BARCLAYS PLC
Form 6-K
July 27, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

July 27, 2012

Barclays PLC and
Barclays Bank PLC
(Names of Registrants)

1 Churchill Place
London E14 5HP
England

(Address of Principal Executive Offices)

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

Form 20-F x Form 40-F

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

Yes No x

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

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

This Report comprises:

Information given to The London Stock Exchange and furnished pursuant to General Instruction B to the General Instructions to Form 6-K.

EXHIBIT INDEX

Half Yearly Report dated July 27, 2012

SIGNATURES

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

BARCLAYS PLC
(Registrant)

Date: July 27, 2012

By: /s/ Patrick Gonsalves

Patrick Gonsalves
Deputy Secretary

BARCLAYS BANK PLC
(Registrant)

Date: July 27, 2012

By: /s/ Patrick Gonsalves

Patrick Gonsalves
Joint Secretary

Barclays PLC
Results Announcement

30 June 2012

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

The term Barclays or Group refers to Barclays PLC together with its subsidiaries. Unless otherwise stated, the income statement analyses compare the six months to 30 June 2012 to the corresponding six months of 2011 and balance sheet comparisons relate to the corresponding position at 31 December 2011. The abbreviations '£m' and '£bn' represent millions and thousands of millions of pounds Sterling respectively; the abbreviations '$m' and '$bn' represent millions and thousands of millions of US dollars respectively.

Adjusted profit before tax and adjusted performance metrics have been presented to provide a more consistent basis for comparing business performance between periods. Adjusting items are considered to be significant and one-off in nature and hence not representative of the underlying business performance. Items excluded from the adjusted measures are: the impact of own credit; gains on debt buy-backs; impairment and disposal of the investment in BlackRock, Inc.; the provision for Payment Protection Insurance (PPI) redress; the provision for interest rate hedging products redress; goodwill impairments; and gains and losses on acquisitions and disposals. The regulatory penalties relating to the industry-wide investigation into the setting of interbank offered rates have not been excluded from adjusted measures.

Relevant terms that are used in this document but are not defined under applicable regulatory guidance or International Financial Reporting Standards (IFRS) are explained in the Results glossary that can be accessed at http://group.barclays.com/about-barclays/investor-relations#institutional-investors.

In accordance with Barclays policy to provide meaningful disclosures that help investors and other stakeholders understand the financial position, performance and changes in the financial position of the Group, and having regard to the BBA Disclosure Code, the information provided in this report goes beyond minimum requirements. Barclays continues to develop its financial reporting considering best practice and welcomes feedback from investors, regulators and other stakeholders on the disclosures that they would find most useful.

The information in this announcement, which was approved by the Board of Directors on 26 July 2012, does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2011, which included certain information required for the Joint Annual Report on Form 20-F of Barclays PLC and Barclays Bank PLC to the US Securities and Exchange Commission (SEC) and which contained an unqualified audit report under Section 495 of the Companies Act 2006 and which did not make any statements under Section 498 of the Companies Act 2006, have been delivered to the Registrar of Companies in accordance with Section 441 of the Companies Act 2006.

These results will be furnished as a Form 6-K to the SEC as soon as practicable following their publication. Once filed with the SEC, copies of the Form 6-K will also be available from the Barclays Investor Relations website www.barclays.com/investorrelations and from the SEC's website (www.sec.gov).

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, Eurozone and global economic and business conditions, the effects of continued volatility in credit markets, market related risks such as changes in interest rates and exchange rates, effects of changes in valuation of credit market exposures, changes in valuation of issued notes, the policies and actions of governmental and regulatory authorities (including requirements regarding capital and Group structures and the potential for one or more countries exiting the Euro), changes in legislation, the further development of standards and interpretations under IFRS applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of current and future litigation, the success of future acquisitions and other strategic transactions and the impact of competition - a number of such factors being beyond the Group's control. As a result, the Group's actual future results may differ materially from the plans, goals, and expectations set forth in the Group's forward-looking statements.

Any forward-looking statements made herein speak only as of the date they are made. Except as required by the UK Financial Services Authority (FSA), the London Stock Exchange plc (LSE) 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 LSE and/or the SEC.

Performance Highlights

"We continue to deliver a good financial performance in the context of the current macroeconomic environment. Our competitive position continues to grow and our financial strength is serving us well in this period of uncertainty and volatility.

