (m)



We've entered new markets in Pakistan, Indonesia and Russia.



55° 45' 21"N
Moscow 3pm MSK

Personal Reserve current account, offered free of charge on top of existing overdraft limits, was launched in 2008, and is unique in the market.

52° 24' 44"N
Coventry, UK 12pm GMT

Build the best bank in the UK

Barclaycard contactless technology

In 2008 Barclaycard issued over one million contactless payment cards in the UK, with more than 7,000 shops now having the technology to use the cards installed. The cards enable people to pay for items costing £10 or less by simply swiping them against a sensor and Barclaycard research shows 98% of people with a contactless payment card think it is easy to use and 88% think it speeds up payment times.

Number of contactless cards

1m+

51° 30' 18"N
London, UK 12pm GMT

Business review

Investment Banking and Investment Management

Accelerate growth of global businesses

Lehman Brothers Acquisition

The acquisition of Lehman Brothers North American businesses accelerated the execution of our strategy of diversification by geography and business in pursuit of profitable growth on behalf of our shareholders. It has created a premier integrated global investment banking company with a leading presence in all major markets and across all major lines of business including: equity capital markets, debt capital markets, mergers and acquisitions, commodities trading and foreign exchange. For Barclays Wealth, the acquisition gives us a strong platform from which to extend our wealth management offering in the Americas.

All-American Equity Business Research Team

No.1

40° 45' 39"N
New York 7am EST

Profit before tax decreased 24% to £2,568m, with positive contributions from all three businesses despite a very challenging market environment. The results included £8,053m of gross credit market losses and gains on acquisition and disposal of £2,588m. Income for Investment Banking and Investment Management was down 19% to £8,399m.

Despite the market conditions, each business was able to accelerate its longer term strategy. Through the acquisition of Lehman Brothers North American businesses, Barclays Capital gained a top tier presence in the North American investment banking market, including new product capabilities in cash equities and advisory. Barclays Global Investors continued its product and geographic expansion, including strong asset flows in iShares and good performance in its Fixed Income active funds. Barclays Wealth also gained a significant Americas presence through the acquisition of Lehman's Private Investment Management business, as well as launching its India onshore business during 2008.

Barclays Capital

In an exceptionally challenging market environment, Barclays Capital generated profit before tax of £1,302m, down 44% from the record 2007 result. Profit was impacted by the continuing dislocation in the credit markets which resulted in gross credit losses of £8,053m, partially offset by gains of £1,663m on the widening of credit spreads on issued notes by Barclays Capital. In addition there was a gain on the acquisition of Lehman Brothers North American businesses of £2,262m.

Income of £5,231m was down 27% due to the market dislocation. Underlying income, excluding credit market related losses, gains on own credit and related income and hedges, increased 6% on the prior year with record performances in interest rate products, currency products, emerging markets, prime services and commodities. There was also very strong underlying growth in the US driven by fixed income, prime services and the acquired businesses. Operating expenses decreased 5%, despite absorbing 10,000 staff acquired from Lehman Brothers North American businesses, due to a reduction in performance related pay of more than 50%.

In the first month of 2009, the operating performance of Barclays Capital was extremely strong, reflecting high client activity levels and the benefit of the now complete integration of the Lehman Brothers North American businesses.

Barclays Global Investors

Profit before tax decreased 19% to £595m. Profit was impacted by the cost of provision of selective support of liquidity products and an 8% appreciation in the average value of the US Dollar against Sterling. Income fell 4% to £1,844m due to lower incentive fees. Operating expenses increased 5% and included charges of £263m (2007: £80m) related to selective support of liquidity products. Total assets under management were US$1,495bn, reflecting net new assets of US$99bn, negative market moves of US$553bn and adverse exchange rate movements of US$130bn.

Barclays Wealth

Profit before tax grew 119% to £671m, including a £326m profit on disposal of the closed life business. Income growth of 3% to £1,324m reflected strong growth in customer deposits and lending, partially offset by the impact of lower equity markets on fee income. Operating expenses decreased 4% reflecting strong cost control. Total client assets increased 10% (£12.6bn) to £145.1bn, with net new asset inflows and the acquisition of Lehman Brothers North American businesses offsetting the impact of negative market movements and the sale of the closed life business.

Key facts

Barclays Capital
- No. 1 in Global All Bonds
- No. 1 in US government securities survey
- No. 3 in Euromoney Foreign Exchange poll
- Best structured Products House – Euromoney 2008 Awards for Excellence

Barclays Global Investors
- World's largest asset manager, Index Manager and ETF Manager
- 3,000 institutional clients across 50 countries

Barclays Wealth
- Leading UK wealth manager for the third year running and No. 9 globally (Private Asset Management – PAM)
- 25 onshore locations

No. of Barclays Capital clients generating over £1m income
1,000+

Countries in which Barclays Wealth clients served
190+

"Our strong revenue performance reflects our unwavering commitment to our clients, helping them achieve their aims at their time of greatest need. 2009 will be another testing year in the markets, but we have a unique opportunity to serve our clients more comprehensively than ever before."

Robert E Diamond Jr
Chief Executive,
Investment Banking and Investment Management

BGI iShares attracted a record US$89bn in net new assets in 2008.

$89bn

37° 47' 17"N
San Francisco 4am PST

Barclays Wealth clients around the world are now served by over 1,600 client facing professionals.

1,600+

1° 11' 55"N
Singapore 8pm SGT

Lehman Brothers North American businesses integration completed in January 2009, within the 100 day target.

40° 45' 39"N
New York 7am EST

Summary Financial Statement

Summary consolidated income statement

For the year ended 31st December	2008 £m	2007 £m
Net interest income	11,469	9,610
Net fee and commission income	8,407	7,708
Other income	3,476	6,174
Total income	23,352	23,492
Net claims and benefits incurred on insurance contracts	(237)	(492)
Total income net of insurance claims	23,115	23,000
Impairment charges	(5,419)	(2,795)
Net income	17,696	20,205
Operating expenses	(14,366)	(13,199)
Share of post-tax results of associates and joint ventures	14	42
Profit on disposal of subsidiaries, associates and joint ventures	327	28
Gains on acquisitions	2,406	–
Profit before tax	6,077	7,076
Tax	(790)	(1,981)
Profit after tax	5,287	5,095
Profit attributable to minority interests	905	678
Profit attributable to equity holders of the parent	4,382	4,417
	5,287	5,095
Dividends		
Interim dividend 11.5p (2007: 11.5p)	£906m	£768m
Proposed final dividend 00.0p (2007: 22.5p)	–	£1,485m
Earnings per share		
Basic earnings per share [a]	59.3p	68.9p
Diluted earnings per share [b]	57.5p	66.7p

Notes

a **Basic earnings per share**
The calculation of basic earnings per share is based on the profit attributable to Barclays shareholders over the weighted average number of shares (which includes shares that will be issued following conversion in full of the Mandatorily Convertible Notes) and represents the level of earnings generated per ordinary share.

b **Diluted earnings per share**
Basic earnings per share is adjusted for the conversion of outstanding options into shares within Absa Group Limited and Barclays Global Investors UK Holdings Limited.

Independent auditors' statement to the members of Barclays PLC

We have examined the Summary Financial Statement, which comprises the Summary consolidated income statement, the Summary consolidated balance sheet, and the Summary remuneration report set out on pages 14, 15, 24 and 25.

Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the Annual Review in accordance with United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statement within the Annual Review with the full annual financial statements and the Remuneration report, and its compliance with the relevant requirements of section 251 of the Companies Act 1985 and the regulations made thereunder.

We also read the other information contained in the Annual Review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement.

This statement, including the opinion, has been prepared for and only for the Company's members as a body in accordance with section 251 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or

Summary Financial Statement

Summary consolidated balance sheet

For the year ended 31st December	2008 £m	2007 £m
Assets		
Cash and other short-term funds	**31,714**	7,637
Trading and financial assets designated at fair value	**306,836**	341,171
Derivative financial instruments	**984,802**	248,088
Loans and advances to banks	**47,707**	40,120
Loans and advances to customers	**461,815**	345,398
Available for sale financial investments	**64,976**	43,072
Reverse repurchase agreements and cash collateral on securities borrowed	**130,354**	183,075
Other assets	**20,102**	15,804
Property, plant and equipment	**4,674**	2,996
Total assets	**2,052,980**	1,227,361
Liabilities		
Deposits and items in the course of collection due to banks	**116,545**	92,338
Customer accounts	**335,505**	294,987
Trading and financial liabilities designated at fair value	**136,366**	139,891
Liabilities to customers under investment contracts	**69,183**	92,639
Derivative financial instruments	**968,072**	248,288
Debt securities in issue	**149,567**	120,228
Repurchase agreements and cash collateral on securities lent	**182,285**	169,429
Other liabilities	**16,052**	15,032
Insurance contract liabilities, including unit-linked liabilities	**2,152**	3,903
Subordinated liabilities	**29,842**	18,150
Total liabilities	**2,005,569**	1,194,885
Shareholders' equity [a]		
Shareholders' equity excluding minority interests	**36,618**	23,291
Minority interests [b]	**10,793**	9,185
Total shareholders' equity	**47,411**	32,476
Total liabilities and shareholders' equity	**2,052,980**	1,227,361

The Summary consolidated income statement and the Summary consolidated balance sheet were approved by the Board of Directors on 5th March 2009 and signed on its behalf by the Group Chairman.

Notes

a **Shareholders' equity**
Represents the residual interest of shareholders in the Group and largely consists of Ordinary Share Capital and accumulated retained earnings.

b **Minority interests**
The interests of others in certain subsidiaries of the Group, for example Absa Group Limited.

to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

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

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6, 'The auditors' statement on the Summary Financial Statement' issued by the Auditing Practices Board. Our report on the company's full annual financial statements describes the basis of our audit opinion on those financial statements and the Remuneration report.

Opinion

In our opinion the Summary Financial Statement is consistent with the full annual financial statements and the Remuneration report of Barclays PLC for the year ended 31st December 2008 and complies with the applicable requirements of section 251 of the Companies Act 1985, and the regulations made thereunder.

PricewaterhouseCoopers

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
5th March 2009

Corporate sustainability

Sustainability and Barclays

At Barclays, we recognise that our sustainability values have increased importance in the current financial climate. We are focused on: supporting our existing customers; being a bank that welcomes all potential customers; being an equal opportunity employer; our commitment to addressing climate change and ensuring we behave at all times as a responsible global citizen.

Doing this effectively helps us to reduce our risk and positions us well to capture commercial opportunities arising from the global transition towards a more sustainable future.

Developing our strategic framework

To measure our success in integrating sustainability into our business we have addressed the broad sustainability agenda through five key themes:

– Customers and clients

– Inclusive banking

– Diversity and our people

– Environment

– Responsible global citizenship

These themes resonate in our businesses, provide a platform for action, and give us a clear purpose and direction.

This section examines each theme, and the table opposite defines the themes and identifies progress against them during 2008.

We manage and report our progress on the sustainability topics of most significance to our business and our stakeholders. We have determined this in part through:

– our research initiatives and partnerships

– dialogue with our stakeholders including customers, investors, governments, non-governmental organisations (NGOs), consumer groups, and journalists across our markets globally

– internal and external focus groups including hosting consumer roundtables in the UK.

Measuring progress

We aim to measure and monitor sustainability progress both internally and externally.

In 2008, we developed a framework for regular progress reports to the Group Executive Committee and the Board. It provides consistent tracking of our progress by sustainability theme and Business Unit.

Barclays participates in a number of external indices, forums and initiatives including the Dow Jones Sustainability Index and FTSE4Good. In 2008, Barclays ranked joint first in the Carbon Disclosure Project's Leadership Index.

Customers and clients

In 2008, amid widespread uncertainty in financial markets and the wider global economy, staying close to our clients and customers, who we recognise have a choice where they bank, was vital.

Our record of lending responsibly has allowed us to continue mortgage lending in the UK, increasing our share of net new lending from 8% in 2007 to 36% in 2008.

We increased lending to UK SMEs by 6% to a total of £15bn. We also provided support to small businesses in the UK and South Africa including significant investment in the Barclays Business Support team which is dedicated to helping business customers in financial difficulty in the UK.

In addition, we have committed to lend an additional 10% (£1.5bn) to SMEs in the UK by the end of 2009. We continue to act on customer and client feedback to develop appropriate products and services to meet different needs.

Inclusive banking

For Barclays, inclusive banking means helping those who are excluded from the financial system to join and benefit from it.

We have dedicated accounts for people on low incomes across several countries in Africa. In 2008, these basic accounts made up 27% of our total current and savings accounts in Africa.

We continued to support better access to financial products and services in the UK through our basic-level Cash Card Account, which is now held by more than 730,000 customers, and through partnerships with community finance organisations and charities which help excluded and vulnerable people in society.

In March 2008, Barclays launched the 'Hello Money' service in India which allows customers to carry out banking transactions easily and securely over their mobile phones. Hello Money is already making a significant impact in giving access to financial services for people in India's rural areas.

Diversity and our people

Barclays aims to provide a safe working environment in which employees are treated fairly and with respect, encouraged to develop and rewarded on the basis of individual performance.

In 2008, Antony Jenkins, CEO Barclaycard was appointed Diversity and Inclusion Executive Champion to drive the Global Retail and Commercial Banking diversity agenda. Initiatives in 2008 included establishing the requirement that every senior executive has a diversity objective linked to their performance goals.

Environment

We seek to minimise our environmental impact through reducing Barclays energy, water and waste footprints and managing the risks and opportunities associated with climate change.

In 2008, Barclays set environmental targets that apply to our global operations. We will measure our performance over three years from 2009 to 2011 against a 2008 baseline. The targets are to reduce by 6% per employee (achieving an average of 2% reduction per year): CO_2 emissions; energy use from buildings (excluding data centres); and water use.

We have made our UK and European operations carbon neutral by offsetting emissions from energy use and travel. We are on track to make our global banking operations carbon neutral by the end of 2009.

Environmental and social risk

The majority of the environmental and social risks associated with our business are indirect. These impacts arise through business relationships, including those with our supply chain and those with our clients through our financing activities.

We apply our Environmental and Social Impact Assessment policy to projects that we are considering financing. In 2008, a total of 31 project finance deals were assessed against the Equator Principles, a set of social and environmental

Key facts

Barclays Capital traded more then 1 billion tonnes of carbon credits with a notional value of over £20 billion

1bn

51° 30' 21"N
London, UK 12pm GMT

Over 57,000 employees received direct support for fundraising, volunteering and giving in 31 countries

57,000

1° 16' 28"S
Nairobi 3pm EAT

£52.2m invested in our communities globally

£52.2m

19° 01' 04"N
Mumbai 5.30pm IST

criteria adopted by many banks. In addition, the Environmental Risk Management team assessed 229 non-project finance transactions.

We continue to assess our environmental and social impact beyond the project finance remit of the Equator Principles and are working to include climate change and human rights considerations in these assessments.

Responsible global citizenship
We acknowledge and accept that we have an obligation to be a responsible global citizen which includes managing our business and supply chain to improve our social, economic and environmental impact, and doing business ethically.

Community investment
Investing in the communities in which we operate is an integral part of Barclays sustainability strategy. During 2008, we maintained our levels of investment in communities despite the challenging conditions. Barclays launched a three-year global community investment partnership with UNICEF, the leading children's organisation, in which we committed to invest £5m.

Human rights and Barclays
In June 2008, we refined our statement on human rights (first introduced in 2004) which outlines the approach we take to human rights through our three main areas of impact – as an employer, as a provider of financial services to customers and clients, and as a purchaser of goods and services from suppliers. We aim to operate in accordance with the:

– Universal Declaration of Human Rights

– OECD Guidelines for Multinational Enterprises

– International Labour Organisation's Core Conventions.

Barclays is active in contributing to the global business and human rights agenda through our membership of two organisations – the Business Leaders' Initiative on Human Rights, launched in 2003, of which we are a founder member, and the United Nations Environment Programme Finance Initiative (UNEP FI), for which we co-chair the Human Rights Workstream.

We extended the guidance provided to our employees on human rights in 2008 to include access to an online tool for front line lending managers, which assists in identifying and mitigating human rights risks.

Supply chain
We work closely with our suppliers to help them manage their own impacts and ensure they share our commitment to sustainability. Our Group-wide sourcing process includes criteria for measuring and assessing our suppliers' sustainability. During 2008, we continued to engage directly with our suppliers on sustainability, both as part of our ongoing supplier relationships and to address specific issues such as reducing their carbon emissions.

Barclays sustainability themes

Theme	Definition	Progress in 2008
Customers and clients	Ensuring our products and services meet the needs of customers and clients, and developing innovative solutions to enhance performance, relationships and satisfaction	– Increased share of new mortgages in the UK from 8% to 36% of net new lending from 2007 to 2008 – Increased lending to UK SMEs by 6% to £15 bn
Inclusive banking	Extending the reach of banking services in developing markets and reducing financial exclusion in developed markets	– Absa, which has 10 million customers, is now the market leader for low-income customers in South Africa – those earning less than R3,000 (£200) a month – with a market share of 33% – In the UK, our basic-level Cash Card Account is held by more than 730,000 customers, of whom over 38,000 live in deprived areas – In Africa, we have more than 590,000 customers who are on low incomes
Diversity and our people	Attracting employees from the widest possible talent pools and developing and retaining colleagues on the basis of performance and ability	– 15% of senior executives globally are women – 12% of colleagues in the UK are of an ethnic minority – 2% of colleagues in the UK have a disability
Environment	Minimising direct environmental impacts by mitigating Barclays energy, water and waste footprints and managing the risks and opportunities associated with climate change	– 31 project finance deals were assessed against the Equator Principles – 229 non-project finance transactions were assessed by the Environment Risk Management team – Barclays Capital has traded more than 1 billion tonnes of carbon credits with a notional value of over £20bn
Responsible global citizenship	Managing Barclays indirect economic, ethical, social and environmental impacts, encouraging our supply chain to be more sustainable, and investing in the local communities where we do business	– £52.2m invested in communities – Over 57,000 employees received direct support for fund-raising, volunteering and giving in 31 countries – 80% of our key suppliers completed our sustainability screening questionnaire

Summary corporate governance report

The year proved to be extremely challenging for the financial services industry as increasing vulnerabilities exposed in the global financial system created a period of exceptional instability.