These remain challenging times for Barclays, as well as the industry, and we are sorry for what has happened because of recent events. However our leadership continues to focus on the delivery of our financial performance targets and on building a platform for sustainable long term growth. Our customers and clients are at the heart of what we do. I am confident we can and will repair the reputational damage done to our business in their eyes and those of all our stakeholders."

Marcus Agius, Chairman

- Adjusted profit before tax up 13% to £4,227m with improvements of 15% in Retail and Business Banking (RBB) and 11% in Corporate and Investment Banking, and 38% in Wealth and Investment Management, demonstrating the benefits of the universal banking model

- Statutory profit before tax down 71% to £759m, including an own credit charge of £2,945m

- Adjusted return on average shareholders' equity increased to 9.9% (2011: 9.3%) with improvements in five of seven businesses and Investment Bank achieved nearly 15% despite difficult market conditions

- Adjusted income was up 1% at £15,475m despite macroeconomic challenges and the continuing low interest rate environment

- Income at Investment Bank improved 4% to £6,496m. Q2 12 income in Investment Bank was £3,032m, up 5% on Q2 11 and down 12% on Q1 12

- Credit impairment charges were flat at £1,832m, reflecting improvements across many businesses, offset principally by increased levels at Investment Bank where there was a net release of £111m in 2011

- Operating expenses, excluding the first quarter £300m (2011: £1,000m) provision for PPI and second quarter £450m (2011: nil) provision for interest rate hedging products redress, were down 3% to £9,491m. This reduction was achieved after absorbing regulatory penalties of £290m relating to the industry-wide investigation into the setting of interbank offered rates

- During the first six months of 2012, sovereign exposures to Spain, Italy, Portugal, Ireland, Greece and Cyprus reduced 22% to £5.6bn. In order to mitigate redenomination risk, the Group continues to reduce local funding mismatches in Spain and Portugal

- Core Tier 1 ratio remained strong at 10.9% (31 December 2011: 11.0%), having absorbed the impact of the final dividend for 2011, treasury share purchases and pension contributions. Risk weighted assets were stable at £390bn

- The Group continues to access both secured and unsecured term funding markets and raised £20bn of term funding in the first half of 2012 with £27bn of term maturities for full year 2012. Liquidity pool increased to £170bn (31 December 2011: £152bn) and the loan to deposit ratio continued to improve to 111% (2011: 118%)

Performance Highlights

Barclays Unaudited Results	Adjusted1			Statutory		
	30.06.12	30.06.11		30.06.12	30.06.11	
	£m	£m	% Change	£m	£m	% Change
Total income net of insurance claims	15,475	15,299	1	12,757	15,330	(17)
Credit impairment charges and other provisions	(1,832)	(1,828)	-	(1,832)	(1,828)	-
Net operating income	13,643	13,471	1	10,925	13,502	(19)
Operating expenses	(9,491)	(9,782)	(3)	(10,241)	(10,829)	(5)
Other net income/(expense)2	75	36		75	(29)	
Profit before tax	4,227	3,725	13	759	2,644	(71)
Profit after tax	3,069	2,822	9	480	1,983	(76)
Performance Measures						
Return on average shareholders' equity	9.9%	9.3%		0.3%	5.9%	
Return on average tangible shareholders' equity	11.5%	11.3%		0.3%	7.1%	
Return on average risk weighted assets	1.6%	1.4%		0.2%	1.0%	
Cost: income ratio	61%	64%		80%	71%	
Loan loss rate	71bps	74bps		71bps	74bps	
Basic earnings per share	21.8p	19.6p		0.6p	12.5p	
Dividend per share	2.0p	2.0p		2.0p	2.0p	
Capital and Balance Sheet				30.06.12	31.12.11	
Core Tier 1 ratio				10.9%	11.0%	
Risk weighted assets				£390bn	£391bn	-
Adjusted gross leverage				20x	20x	-

Group liquidity pool	£170bn	£152bn	12
Net asset value per share	443p	456p	(3)
Net tangible asset value per share	379p	391p	(3)
Loan: deposit ratio	111%	118%	