During October 2008, it became clear that an industry-wide solution to the risks of systemic failure in the UK financial services sector was needed. The outcome of discussions between the UK FSA and the UK banks was that we, along with many of our competitors, were required to raise additional equity and Tier 1 capital to take our capital ratios well beyond the levels we had previously agreed with our regulators (the Capital Raising).

The Board was fortunate in that the relative strength of the Group created choice relating to the means and timetable of meeting the new capital requirements introduced by the FSA. But the environment required that the decisions relating to how additional equity and Tier 1 capital could be raised had to be taken quickly. The Board did not take any of these decisions lightly: its governance processes were rigorous. It met frequently, debated the issues at length, heard differing views and arguments, sought external advice and consulted representative shareholder bodies.

The Board believes that the decisions made have resulted in the Group being able to maintain its strategic momentum. The Directors deeply regret, however, that the Capital Raising denied Barclays then existing shareholders their full rights of pre-emption with respect to the ordinary shares issued. The Directors recognise that there is a high level of unhappiness on the part of some shareholders that the principle of pre-emption was breached with consequent dilution of shareholdings and that, were it not to avoid the risk of destabilising the Company or the system, more of them may have voted against the enabling resolution at the General Meeting on 24th November 2008.

The Directors wish to place on record both their appreciation of the support received from shareholders in difficult circumstances in completing the Capital Raising and to re-affirm their fundamental commitment to the principle of pre-emption.

Corporate covernance framework – Role of the Board

The Board is responsible for managing the Company on behalf of its shareholders and must ensure that an appropriate balance between promoting long-term growth and delivering short-term objectives is achieved. The role and responsibilities of the Barclays Board are set out in 'Corporate Governance in Barclays', available online at *www.aboutbarclays.com*.

The Board has eight scheduled Board meetings each year. Strategy is reviewed regularly at these meetings and there is normally a day and a half offsite meeting to consider and approve the Group's strategy for the next year. Adverse market conditions during 2008 led to the Board holding an additional 23 meetings, where it discussed the impact of market conditions on performance, liquidity, the three capital raisings that were undertaken during the year and the acquisition of Lehman Brothers North American investment banking and capital markets businesses. There were also eight meetings of the Board Finance Committee during the year to which the Board delegated authority to approve certain aspects of the capital raisings and the acquisition. Ongoing and regular communication with the Board was vital during this period given the need for the Board to respond to rapidly changing circumstances. The Group Chairman and the Company Secretary work together to make sure that information communicated to the Board is accurate, timely and clear.

Board structure and composition

The roles of the Group Chairman and Group Chief Executive are separate. There is a strong independent element on the Board and at least half the Board are independent non-executive Directors. At the date of this report, the Board is comprised of the Group Chairman, four executive Directors and 11 non-executive Directors.

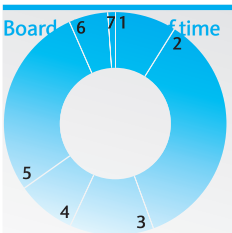
Although the Board of Directors has collective responsibility for the success of the Group, executive Directors are directly responsible for business operations, whereas non-executive Directors are responsible for bringing independent judgement and scrutiny to decisions taken by the Board. The non-executive Directors must satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust.

Given the events of 2008 and the continuing uncertainty in the global financial services industry, the Board and, in particular, the Board Corporate Governance and Nominations Committee, is considering both the appropriate size and skills mix of the Board. As a financial services business, the Board aims to appoint non-executive Directors who have the necessary skills and experience required for a proper understanding of the Group's activities and associated risks. Details of the experience and skills of each of the current Directors are set out in their biographies on pages 20 and 21.

We have also announced the appointment of Simon Fraser as a new non-executive Director. Simon held a number of positions during his career at Fidelity International, including President of Fidelity's European and UK institutional business

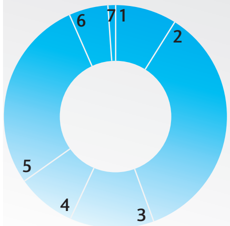
> "The Directors wish to place on record both their appreciation of the support received from shareholders in difficult circumstances in completing the Capital Raising and to re-affirm their fundamental commitment to the principle of pre-emption. The Board is clear that the extraordinary circumstances which they were required to deal with were so unusual as to be effectively unique."

Board … f time



	2008	2007
1 Control Issues	9	9
2 Financial Results	36	33
3 Internal Audit Matters	11	9
4 External Audit Matters	9	9
5 Business Control Environment	28	25
6 Governance and Compliance	6	14
7 Other	1	1

Board Audit Committee allocation of time



	2008	2007
1 Control Issues	9	9
2 Financial Results	36	33
3 Internal Audit Matters	11	9
4 External Audit Matters	9	9
5 Business Control Environment	28	25
6 Governance and Compliance	6	14
7 Other	1	1

and Global Chief Investment Officer. He will bring valuable fund management and institutional shareholder experience to the Board.

All Directors will be seeking re-election at the AGM on 23rd April 2009, with the exception of Sir Nigel Rudd and Professor Dame Sandra Dawson, who will be retiring at the conclusion of the AGM.

Board Committees
Certain responsibilities of the Board are delegated to Board Committees to assist the Board in carrying out its functions and to ensure independent oversight of internal control and risk management. All members of principal Board Committees are non-executive Directors.

Board Audit Committee
The Committee's areas of focus in 2008 were dominated by the continuing disruption to the credit markets and financial services sector as a whole. In early 2008, a separate session of the Committee was held on accounting for and valuation of derivatives and complex financial instruments and the Group's valuation methodology for these instruments.

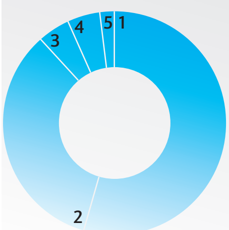
When considering the Group's preliminary and half-year results and interim management statements, the Committee spent a significant amount of time reviewing the disclosures around and the fair value of Barclays Capital's credit markets exposures. Reassurance was sought from independent Group control functions such as Risk and Finance, and the external auditors, that the individual marks were appropriate. The Committee discussed the overall impact of market conditions on the remit of the Committee and this will help shape its agenda for 2009.

In the second half of the year, the Committee directed increasing attention at the deepening economic downturn, reviewing the key controls by which consequent risk is managed. As a result, impairment measurement, fraud controls, collections activities and day-to-day credit controls and security documentation are receiving increased scrutiny from the Committee.

Board Risk Committee
2008 was also a challenging year for risk management and this was reflected in the work of the Committee, which monitored the Group's sub-prime exposures throughout the year. The reduction in limits and scale of the sub-prime business in 2007 reduced the impact of the crisis, although substantial write-downs were still required during 2008, reflecting a further deterioration in the markets and underlying performance of the assets. The Committee also monitored the Group's exposure to other areas affected by the crisis, and carefully monitored the Group's overall risk exposure in the light of the anticipated worsening in economic conditions. It also reviewed management plans to manage and mitigate the effects of the expected downturn in multiple markets. The capital position was monitored throughout the year relative to regulatory requirements and the Group's overall risk appetite. Several steps were taken to strengthen the capital base prior to the events of October 2008. The Committee played an active role in informing Board debate about risk appetite and capital planning for 2009.

Marcus Agius
Group Chairman
5th March 2009

Board Risk Committee allocation of time



	2008	2007
1 Risk Profile/Risk Appetite (including capital management)	55	40
2 Key Risk Issues (including ABS and Leveraged Credit Markets)	35	40
3 Internal Control/Risk Policies	4	3
4 Regulatory Frameworks	5	12
5 Other	1	5

Share capital and other information
The authorised share capital of the Company is £3,540m, US$77.5m, €40m and ¥4,000m. (31st December 2007: £2,500m) comprising 13,996 million (2007: 9,996 million) ordinary shares of 25p each, 0.4 million Sterling preference shares of £100 each, 0.4 million US Dollar preference shares of $100 each, 150 million US Dollar preference shares of $0.25 each, 0.4 million Euro preference shares of €100 each, 0.4 million Yen preference shares of ¥10,000 each and 1 million (2007: 1 million) staff shares of £1 each. As at 31st December 2008 the issued ordinary share capital totalled 8,371,830,617 shares which represented 100% of the total issued share capital.

Employee Benefit Trusts (EBTs) operate in connection with certain of the Group's Employee Share Plans (Plans). The Trustees of the EBTs may exercise all rights attached to the shares in accordance with their fiduciary duties other than as specifically restricted in the relevant Plan governing documents. The Trustees of the EBTs have informed the Company that their normal policy is to abstain from voting in respect of the Barclays shares held in trust. The Trustees of the Sharepurchase EBT may vote in respect of Barclays shares held in the Sharepurchase EBT, but only at the discretion of the participants.

On 27th November 2008, Barclays Bank PLC issued £4,050m of 9.75% Mandatorily Convertible Notes (MCNs). If not converted at the holder's option beforehand, these instruments mandatorily convert to ordinary shares of Barclays PLC on 30th June 2009. The conversion price is £1.53276 and, after taking into account MCNs that were converted on or before 31st December 2008, will result in the issue of 2,642 million new ordinary shares.

On 31st October 2008 Barclays PLC issued, in conjunction with a simultaneous issue of Reserve Capital Instruments issued by Barclays Bank PLC, warrants to subscribe for up to 1,516.9 million new ordinary shares at a price of £1.97775. These may be exercised at any time up to close of business on 31st October 2013.

As at 27th February 2009, Barclays had been notified of the following holdings of voting rights in its issued share capital: Qatar Holding LLC 6.4%; Axa S.A. 5.5%; and Legal & General Group plc 4.1%.

The rights attaching to shares, including any restrictions on transfer, are set out in the Company's Articles of Association, which may only be amended by a Special Resolution at a general meeting. On a show of hands at a general meeting every holder of ordinary shares present in person and entitled to vote has one vote and on a poll, every member present in person or by proxy and entitled to vote has one vote for every ordinary share held. Deadlines for voting are set out in the Company's Articles of Association. The Company's Articles of Association specify that Directors may be appointed by the existing Directors or by the shareholders in a general meeting. The Directors may, if authorised by the shareholders in a general meeting, allot Barclays shares and may buy back Barclays shares. As at 27th February 2009 (the latest practicable date for inclusion in this document), the Company had an unexpired authority to repurchase shares up to a maximum of 984,960,000 ordinary shares.

Board of Directors and Executive Committee

1. Marcus Agius

Group Chairman (Age 62)
Marcus has an extensive background in banking, having worked at Lazard from 1972 to 2006. He also has experience of chairing large organisations, including BAA plc and Lazard in London. Marcus is Senior Independent Director of the British Broadcasting Corporation (BBC).
Term of office Marcus joined the Board in September 2006 as a non-executive Director and was appointed Group Chairman on 1st January 2007. Marcus was last re-elected by shareholders at the AGM in 2007, following his appointment.
Independent On appointment
External appointments Senior Independent Director of the BBC since 2006. Trustee to the Board of the Royal Botanic Gardens, Kew. Chairman of The Foundation and Friends of the Royal Botanic Gardens, Kew. Chairman of Lazard in London and Deputy Chairman of Lazard LLC until 2006. Chairman of BAA plc until 2006.
Committee membership Chairman of the Board Corporate Governance and Nominations Committee since January 2007. Member of the Board HR and Remuneration Committee since January 2007.

2. David Booth

Non-executive Director (Age 54)
David currently manages his own venture capital investments, having retired from the Management Committee of Morgan Stanley in 1997. David was employed by Morgan Stanley from 1982 to 1992, and again from 1995 to 1997. He held various positions there, including Head of Government Bond Trading, Head of Mortgage Trading, Sales and Finance and Head of Global Operations and Technology.
Term of office David joined the Board in May 2007. David was last re-elected by shareholders at the AGM in 2008, following his appointment.
Independent Yes
External appointments Director of East Ferry Investors, Inc., Trustee of the Brooklyn Botanic Garden. Chair of the Brooklyn Botanic Garden Investment Committee. Various positions at Morgan Stanley & Co. until 1997. Discount Corporation of New York until 1993.
Committee membership Member of the Board Risk Committee since January 2008.

3. Sir Richard Broadbent

Senior Independent Director (Age 55)
Sir Richard has experience of both the private and public sector having worked in high-level banking roles and the Civil Service. He was the Executive Chairman of HM Customs and Excise from 2000 to 2003 and was formerly a member of the Group Executive Committee of Schroders PLC and a non-executive Director of the Securities Institute. Sir Richard is Chairman of Arriva PLC.
Term of office Sir Richard joined the Board in September 2003 and was appointed Senior Independent Director on 1st September 2004. Sir Richard was last re-elected by shareholders at the AGM in 2006.
Independent Yes
External appointments Chairman of Arriva PLC since 2004. Executive Chairman of HM Customs and Excise until 2003. Former Group Executive Committee member of Schroders PLC. Non-executive Director of the Securities Institute until 1995.
Committee membership Chairman of the Board Risk Committee since January 2006 (member since April 2004). Chairman of the Board HR and Remuneration Committee since January 2007 (member since April 2004). Member of the Board Corporate Governance and Nominations Committee since September 2004.

4. Leigh Clifford, AO

Non-executive Director (Age 61)
Leigh is Chairman of Qantas Airways Limited. He previously worked for the Rio Tinto Group, where he was a Director of Rio Tinto PLC from 1994 and Rio Tinto Limited from 1995 and was Chief Executive of the Rio Tinto Group from 2000 until 2007.
Term of office Leigh joined the Board in October 2004. Leigh was last re-elected by shareholders at the AGM in 2007.
Independent Yes
External appointments Chairman of Qantas Airways Limited since November 2007. Member of the Bechtel Board of Counsellors since May 2007. Senior Adviser to Kohlberg Kravis Roberts & Co since January 2009. Director of the Murdoch Children's Research Institute. Board Member of the National Gallery of Victoria Foundation. Chief Executive of Rio Tinto until 2007. Director of Freeport-McMoran Copper & Gold Inc. until 2004.
Committee membership Member of the Board HR and Remuneration Committee since July 2005. Member of the Barclays Asia Pacific Advisory Committee.

5. Fulvio Conti

Non-executive Director (Age 61)
Fulvio is currently Chief Executive Officer and General Manager of Enel SpA, the Italian energy group, where he was previously Chief Financial Officer from 1999-2005. Fulvio has held a number of high-level financial roles, including Chief Financial Officer and General Manager of Telecom Italia and General Manager and Chief Financial Officer of Ferrovie dello Stato, the Italian national railway. He was also head of the accounting, finance and control department of Montecatini and was in charge of finance at Montedison-Compart, overseeing the financial restructuring of the group. He has held positions in finance and operations in various affiliates of Mobil Oil Corporation in Italy and Europe.
Term of office Fulvio joined the Board in April 2006. Fulvio was last re-elected by shareholders at the AGM in 2008.
Independent Yes
External appointments Chief Executive of Enel SpA since 2005. Director of AON Corporation since January 2008. Chief Financial Officer and General Manager of Telecom Italia until 1999. General Manager and Chief Financial Officer of Ferrovie dello Stato until 1998.
Committee membership Member of the Board Audit Committee since September 2006.

6. Professor Dame Sandra Dawson

Non-executive Director (Age 62)
Sandra is KPMG Professor of Management Studies at the University of Cambridge and Master of Sidney Sussex College, Cambridge. Sandra was Director of the Judge Business School at Cambridge until September 2006 and she has held a range of non-executive posts in organisations including Rand Europe (UK), JP Morgan Fleming Claverhouse Investment Trust and Riverside Mental Health Trust.
Term of office Sandra joined the Board in March 2003. Sandra will retire from the Board at the 2009 AGM in April.
Independent Yes
External appointments KPMG Professor of Management Studies, University of Cambridge since 1995. Master of Sidney Sussex College, Cambridge since 1999. Director and Trustee of Oxfam since 2006. Deputy Vice Chancellor, University of Cambridge since 2008. Chairman, Executive Steering Committee, ESRC Advanced Institute of Management. Director of Cambridge Econometrics until 2007. Director of Judge Business School, University of Cambridge until 2006. Director of Rand Europe (UK) until 2004. Director of JP Morgan Fleming Claverhouse Investment Trust until 2003.
Committee membership Member of the Board Audit Committee since August 2003.