	Adjusted1			Statutory		
Profit/(Loss) Before Tax by Business	30.06.12	30.06.11		30.06.12	30.06.11	
	£m	£m	% Change	£m	£m	% Change
UK	746	704	6	446	304	47
Europe	(92)	(161)	(43)	(92)	(161)	(43)
Africa	274	342	(20)	274	342	(20)
Barclaycard	753	571	32	753	(76)	
Retail and Business Banking	1,681	1,456	15	1,381	409	238
Investment Bank	2,268	2,310	(2)	2,268	2,310	(2)
Corporate Banking	346	54		(104)	(10)	
Corporate and Investment Banking	2,614	2,364	11	2,164	2,300	(6)
Wealth and Investment Management	121	88	38	121	88	38
Head Office and Other Operations	(189)	(183)	3	(2,907)	(153)	
Total profit before tax	4,227	3,725	13	759	2,644	(71)

Income by Geographic Region3						
UK	6,571	6,266	5	3,626	6,279	(42)
Europe	2,190	2,189	-	2,190	2,226	(2)
Americas	3,797	3,720	2	4,024	3,687	9
Africa and Middle East	2,303	2,501	(8)	2,303	2,501	(8)
Asia	614	623	(1)	614	637	(4)
Total	15,475	15,299	1	12,757	15,330	(17)

1 Adjusted performance measures, income by geography and profit before tax exclude the impact of £2,945m (2011: gain of £89m) own credit loss, £227m (2011: loss of £58m) gain on disposal of strategic investment in BlackRock, Inc. Adjusted performance measures and profit before tax also exclude £300m (2011: £1,000m) provision for PPI redress, £450m (2011: £nil) provision for interest rate hedging products redress, £nil (2011: loss of £65m) gains on acquisitions and disposals and £nil (2011: £47m) goodwill impairment.

2 Other net income/(expense) represents: share of post-tax results of associates and joint ventures; profit or (loss) on disposal of subsidiaries, associates and joint ventures; and gains on acquisitions.

3 Total income net of insurance claims based on counterparty location.

Chairman's Statement

We are pleased to report a good set of results to 30 June 2012, as they reflect our continued hard work in supporting our customers and clients, delivering our financial objectives and managing risk. We continue to improve our market position across many of our key products and segments and our financial strength is serving us well in today's challenging environment. Our commitment to maintain Barclays position as a leading global universal bank, underpinned by a diverse set of businesses, remains unchanged.

The recent events have been challenging for Barclays and all those who work for the Group. We continue to address the operational and control issues raised in connection with our LIBOR settlement with the US and UK authorities, many of which have been resolved over the course of the investigation. However, as a consequence of recent events, the Board of Directors is now focused on identifying and recruiting a new Chief Executive as well as a Chairman of the Board. During this interim period, my role as Chairman of the Executive Committee is to provide stability and continuity for our customers and stakeholders. We have a mandate from the Board that goes beyond a simple caretaking role.

Barclays has proven itself as a strong business that delivers resilient performance. The solid divisional leadership and customer focus of Antony Jenkins, Rich Ricci, Tom Kalaris and Maria Ramos continues. The depth of the Barclays management team, our relentless focus on customers and clients, and our steady financial performance gives me confidence in our ability to achieve continued growth in our businesses in difficult times. Our commitment to building a strong franchise over time based on the prudent management of our resources and delivering 13% Return on Equity remains unchanged.

Our Citizenship agenda is now more important than ever; we have ambitious commitments that we must deliver and continue to evolve to address the issues that matter most to those we serve. We must focus on getting the fundamentals right - serving our customers and clients with integrity and maintaining the highest standards of service - while reviewing our business values and working to become more transparent. In this regard, the Board has asked Anthony Salz to lead an independent, third party, review of business practices, engaging all Barclays stakeholders and with the intention of publishing the review findings and recommendations. This global review will 1) assess the bank's current values, principles and standard of operation; 2) test how well these are reflected in the bank's decision-making processes; 3) assess whether or not the appropriate training, development, incentives, and disciplinary processes are in place; and 4) determine to what extent each of these aspects need to change. We understand that we will be judged on our deeds and not our words.

The talent and hard work of our colleagues will play a vital role in achieving this. In the first half of 2012, they helped us deliver £20.5bn in gross new lending to UK households and businesses. Recognising the importance of helping new entrepreneurs, we launched an initiative to support up to 24,000 start-up businesses in the UK over the next three years. We also raised over £450bn in financing for businesses and governments globally. In the UK, our apprenticeship scheme is supporting young people into employment, we have already welcomed 120 new apprentices and are on track to recruit over 450 by the end of the year. Around half of our colleagues are actively involved in community investment programmes and, in the first half of 2012 alone, over 44,000 provided their time, skills and money to help disadvantaged people. This resulted in 160,000 of volunteering hours in local communities and £12.3m raised for charity.

We are sorry for the issues that have emerged over recent weeks and recognise that we have disappointed our customers and shareholders. I speak for all of Barclays people when I say how determined we are to regain the full confidence of all our stakeholders; customers and clients, investors, regulators and staff alike.

Marcus Agius, Chairman

Group Finance Director's Review

For the first six months of 2012 we reported a good performance as adjusted profits increased 13% year on year, despite continuing difficult market conditions. Our Core Tier 1 ratio was robust at 10.9%, while funding and liquidity remained strong.

Income Statement

- Statutory profit before tax was £759m (2011: £2,644m), including an own credit charge of £2,945m (2011: gain of £89m). Adjusted profit before tax increased 13% to £4,227m. Adjusted results provide a more consistent basis for comparing business performance between periods

- Adjusted return on average shareholders' equity increased to 9.9% (2011: 9.3%) with improvements in five of seven businesses and Investment Bank achieved nearly 15%, an encouraging performance in difficult market conditions

- Adjusted income increased 1% to £15,475m, despite continued low interest rates and continuing difficult macroeconomic conditions

- Customer net interest income from RBB, Corporate Banking and Wealth and Investment Management increased 2% to £4.9bn. The net interest margin declined 8bps to 189bps, driven by a 7bps decrease in non-customer margin reflecting reduced contributions from structural hedges. Average customer assets for these businesses increased 1% to £317.9bn and average customer liabilities increased 4% to £277.4bn

- Total income in Investment Bank increased 4% to £6,496m driven by improved performances in Rates and Commodities, partially offset by declines in market volumes and lower corporate deal activity

- Credit impairment charges were flat at £1,832m, reflecting improvements across many businesses, offset principally by increased levels at the Investment Bank where there was a net release of £111m in 2011

  - Loans and advances balances were up 5% and the annualised loan loss rate reduced to 71bps (Full Year 2011: 77bps; Half Year 2011: 74bps). While delinquency trends improved in cards portfolios and UK unsecured lending during 2012, home loans in Europe experienced some deterioration as a result of the adverse credit conditions. South Africa home loans impairment increased reflecting focus on reducing the recoveries portfolio during the first six months of 2012 which led to higher write offs. Credit metrics in the wholesale portfolios have remained generally stable, however, the Investment Bank experienced higher charges primarily relating to ABS CDO Super Senior positions and higher losses on single name exposures

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The credit risk loans (CRL) coverage ratio increased slightly as CRL balances and impairment allowances fell 8% and 6%, respectively

- Operating expenses, excluding the £300m (2011: £1,000m) provision for PPI and £450m (2011: nil) provision for interest rate hedging products redress, were down 3% to £9,491m

  - Performance costs reduced by 14% to £1,422m despite a deferred bonus charge of £655m (2011: £458m). Investment Bank performance costs reduced 19% to £1,028m, compared to a 2% decrease in profit before tax and the compensation: income ratio reduced to 39% (2011: 45%)

  - Non-performance costs decreased by 1% to £8,069m after absorbing regulatory penalties of £290m in the Investment Bank and Head Office and Other Operations relating to the industry-wide investigation into the setting of interbank offered rates. Overall increases in regulatory and legal costs, continued business investment and the impact of acquisitions in 2011, were more than offset by reductions in other non-performance costs, in line with the Group's cost saving initiatives

- The adjusted cost: income ratio decreased to 61% (2011: 64%). At the Investment Bank the cost: net operating income ratio was flat at 64%

- The effective tax rate on statutory profit before tax was 36.8% (H1 11: 25.0%), principally due to profits taxed in countries with high local tax rates and non-deductible expenses. The increase in the tax rate compared to H1 11 reflects the recognition in 2011 of previously unrecognised deferred tax assets in the US branch of Barclays Bank PLC. The effective tax rate on adjusted profit before tax was 27.4% (H1 11: 24.2%)

Group Finance Director's Review

Balance Sheet

- Total assets increased to £1,631bn (2011: £1,564bn), reflecting increases across a number of asset categories, notably a £19bn increase in cash and balances at central banks, a £23bn increase in loans and advances to customers (primarily in relation to settlement balances) and a £21bn increase in reverse repurchase agreements. These were partially offset by a £21bn reduction in derivative financial instrument assets