7. Sir Andrew Likierman

Non-executive Director (Age 65)
Sir Andrew is Chairman of the National Audit Office, having held a number of public roles in the financial services sector, including Managing Director, Financial Management, Reporting and Audit and Head of the Government Accountancy Service at HM Treasury and non-executive Director of the Bank of England. Sir Andrew is also Dean of the London Business School where he was previously Professor of Management Practice in Accounting. He has been at the London Business School from 1974-1976, 1979-1993 and since 2004.
Term of office Sir Andrew joined the Board in September 2004. Sir Andrew was last re-elected by shareholders at the AGM in 2007.
Independent Yes
External appointments Dean of the London Business School since January 2009. Chairman of the National Audit Office since December 2008. Director of the Institute for Government since September 2008. Chairman of Applied Intellectual Capital Inc. until 2008. Non-executive Director of the Bank of England until 2008. Non-executive Director and Vice-Chairman of the Tavistock and Portman NHS Trust until 2008. Non-executive Director and Chairman of the MORI Group until 2005. Managing Director, Financial Management, Reporting and Audit and Head of the Government Accountancy Service at HM Treasury until 2004.
Committee membership Member of the Board Audit Committee since September 2004. Member of the Board Risk Committee since September 2004.

8. Sir Michael Rake

Non-executive Director (Age 61)
Sir Michael is currently Chairman of BT Group PLC and Chairman of the UK Commission for Employment and Skills. Sir Michael previously worked at KPMG from 1974-2007 where he worked for a number of years in Continental Europe and the Middle East. He was Senior Partner of the UK firm from 1998-2000 and Chairman of KPMG International from 2002-2007.
Term of office Sir Michael joined the Board in January 2008. Sir Michael was last re-elected by shareholders at the AGM in 2008, following his appointment.
Independent Yes
External appointments Chairman of BT Group PLC since 2007. Director of the Financial Reporting Council since 2007. Chairman of the UK Commission for Employment and Skills since 2007. Director of the McGraw-Hill Companies since 2007. Chairman of KPMG International until 2007. Chairman of Business in the Community from 2004 until 2007.
Committee membership Member of the Board Audit Committee since January 2008. He will succeed Stephen Russell as Chairman of the Board Audit Committee in March 2009.

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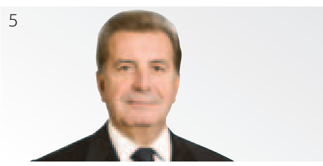
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9. Sir Nigel Rudd, DL
Deputy Chairman
Non-executive Director (Age 62)

Sir Nigel is non-executive Chairman of Pendragon PLC and BAA Limited. He is also Deputy Chairman of Invensys plc and a non-executive Director of BAE Systems PLC and Sappi Limited. He was formerly Chairman of Alliance Boots PLC.
Term of office Sir Nigel joined the Board in February 1996 and was appointed Deputy Chairman in September 2004. Sir Nigel will retire from the Board at the 2009 AGM in April.
Independent Yes
External appointments Chairman of Pendragon PLC since 1989. Non-executve Director and Deputy Chairman of Invensys plc since January 2009. Chairman of Alliance Boots PLC until 2007. Director of Pilkington PLC until 2006. Director of Kidde PLC until 2003.
Committee membership Member of the Board Corporate Governance and Nominations Committee since October 2001. Chairman of the Barclays Brand and Reputation Committee.

10. Stephen Russell
Non-executive Director (Age 63)

Stephen was Chief Executive of Boots Group PLC from 2000 until 2003, having worked for Boots since 1967. He has held a number of non-executive positions and is currently a non-executive Director of Network Rail and Network Rail Infrastructure Limited. He is a trustee of St. John's Ambulance and Tommy's the Baby Charity, is on the Council of Nottingham University and is Chairman of Business Control Solutions Group.
Term of office Stephen joined the Board in October 2000 on completion of the acquisition of Woolwich PLC. Stephen was last re-elected by shareholders at the AGM in 2007.
Independent Yes
External appointments Non-executive Director of Network Rail since September 2007. Trustee of St John's Ambulance since 2005. Chairman of Business Control Solutions Group since 2005. Trustee of Tommy's the Baby Charity since 2003. Member of the Council of Nottingham University since 2003. Chief Executive of Boots Group PLC until 2003.
Committee membership Chairman of the Board Audit Committee since April 2003 (member since October 2000). Member of the Board Corporate Governance and Nominations Committee since September 2004. Member of the Board Risk Committee since October 2001 (Chairman from September 2004-December 2005).

11. Sir John Sunderland
Non-executive Director (Age 63)

Sir John was Chairman of Cadbury Schweppes PLC until July 2008 having worked at Cadbury's in various roles, including that of Chief Executive, since 1968. He is Deputy President of the Chartered Management Institute, a Director of the Financial Reporting Council, an Adviser to CVC Capital Partners, an Association Member of BUPA and a Governor of both Reading and Aston University Councils.
Term of office Sir John joined the Board in June 2005. Sir John was last re-elected by shareholders at the AGM in 2008.
Independent Yes
External appointments Deputy President of the Chartered Management Institute since 2008 (President 2007-2008). Director of the Financial Reporting Council since 2004. Adviser to CVC Capital Partners. Association Member of BUPA. Governor, Aston University Council. Governor Reading University Council. Chairman of Cadbury Schweppes PLC until July 2008. Deputy President of the CBI to June 2008 (member since 2003 and President until December 2006). President of ISBA (the Incorporated Society of British Advertisers) until 2005. President of the Food and Drink Federation until 2005. Non-executive Director of the Rank Group PLC until 2006. Former Advisory Board Member of Trinsum Group.
Committee membership Member of the Board Corporate Governance and Nominations Committee since September 2006. Member of the Board HR and Remuneration Committee since July 2005.

12. Patience Wheatcroft
Non-executive Director (Age 57)

Patience was an established financial journalist and national newspaper editor, having worked as Editor of the *Sunday Telegraph* from 2006 to 2007 and Business and City Editor of *The Times* from 1997-2006. She is a non-executive Director of Shaftesbury PLC, a member of the UK/India Round Table and a member of the British Olympic Association Advisory Board. She is also a member of the Council of the Royal Albert Hall and Chair of the Forensic Audit Panel.
Term of office Patience joined the Board in January 2008. Patience was last re-elected by shareholders at the AGM in 2008 following her appointment.
Independent Yes
External appointments Non-executive Director of Shaftesbury PLC since 2008. Member of the UK/India Round Table. Member of the British Olympic Association Advisory Board since 2007. Member of the Council of the Royal Albert Hall. Chair of the Forensic Audit Panel since 2008. Editor of the *Sunday Telegraph* until 2007. Business and City Editor of *The Times* until 2006.
Committee membership Member of the Barclays Brand and Reputation Committee.

13. John Varley
Group Chief Executive
Executive Director and Chairman of Executive Committee (Age 52)

John was appointed Group Chief Executive of Barclays on 1st September 2004, prior to which he had been Group Deputy Chief Executive from 1st January 2004. He joined Barclays in 1982 and has held various positions across the Group, including the position of Group Finance Director from 2000 until the end of 2003. He was Chief Executive of Retail Financial Services from 1998 to 2000 and Chairman of the Asset Management Division from 1995 to 1998. John is a non-executive Director of AstraZeneca PLC. He is also Chairman of Business Action on Homelessness, President of the Employer's Forum on Disability, Honorary President of the UK Drug Policy Commission and a member of the International Advisory Panel of the Monetary Authority of Singapore.
Term of office John joined the Executive Committee in September 1996 and was appointed to the Board in June 1998. John was last re-elected by shareholders at the AGM in 2007.
External appointments Non-executive Director of AstraZeneca PLC since 2006. Non-executive Director of British Grolux Investments Limited since 1999. Chairman of Business Action on Homelessness since 2006. President of the Employer's Forum on Disability since 2005. Honorary President of the UK Drug Policy Commission since 2007. Member of the International Advisory Panel of the Monetary Authority of Singapore since 2006.

14. Robert E Diamond Jr
President, Barclays PLC and CEO, Investment Banking and Investment Management
Executive Director and member of Executive Committee (Age 57)

Bob is responsible for the Investment Banking and Investment Management business of the Barclays Group, comprising of Barclays Capital, Barclays Global Investors and Barclays Wealth. He previously worked for Morgan Stanley and CS First Boston, where he was Vice-Chairman and Head of Global Fixed Income and Foreign Exchange.
Term of office Bob was appointed President of Barclays PLC and became an executive Director in June 2005. He has been a member of the Barclays Executive Committee since September 1997. Bob was last re-elected by shareholders at the AGM in 2006, following his appointment.
External appointments Chairman of Old Vic Productions PLC since September 2007.

15. Christopher Lucas
Group Finance Director
Executive Director and member of Executive Committee (Age 48)

Chris has worked across financial services for most of his career, including three years in New York as Head of the US Banking Audit Practice of PricewaterhouseCoopers LLP. Chris joined Barclays from PricewaterhouseCoopers LLP, where he was UK Head of Financial Services and Global Head of Banking and Capital Markets. He was Global Relationship Partner for Barclays for the 1999–2004 financial years and subsequently held similar roles for other global financial services organisations.
Term of office Chris was appointed Group Finance Director and became a member of the Executive Committee in April 2007. Chris was last re-elected by shareholders at the AGM in 2007, following his appointment.
External appointments UK Head of Financial Services and Global Head of Banking and Capital Markets of PricewaterhouseCoopers LLP until 2006.