- Total customer accounts increased 12% to £409bn primarily in relation to settlement balances

- The Group's loan to deposit ratio continued to improve to 111% (2011: 118%)

- Total shareholders' equity (including non-controlling interests) at 30 June 2012 was £63.7bn (2011: £65.2bn). Excluding non-controlling interests, shareholders' equity decreased £1.4bn to £54.2bn, principally reflecting negative reserve movements, notably the £1.0bn net purchase of treasury shares for deferred compensation awards, £0.5bn of dividends paid and £0.5bn currency reserve movements, partially offset by profit after tax

- Net asset value per share decreased 3% to 443p and the net tangible asset value per share decreased 3% to 379p

- Adjusted gross leverage remained stable at 20x and moved within a month end range of 20x to 23x. Excluding the liquidity pool, adjusted gross leverage remained flat at 17x

Capital Management

- As at 30 June 2012, the Group's Core Tier 1 ratio was 10.9% (31 December 2011: 11.0%) after absorbing a 26bps impact from pensions, principally reflecting the additional pension contributions made in April 2012 and deducting future contributions expected over the next 5 years

- The Group continued to generate Core Tier 1 capital from retained earnings (excluding own credit, which is added back for regulatory capital purposes). Retained earnings of £2.3bn were more than offset by other movements in Core Tier 1 capital including pension movements, share purchases, dividends and currency reserve movements

- Risk weighted assets remained stable at £390bn (2011: £391bn), principally reflecting increases in operational and market risk, offset by reductions in counterparty risk and credit risk

- In May 2012, the investment in BlackRock, Inc. was sold for net proceeds of £3.5bn, recognising a gain on sale of £227m. This holding would have resulted in a negative Core Tier 1 capital impact under Basel 3

Funding and Liquidity

The liquidity pool as at 30 June 2012 was £170bn (31 December 2011: £152bn) which is towards the top of the month-end range for the period of £152bn to £173bn (Full Year 2011: £140bn to £167bn). The liquidity pool is held unencumbered and is not used to support payment or clearing requirements, which are treated as part of our regular business funding. It is intended to offset stress outflows and comprises the following cash and unencumbered assets.

	Cash and Deposits with Central Banks1 £bn	Government Bonds2 £bn	Other Available Liquidity £bn	Total3 £bn
As at 30.06.12	124	32	14	170
As at 31.12.11	105	36	11	152

- RBB, Corporate Banking and Wealth and Investment Management activities are largely funded by customer deposits with the remainder covered by funding secured against customer loans and advances. As at 30 June 2012, the loan to deposit ratio for these businesses was 106% (31 December 2011: 111%) and the loan to deposit and secured funding ratio was 94% (31 December 2011: 101%)

- The Investment Bank's activities are primarily funded through wholesale markets. As at 30 June 2012 total wholesale funding outstanding (excluding repurchase agreements) was £263bn (31 December 2011: £265bn). £118bn of wholesale funding matures in less than one year (31 December 2011: £130bn)

1 Of which over 95% (31 December 2011: over 95%) is placed with the Bank of England, US Federal Reserve, European Central Bank, Bank of Japan and Swiss National Bank.
2 Of which over 70% (31 December 2011: over 80%) are comprised of UK, US, Japanese, French, German, Danish and Dutch securities.
3 £149bn (31 December 2011: £140bn) of which is FSA eligible.

Group Finance Director's Review

- Barclays continues to attract deposits in unsecured money markets and to raise additional secured and unsecured term funding in a variety of markets. During H1 12, the Group raised £19.9bn of term funding, including £10.2bn of senior unsecured and £9.7bn of secured term funding

- The Group has £11bn of term funding maturing in the remainder of 2012 (31 December 2011: £27bn), and a further £18bn maturing in 2013

- The Group's liquidity pool and wholesale funds continue to be well diversified across major currencies

Exposures to Selected Eurozone Countries

- During H1 12, sovereign exposures to Spain, Italy, Portugal, Ireland, Greece and Cyprus reduced by 22% to £5.6bn

    - Spanish and Portuguese sovereign exposures reduced 13% to £2.2bn and 27% to £0.6bn respectively due to the disposal of available for sale government bonds held for the purpose of interest rate hedging and liquidity, that have been replaced by interest rate swaps with alternative counterparties