16. Frederik (Frits) Seegers
Chief Executive, Global Retail and Commercial Banking
Executive Director and member of Executive Committee (Age 50)

Frits is responsible for the Global Retail and Commercial Banking business of the Barclays Group, which includes UK Retail Banking, Barclays Commercial Bank, Barclaycard, GRCB – Western Europe, GRCB – Emerging Markets and GRCB – Absa. Frits joined Barclays from Citigroup where he held a number of senior positions over the 17 years he worked there. Most recently, he was CEO Global Consumer Group with a remit covering all retail operations in Europe, the Middle East and Africa. He was also a member of the Citigroup Operating Committee and the Citigroup Management Committee. He was CEO of Consumer Banking for Asia Pacific, covering 11 consumer markets, between 2001 and 2004. Under his leadership, this region was the fastest growing part of Citigroup. Frits was a non-executive Director of Absa Group Limited from 2006 to February 2009.
Term of office Frits joined the Board and the Executive Committee in July 2006. Frits was last re-elected by shareholders at the AGM in 2007, following his appointment.
External appointments Chief Executive Officer of Citigroup International PLC until 2006.

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Risk management

Risk management is a fundamental part of Barclays business activity and an essential component of its planning process. To keep risk management at the centre of the executive agenda, it is embedded in the everyday management of the business. The full risk management report is in our 2008 Annual Report.

The Group ensures that it has the functional capacity to manage the risk in new and existing businesses. At a strategic level, our risk management objectives are:

- To identify the Group's material risks and ensure that business profile and plans are consistent with risk appetite.
- To optimise risk/return decisions by taking them as closely as possible to the business, while establishing strong and independent review and challenge structures.
- To ensure that business growth plans are properly supported by effective risk infrastructure.
- To manage risk profile to ensure that specific financial deliverables remain possible under a range of adverse business conditions.
- To help executives improve the control and co-ordination of risk taking across the business.

In pursuit of these objectives, Group Risk breaks down risk management into five discrete processes: direct, assess, control, report, and manage/challenge (see panel below).

Risk Appetite

The Group's Risk Appetite sets out the level of risk that the Group is willing to take in pursuit of its business objectives. This is expressed as the Group's appetite for earnings volatility across all businesses from credit, market, and operational risk. It is measured against our broad financial targets, including income and impairment targets, dividend coverage and capital levels.

It is prepared each year as part of the Group's Medium Term Planning process, and combines a top-down view of the Group's risk capacity with a bottom-up view of the risk profile requested and recommended by each business. This entails making business plan adjustments as necessary to ensure that our Medium Term Plan creates a risk profile that meets our Risk Appetite.

Material risks and control framework

As well as overall responsibility for the Group's risk exposure versus appetite, the Board is also responsible for the Group Internal Control and Assurance Framework ('GICAF'). As part of the GICAF, it approves the Principal Risks Policy, which sets out responsibilities for the management of the Group's most significant risk exposures. The Board oversees the operating effectiveness of the Principal Risks Policy through the regular review of reports on the Group's material risk exposures and controls.

Principal Risks	Other Level 1 Risks
Retail Credit	Strategic
Wholesale Credit	Change
Market	Corporate Sustainability
Capital	Brand Management
Liquidity	
Financial Crime	
Operations	
Technology	
People	
Regulatory	
Financial Reporting	
Legal	
Taxation	

Process	Strategy
Direct	– Understand the principal risks to achieving Group strategy. – Establish Risk Appetite. – Establish and communicate the risk management framework including responsibilities, authorities and key controls.
Assess	– Establish the process for identifying and analysing business-level risks. – Agree and implement measurement and reporting standards and methodologies.
Control	– Establish key control processes and practices, including limit structures, impairment allowance criteria and reporting requirements. – Monitor the operation of the controls and adherence to risk direction and limits. – Provide early warning of control or appetite breaches. – Ensure that risk management practices and conditions are appropriate for the business environment.
Report	– Interpret and report on risk exposures, concentrations and risk-taking outcomes. – Interpret and report on sensitivities and Key Risk Indicators. – Communicate with external parties.
Manage and Challenge	– Review and challenge all aspects of the Group's risk profile. – Assess new risk-return opportunities. – Advise on optimising the Group's risk profile. – Review and challenge risk management practices.

The Group's risk categorisation comprises 17 risk categories ('Level 1'), 13 of which are known as Principal Risks. Each Principal Risk is owned by a senior individual at the Group level, who liaises with Principal Risk owners within business units and Group Centre Functions. The 17 risk categories are shown in the panel below.

Each Group Principal Risk Owner ('GPRO') is responsible for setting minimum control requirements for their risk and for overseeing the risk and control performance across the Group.

Organisation and structure

Responsibility for risk management resides at all levels within the Group, from the executive down through the organisation to each business manager and risk specialist. Barclays distributes these responsibilities so that risk/return decisions are taken at the most appropriate level; as close as possible to the business, and subject to robust and effective review and challenge.

Every business manager is accountable for managing risk in his or her business area; they must understand and control the key risks inherent in the business undertaken. Each business area also employs risk specialists to provide an independent control function and to support the development of a strong risk management environment. This functional approach to risk management is built on formal control processes that rely on individual responsibility and independent oversight, as well as challenge through peer reviews.

The Board approves Risk Appetite and the Board Risk Committee monitors the Group's risk profile against this agreed appetite. Business Heads are responsible for the identification and management of risk in their businesses. Each business has an embedded risk management team reporting to a Business Risk Director who reports to the Group Risk Director. The Group Risk Director, under delegated authority from the Group Chief Executive and Group Finance Director, has responsibility for ensuring effective risk management and control.

Risk-Type Heads exist at Group-level for the main risk types, and report to the Group Risk Director. Along with their teams, they are responsible for establishing a risk control framework and risk oversight.

Internal Audit is responsible for the independent review of risk management and the control environment. The functional coverage of risk responsibilities is shown below.

To support risk taking, Barclays has continued to strengthen the independent and specialised risk teams in each of its businesses, supported by matching teams at Group level, acting in both a consultancy and oversight capacity. As a prerequisite to business growth plans, it has made the recruitment, development and retention of risk professionals a priority.

Board oversight

Board
- Approves overall Group risk appetite

Board Audit Committee
- Considers the adequacy and effectiveness of the Group Control Framework.
- Reviews reports on control issues of Group-level significance.

Authority controls appetite

Board Risk Committee
- Review the Group risk profile.
- Approves the Group Control Framework.
- Approves minimum control requirements for principal risks.

Risk adjusted performance

Assurance

Group Chief Executive
Group Executive Committee
- Monitors and manages risk adjusted performance of businesses.

Reporting and control

Governance and Control Committee
- Reviews the adequacy and effectiveness of the Group Control Framework.
- Monitors compliance with the Framework including remediation of significant control issues.
- Reviews reports on control issues of Group-level significance.

Risk Oversight Committee
- Ensures current risk profile is consistent with Group risk appetite.
- Debates and agrees actions on the risk profile and risk strategy across the Group.
- Considers issues escalated by Risk Type Heads and Business Risk Directors.

Treasury Committee
- Sets policy/controls for liquidity, maturity transformation and structural interest rate exposure.
- Monitors the Group's liquidity and interest rate maturity mismatch.
- Monitors usage of regulatory and economic capital.
- Oversees the management of the Group's capital plan.

Assurance

Internal Audit
- Assesses the adequacy and effectiveness of the Group Control Framework.
- Assesses management assurance processes.

Summary remuneration report

The disruption in the capital markets that commenced in 2007 deepened in 2008 resulting in one of the most challenging years ever for the global financial services sector. The extent to which remuneration structures may have played a role in contributing to the financial crisis was still being debated and under scrutiny as this statement was written. As a consequence of events, the Board HR and Remuneration Committee commenced its deliberations for the 2008 performance year earlier than usual and met more times than is typical. The agenda rapidly developed into two workstreams: first, the immediate decisions for 2008; and second, the long-term shape of remuneration. Our guiding principle throughout all decisions has been 'pay for performance'.

2008

Barclays delivered profit of £6,077m, 14% lower than 2007. The variable pay for the Group reduced 48% relative to 2007.

Total shareholder return

The graph in fig 1 shows that, at the end of 2008, a hypothetical £100 invested in Barclays on 31st December 2003 would have generated a total loss of £59, compared with a gain of £18 if invested in the FTSE 100 Index.

Accountability rests at the most senior levels and key factors relating to executive Directors include:

- zero annual performance bonus for 2008
- no salary increases for 2009
- the total 2009 long-term awards are 64% lower than last year, with no awards for the Chief Executive and the President.