    - Italian sovereign exposures decreased 27% to £2.6bn principally due to a redemption in government bonds held for trading

- Retail loans and advances in Spain, Italy and Portugal decreased 5% to £39.6bn, while lending to corporates decreased 13% to £10.0bn reflecting continued prudent risk management of portfolios. CRL coverage ratios in the retail and wholesale portfolios for Spain, Italy and Portugal have remained broadly stable

- During 2012, mitigating actions have been taken to reduce the local net funding mismatch including the drawdown of €8.2bn in the European Central Bank's three year LTRO in Spain and Portugal and additional deposit taking in Spain. As a result, the Group reduced the aggregate net local balance sheet funding mismatch from £12.1bn to £2.5bn in Spain and from £6.9bn to £3.7bn in Portugal during the six months to 30 June 2012

Other Matters

- In June 2012, Barclays reached settlement with the FSA and US authorities regarding investigations into submissions made by Barclays and other panel members to the bodies that set various interbank offered rates. Barclays agreed to pay total penalties of £290m

- Following an increase in PPI claim volumes, the PPI provision was increased by £300m in the first quarter of 2012, bringing the cumulative charge to £1,300m. Claims volumes remain unpredictable, although have recently been trending downwards. As at 30 June 2012, £894m of the total £1,300m provision had been utilised

- On 29 June 2012, the FSA announced that it had reached agreement with a number of UK banks (including Barclays) in relation to a review and redress exercise to be carried out in respect of interest rate hedging products sold to small and medium sized enterprises. A provision of £450m has been recognised based on initial estimates relating to the appropriate implementation of the agreement, although the ultimate cost of this exercise is uncertain

Dividends

- It is our policy to declare and pay dividends on a quarterly basis. We will pay a second interim cash dividend for 2012 of 1p per share on 7 September 2012

Outlook

- Performance during July continues to be ahead of the prior year. Nevertheless, we continue to be cautious about the environment in which we operate and will maintain the Group's strong capital, leverage and liquidity positions

Chris Lucas, Group Finance Director

Barclays Results by Quarter

Barclays Results by Quarter	Q212	Q112	Q411	Q311	Q211	Q111
	£m	£m	£m	£m	£m	£m
Adjusted basis						
Total income net of insurance claims	7,337	8,138	6,212	7,001	7,549	7,750
Credit impairment charges and other provisions	(1,054)	(778)	(951)	(1,023)	(907)	(921)
Net operating income	6,283	7,360	5,261	5,978	6,642	6,829
Operating expenses (excluding UK bank levy)	(4,542)	(4,949)	(4,414)	(4,659)	(4,940)	(4,842)
UK bank levy	-	-	(325)	-	-	-
Other net income	41	34	6	18	19	17
Adjusted profit before tax	1,782	2,445	528	1,337	1,721	2,004

Adjusting items						
Own credit	(325)	(2,620)	(263)	2,882	440	(351)
Gains on debt buy-backs	-	-	1,130	-	-	-
Impairment and gain/(loss) on disposal of BlackRock investment	227	-	-	(1,800)	(58)	-
Provision for PPI redress	-	(300)	-	-	(1,000)	-
Provision for interest rate hedging products redress	(450)	-	-	-	-	-
Goodwill impairment	-	-	(550)	-	(47)	-
(Losses)/gains on acquisitions and disposals	-	-	(32)	3	(67)	2
Statutory profit/(loss) before tax	1,234	(475)	813	2,422	989	1,655
Adjusted basic earnings per share	8.2p	13.6p	1.2p	6.9p	8.9p	10.7p
Adjusted cost: income ratio	62%	61%	76%	67%	65%	62%
Basic earnings per share	5.1p	(4.5p)	2.9p	9.7p	4.0p	8.5p
Cost: income ratio	69%	95%	75%	47%	75%	65%

Adjusted Profit/(Loss) Before Tax by Business	Q212	Q112	Q411	Q311	Q211	Q111
	£m	£m	£m	£m	£m	£m
UK	412	334	222	494	416	288
Europe	(49)	(43)	(125)	52	(102)	(59)
Africa	97	177	269	219	195	147
Barclaycard	404	349	259	378	275	296
Retail and Business Banking	864	817	625	1,143	784	672
Investment Bank	1,002	1,266	267	388	977	1,333
Corporate Banking	127	219	37	113	33	21
Corporate and Investment Banking	1,129	1,485	304	501	1,010	1,354
Wealth and Investment Management	61	60	54	65	42	46
Head Office and Other Operations	(272)	83	(455)	(372)	(115)	(68)
Total profit before tax	1,782	2,445	528	1,337	1,721	2,004

Condensed Consolidated Financial Statements

Condensed Consolidated Income Statement (Unaudited)

		Half Year Ended	Half Year Ended	Half Year Ended
Continuing Operations		30.06.12	31.12.11	30.06.11
	Notes1	£m	£m	£m
Net interest income	2	6,112	6,012	6,189
Net fee and commission income		4,249	4,203	4,419
Net trading income		1,584	3,764	3,896
Net investment income		371	1,711	652
Net premiums from insurance contracts		516	507	569

Net gain/(loss) on disposal of investment in BlackRock, Inc.		227	-	(58)
Gains on debt buy-backs and extinguishments		-	1,130	-
Other income/(expense)		61	(21)	60
Total income		13,120	17,306	15,727
Net claims and benefits incurred on insurance contracts		(363)	(344)	(397)
Total income net of insurance claims		12,757	16,962	15,330
Credit impairment charges and other provisions		(1,832)	(1,974)	(1,828)
Impairment of investment in BlackRock, Inc.		-	(1,800)	-
Net operating income		10,925	13,188	13,502
Staff costs	3	(5,469)	(5,297)	(6,110)
Administration and general expenses	4	(3,474)	(3,232)	(3,124)
Depreciation of property, plant and equipment		(337)	(322)	(351)
Amortisation of intangible assets		(211)	(222)	(197)
Operating expenses excluding goodwill impairment, UK bank levy and provisions for PPI and interest rate hedging products redress		(9,491)	(9,073)	(9,782)
Goodwill impairment		-	(550)	(47)
Provision for PPI redress		(300)	-	(1,000)
Provision for interest rate hedging products redress		(450)	-	-
UK bank levy		-	(325)	-
Operating expenses		(10,241)	(9,948)	(10,829)
Profit/(loss) on disposals of undertakings and share of results of associates and joint ventures		75	(5)	(29)
Profit before tax		759	3,235	2,644
Tax	6	(279)	(1,267)	(661)
Profit after tax		480	1,968	1,983
Attributable to:				
Equity holders of the parent		70	1,509	1,498
Non-controlling interests	7	410	459	485
Profit after tax		480	1,968	1,983
Earnings per Share from Continuing Operations				
Basic earnings per ordinary share	8	0.6p	12.6p	12.5p
Diluted earnings per ordinary share	8	0.6p	12.1p	11.9p

1 For notes to the Financial Statements see pages 73 to 90.

Condensed Consolidated Financial Statements

Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income (Unaudited)

Continuing Operations	Notes1	Half Year Ended 30.06.12 £m	Half Year Ended 31.12.11 £m	Half Year Ended 30.06.11 £m
Profit after tax		480	1,968	1,983
Other Comprehensive Income that may be recycled to profit or loss:				
Currency translation differences	17	(614)	(817)	(790)
Available for sale financial assets	17	(199)	1,059	315
Cash flow hedges	17	242	1,351	(88)
Other		48	(97)	23
Other comprehensive income for the period		(523)	1,496	(540)
Total comprehensive income for the period		(43)	3,464	1,443
Attributable to:				
Equity holders of the parent		(410)	3,402	1,174
Non-controlling interests		367	62	269
Total comprehensive income for the period		(43)	3,464	1,443

1 For notes, see pages 73 to 90.

Condensed Consolidated Financial Statements

Condensed Consolidated Balance Sheet (Unaudited)

Assets	Notes1	As at 30.06.12 £m	As at 31.12.11 £m	As at 30.06.11 £m
Cash and balances at central banks		126,062	106,894	86,916
Items in the course of collection from other banks		2,598	1,812	1,317
Trading portfolio assets		166,300	152,183	181,799
Financial assets designated at fair value		45,928	36,949	39,122
Derivative financial instruments	10	517,685	538,964	379,854
Loans and advances to banks		48,777	47,446	58,751
Loans and advances to customers		454,728	431,934	441,983
Reverse repurchase agreements and other similar secured lending		174,392	153,665	196,867
Available for sale financial investments		68,922	68,491	81,837
Current and deferred tax assets	6	3,244	3,384	3,007