An assessment of Barclays remuneration structures and how well the calibration had worked during this stressed period shows significant alignment with shareholders:

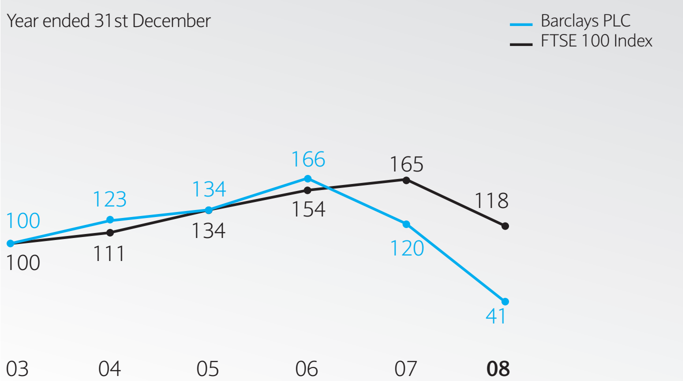
- The Performance Share Plan (PSP) awards made in 2005, due for release in March 2008 lapsed in full as the performance condition was not met.
- For the PSP awards made in relation to the 2006-2008 cycle, the TSR condition was not met and the EP condition was partially met. As a result, awards that are scheduled to vest in March 2009 (at the absolute discretion of the PSP trustee) are due to vest at 1.475 times the initial award (maximum is 3 times). This represents approximately 9% of the maximum value of the number of shares that could vest at the share price at award.
- Executive Directors who have PSP awards due to be released in 2009 shall agree that these be deferred for a further two years and subject to additional financial performance over that period.
- The existing PSP award cycles (2007/09 and 2008/10) are not expected to vest.
- The cumulative effect of delivering significant proportions of remuneration in Barclays shares (which are typically held on a long-term basis) has resulted in the executive Directors' share interests decreasing in value by an aggregate of £63m in 2008, which when added to the decrease of £32m in 2007 totals £95m for the two year period (see fig 2).
- The value of employee interests of shares under Barclays share plan has decreased in value over 2007 and 2008 by approximately £2bn.

Future of remuneration

The Committee commenced a review of remuneration during 2008. The objective of the review was to assess how the pay for performance culture and alignment with shareholders could be strengthened further. So far the Committee has:

- revised the remuneration policy to accentuate risk management and the role of behaviours in the determination of remuneration
- increased the shareholding requirements for executive Directors (from 1 times to the higher of 2 times base salary or average total annual cash compensation over the prior three years)
- announced a new plan in the first quarter of 2009 for approximately 15,000 employees to significantly increase the proportion of remuneration paid over multiple years.

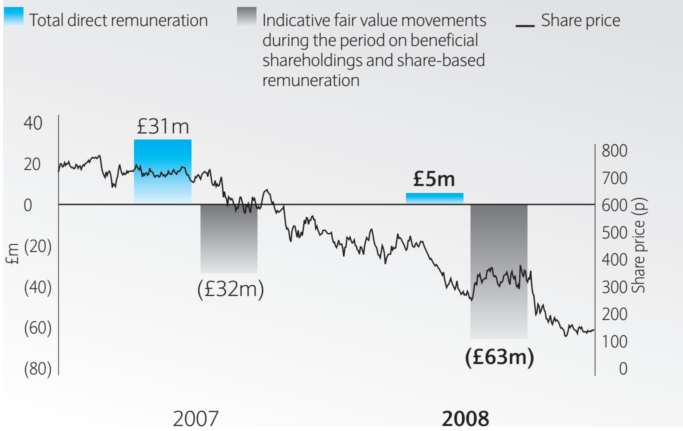
Fig 1: Total shareholder return £



The highest share price during the year was £5.06 and the lowest was £1.27. The share price at the year end was £1.53.

Source: Datastream

Fig 2: Executive Directors' remuneration – alignment of interests with shareholders



Directors' remuneration

	2008 £m	2007 £m
Aggregate emoluments	**6.0**	29.2
Gains made on the exercise of share options	**–**	0.3
Amounts paid under long-term incentive schemes	**7.4**	–
Actual pension contributions to money purchase scheme (2008: one Director, £11,745 and 2007: one Director, £10,233)	**–**	–
Notional pension contributions to money purchase scheme (2008: no Directors and 2007: no Directors)	**–**	–
	13.4	29.5

As at 31st December 2008, two Directors were accruing benefits under a defined benefits scheme (2007: three Directors).

The review is continuing and will address detailed remuneration plans and proposals which will be developed during 2009.

Remuneration policy governance

To ensure appropriate operation of the Remuneration Policy, the Committee has established frameworks for the governance of remuneration. These frameworks will be reviewed in 2009. The current frameworks set out key financial ratios achieved by Barclays and its competitors and have been used by the Committee to inform its decision-making process when approving aggregate remuneration spend, including bonus and long-term incentive expenditure, and strategic investment for new hires and the remuneration arrangements of any employee with annual total remuneration equal to or in excess of £750,000.

Given the materiality of Barclays pension arrangements the Committee operates a specific framework for the management of pensions to ensure proper oversight.

Report

The Committee unanimously recommends that you vote at the 2009 AGM to approve the Remuneration Report as all Directors will be doing with their own Barclays shares.

Remuneration policy

The revised Barclays Remuneration Policy is to:

1. Attract and retain those people with the ability, experience and skill to deliver the strategy.
2. Create a direct and recognisable alignment between the rewards and risk exposure of shareholders and employees, particularly executive Directors and senior management.
3. Incentivise employees to deliver sustained performance consistent with strategic goals and appropriate risk management, and to reward success in this.
4. Deliver compensation that is affordable and appropriate in terms of value allocated to shareholders and employees.
5. Encourage behaviour consistent with the principles that guide Barclays business:

Winning together
– Doing what is right for Barclays, its teams and colleagues, to achieve collective and individual success.

Best people
– Developing talented colleagues and differentiating compensation to reflect performance.
– Doing what is needed to ensure a leading position in the global financial services industry.

Customer and client focus
– Understanding what customers and clients want and need and then serving them brilliantly.
– Driving new ideas, especially those that make Barclays profitable and improve control.
– Improving operational excellence.
– Adding diverse skills to stimulate new perspectives and bold steps.

Trusted
– Acting with the highest levels of integrity to retain the trust of customers, shareholders, other external stakeholders and colleagues.
– Taking full responsibility for decisions and actions.
– Reflecting the operation of independent, robust and evidence-based governance and control and complying with relevant legal and regulatory requirements.

2008 annual remuneration

	Salary and fees £000	Annual cash bonus for 2008 £000	Total cash £000	Deferred Share Award (ESAS) for 2008 £000	Fair value long-term incentive award (PSP) for 2008 £000	Total direct remuneration £000 2008	Total direct remuneration £000 2007	Other benefits 2008 £000
Group Chairman								
Marcus Agius	750	–	750	–	–	**750**	750	1
Executive Directors								
John Varley	1,075	0	1,075	0	0	**1,075**	4,218	23
Robert E Diamond Jr	250	0	250	0	0	**250**	21,125	66
Chris Lucas	638	0	638	0	800	**1,438**	1,895	177
Frits Seegers	700	0	700	0	1,600	**2,300**	4,182	202
Non-executive Directors								
David Booth	83	–	83	–	–	**83**	43	–
Sir Richard Broadbent	188	–	188	–	–	**188**	180	–
Leigh Clifford AO	115	–	115	–	–	**115**	97	–
Fulvio Conti	90	–	90	–	–	**90**	85	–
Professor Dame Sandra Dawson	90	–	90	–	–	**90**	85	–
Sir Andrew Likierman	105	–	105	–	–	**105**	100	–
Sir Michael Rake	90	–	90	–	–	**90**	–	–
Sir Nigel Rudd DL	200	–	200	–	–	**200**	200	–
Stephen Russell	153	–	153	–	–	**153**	145	–
Sir John Sunderland	98	–	98	–	–	**98**	95	–
Patience Wheatcroft	78	–	78	–	–	**78**	–	–
Former Directors								
Gary Hoffman	417	298	715	–	–	**715**	1,131	9
Dr Daniel Cronjé	25	–	25	–	–	**25**	217	–

Annual cash bonuses for a year are normally paid in the following year. ESAS and PSP awards for a year are normally awarded in the following year. Mr Hoffman received his normal monthly salary benefits and pro-rated annual cash bonus, total of £90,477 for the period between the cessation of his directorship and 30th September 2008, the date of the cessation of his employment.
Leigh Clifford was also a member of the Asia Pacific Advisory Committee and received fees of US$60,000 per annum (2007: US$35,000). These fees are included in those shown above.

The first £20,000 per annum of a non-executive Director's fee is used to purchase Barclays PLC shares which are retained until the Director retires.
As disclosed in the 2007 Report and Accounts, in March 2008 Robert E Diamond Jr received a cash payment of £7.425m and an award of shares deferred for one year under ESAS of £7.425m, from the Retained Incentive Opportunity 2005-2007 in which he participated.

Shareholder support

2009 diary

Barclays goes to great lengths to keep to the dates published here but please note that all future announcement dates are provisional and subject to change.

23rd April 2009
Annual General Meeting
The Barclays Annual General Meeting (AGM) will be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on Thursday 23rd April 2009 at 11.00a.m. The Notice of Meeting, which contains the full wording of the resolutions and biographical details of the Directors standing for re-election at the 2009 AGM, is available on our website at *www.barclays.com/investorrelations*

14th May 2009
Interim Management Statement

6th August 2009
Half-Year Results for 2009

Have your say
If you would like to ask a question at the AGM, you can register your question at the Question Registration Point in the Benjamin Britten Lounge at The Queen Elizabeth II Conference Centre. Shareholders who are unable to attend the meeting still have the opportunity to submit a question to the Board by writing to the Company Secretary at Barclays PLC, 1 Churchill Place, London E14 5HP or emailing *privateshareholderrelations@barclays.com*. These questions will be answered at the meeting and a summary of the questions asked at the AGM will be available on the Barclays website at *www.barclays.com/investorrelations*

Your Dividend
As announced on 13th October 2008, in light of the new capital ratios agreed with the FSA and in recognition of the need to maximise capital resources in the current economic climate, the Board concluded that it would not be appropriate to pay a final dividend for 2008. The Board intends to resume dividend payments in the second half of 2009, at which time it is intended to pay dividends quarterly.

Online information

Online Annual Results information
Barclays has increased the information that shareholders can see online at *www.barclays.com/annualreport08*

This includes an expanded Annual Review and the full Annual Report.

You can watch videos of our senior management team talking about our performance in 2008 and the outlook for 2009.

Electronic communication
An increasing number of shareholders receive their Barclays communications electronically and are discovering the convenience of using the internet and email to find out about their shareholdings and Barclays.

Barclays e-view
Barclays e-view is an easy and convenient way to:

- Access your Barclays shareholding details and check share sales, purchases or transfer
- Receive important shareholder information directly to your email address
- View dividend information, including electronic tax vouchers
- Change your address and/or bank details online
- See shareholder documents such as the Annual Review, Annual Report or Results Announcements online
- Register your voting instructions for General Meetings

You can join Barclays e-view online using your Shareholder or Sharestore Reference Number:

- *www.eviewsignup.co.uk*
- Register for electronic communications by following the onscreen instructions
- You will be sent an access number in the post the next working day

The easiest way to get your shareholder information
www.barclays.com/investorrelations

Manage your portfolio online
Barclays offers specialist stockbroking services at: *www.stockbrokers.barclays.co.uk*

Audio version

Extracts from this Annual Review are available, free of charge, by calling the Shareholder Helpline.
0871 384 2055* (in the UK)
+44 121 415 7004 (from overseas)

Audio versions will also be available at the AGM.

* Calls to this number are charged at 8p per minute if using a BT landline. Call charges may vary if using other telephone providers.

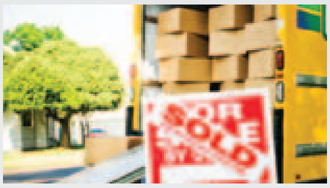
Manage your shareholding

Barclays Sharestore
Barclays Sharestore is a convenient way to hold your Barclays shares electronically, without a share certificate. Each year you will be sent a statement which sets out your shareholding. To join Sharestore you should phone the Barclays Shareholder Helpline and ask for an application form or download the application form from *www.barclays.com/investorrelations* Transferring your shares to Sharestore is free.

Amalgamate your shareholding
If you have two different accounts on the Barclays Share Register (some shares held in paper form share certificates and some in Barclays Sharestore), you may want to join the accounts together and hold all your shares in Sharestore. This means you would not receive two copies of our documents and you would receive one dividend payment each time a dividend is paid, rather than two. Please call the Barclays Shareholder Helpline for a form.

Mandate your dividend
It is safer and quicker to have your dividend paid directly into your bank account or building society account. You may be charged £10 plus VAT if you lose your dividend cheque and it is reissued to you. You can download a bank mandate form at *www.barclays.com/investorrelations* Alternatively, you can phone the Barclays Shareholder Helpline.

The Barclays Dividend Reinvestment Plan (DRIP)
The DRIP is a straightforward and cost-effective way of using your dividends to build your shareholding in Barclays. Please contact the Barclays Shareholder Helpline for more details or download the application form from *www.barclays.com/investorrelations*

If you move house


Please remember to write to the Registrar if you move house. You must enclose a copy of your latest Barclays dividend tax voucher, share certificate or annual statement of entitlement with your letter. This ensures that we protect your shareholding.

If you lose your share certificate
You should contact the Registrar and ask for a replacement. You will be sent a form of indemnity to sign and return. A new certificate will then be sent to you. Please note that there is a charge for this service.

What to do if a shareholder has died
You should write to the Registrar by sending a certified copy of the death certificate together with the original Grant of Probate (or a sealed office copy) or the Letters of Administration. The name(s) of the deceased's personal representative(s) will be put on the share register while the estate is finalised. The Registrar will then place a temporary marker on the register to ensure that wherever possible, they do not issue further dividend payments or other correspondence in the shareholder's name. They will also send you the forms that you will need to complete.

ShareGift your shares
ShareGift, the charity donation scheme, is a free service for shareholders wanting to give shares to charitable causes. Further information can be obtained at *www.sharegift.org* or by telephoning ShareGift on +44 (0)207 930 3737.

Personal information security


Please be vigilant about your personal information security, whether it be bank statements, credit card bills or information about your shareholding. Ensure your bank account details and Shareholder and Sharestore Reference Numbers are kept safe and your details up to date.

Contact information

Our Registrar

Phone
Barclays Shareholder Helpline
0871 384 2055* (from the UK)
+44 121 415 7004 (outside the UK)

Email
questions@share-registers.co.uk

Post
The Registrar to Barclays
Aspect House
Spencer Road, Lancing
West Sussex BN99 6DA

ABC Textphone
0871 384 2255* (in the UK)
+ 44 121 415 7028 (outside the UK)

Buying and selling shares
If you hold your shares in Barclays Sharestore, you are only able to deal through Barclays Stockbrokers. For the special internet dealing service for Barclays Sharestore members visit *www.sharestore.barclays.co.uk* or contact Barclays Stockbrokers by phone on:
0845 604 0077 (in the UK)**
+44 141 352 3934 (outside the UK)

The share price
Information on the Barclays share price is available at *www.barclays.com/investorrelations* and on Teletext.

Give us your feedback
If you have any feedback on the format of our Annual Review please let us know by emailing us at *privateshareholderrelations @barclays.com*

** Calls made to 0845 numbers are free for BT residential customers as part of their inclusive call package; otherwise calls will cost no more than 4p per minute plus 8p call set-up fee (current as at February 2009). The price on non-BT phones may vary; please check with your service provider. Calls may be recorded to monitor the quality of our service, to check instructions and for security purposes.

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Designed by Pauffley

Full Annual Report

The Annual Review and Summary Financial Statement is only a summary of information in the Barclays PLC Annual Report 2008.

Please note that this Annual Review, Summary Financial Statement and Summary remuneration report does not contain sufficient information to allow a full understanding of the results of the Group and the state of affairs of the Company or of the Group. For further information consult the Annual Report 2008. You can obtain a copy of the Annual Report 2008 and may also elect to receive all future Annual Reports, free of charge, by telephoning our Registrar on 0871 384 2055* or you can view a copy at: *www.barclays.com/annualreport08*

The Annual Report 2008 contains the Directors' report, the Remuneration report, the Auditors' report and the Financial Statements. The Auditors' report on the full accounts for the year ended 31st December 2008 was unqualified and did not include a statement under sections 237(2) (accounting records or returns inadequate or accounts not agreeing with records and returns) or 237(3) (failure to obtain necessary information and explanations) of the Companies Act 1985.

The statement under section 235(3) (whether Directors' report is consistent with accounts) was unqualified.

Find out more at: *www.barclays.com/annualreport08*

Forward-looking statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe' or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Group's future financial position, income growth, assets, impairment charges, business strategy, capital ratios, leverage, payment of dividends, projected levels of growth in the banking and financial markets, projected costs, estimates of capital expenditures, and plans and objectives for future operations and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, UK domestic and global economic and business conditions, the effects of continued volatility in credit markets, market related risks such as changes in interest rates and exchange rates, effects of changes in valuation of credit market exposures, changes in valuation of issued notes, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards (IFRS) applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, progress in the integration of the Lehman Brothers North American businesses into the Group's business and the quantification of the benefits resulting from such acquisition, the outcome of pending and future litigation, the success of future acquisitions and other strategic transactions 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 herein speak only as of the date they are made. Except as required by the UK Financial Services Authority (FSA), the London Stock Exchange or applicable law, Barclays expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any change in Barclays expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Barclays has made or may make in documents it has filed or may file with the Securities Exchange Commission (SEC).