Prepayments, accrued income and other assets		5,892	4,563	6,030
Investments in associates and joint ventures		489	427	576
Goodwill and intangible assets	12	7,861	7,846	8,541
Property, plant and equipment		5,909	7,166	6,196
Retirement benefit assets	15	2,478	1,803	126
Total assets		1,631,265	1,563,527	1,492,922
Liabilities				
Deposits from banks		94,467	91,116	84,188
Items in the course of collection due to other banks		1,671	969	1,324
Customer accounts		408,550	366,032	373,374
Repurchase agreements and other similar secured borrowing		245,833	207,292	247,635
Trading portfolio liabilities		51,747	45,887	77,208
Financial liabilities designated at fair value		94,855	87,997	92,473
Derivative financial instruments	10	507,351	527,910	366,536
Debt securities in issue		124,968	129,736	144,871
Accruals, deferred income and other liabilities		12,326	12,580	12,952
Current and deferred tax liabilities	6	1,377	2,092	1,100
Subordinated liabilities	13	22,089	24,870	26,786
Provisions	14	1,851	1,529	2,074
Retirement benefit liabilities	15	490	321	412
Total liabilities		1,567,575	1,498,331	1,430,933
Shareholders' Equity				
Shareholders' equity excluding non-controlling interests		54,205	55,589	51,572
Non-controlling interests	7	9,485	9,607	10,417
Total shareholders' equity		63,690	65,196	61,989
Total liabilities and shareholders' equity		1,631,265	1,563,527	1,492,922

1 For notes, see pages 73 to 90.

Condensed Consolidated Financial Statements

Condensed Consolidated Statement of Changes in Equity (Unaudited)

Half Year Ended 30.06.12	Called up Share Capital and Share Premium1	Other Reserves1	Retained Earnings	Total	Non-controlling Interests2	Total Equity
	£m	£m	£m	£m	£m	£m
Balance at 1 January 2012	12,380	3,837	39,372	55,589	9,607	65,196
Profit after tax	-	-	70	70	410	480

Currency translation movements	-	(543)	-	(543)	(71)	(614)
Available for sale investments	-	(218)	-	(218)	19	(199)
Cash flow hedges	-	234	-	234	8	242
Other	-	-	47	47	1	48
Total comprehensive income for the period	-	(527)	117	(410)	367	(43)
Issue of shares under employee share schemes	82	-	369	451	-	451
Increase in treasury shares	-	(955)	-	(955)	-	(955)
Vesting of shares under employee share schemes	-	912	(912)	-	-	-
Dividends paid	-	-	(488)	(488)	(364)	(852)
Other reserve movements	-	-	18	18	(125)	(107)
Balance at 30 June 2012	12,462	3,267	38,476	54,205	9,485	63,690
Half Year Ended 31.12.11						
Balance at 1 July 2011	12,361	1,291	37,920	51,572	10,417	61,989
Profit after tax	-	-	1,509	1,509	459	1,968
Currency translation movements	-	(401)	-	(401)	(416)	(817)
Available for sale investments	-	1,057	-	1,057	2	1,059
Cash flow hedges	-	1,338	-	1,338	13	1,351
Other	-	-	(101)	(101)	4	(97)
Total comprehensive income for the period	-	1,994	1,408	3,402	62	3,464
Issue of shares under employee share schemes	19	-	477	496	-	496
Decrease in treasury shares	-	388	-	388	-	388
Vesting of shares under employee share schemes	-	76	(76)	-	-	-
Dividends paid	-	-	(241)	(241)	(364)	(605)
Redemption of Reserve Capital Instruments	-	-	-	-	(528)	(528)
Other reserve movements	-	88	(116)	(28)	20	(8)
Balance at 31 December 2011	12,380	3,837	39,372	55,589	9,607	65,196
Half Year Ended 30.06.11						
Balance at 1 January 2011	12,339	1,754	36,765	50,858	11,404	62,262
Profit after tax	-	-	1,498	1,498	485	1,983
Currency translation movements	-	(608)	-	(608)	(182)	(790)
Available for sale investments	-	323	-	323	(8)	315
Cash flow hedges	-	(48)	-	(48)	(40)	(88)
Other	-	-	9	9	14	23
Total comprehensive income for the period	-	(333)	1,507	1,174	269	1,443
Issue of shares under employee share schemes	22	-	361	383	-	383
Increase in treasury shares	-	(553)	-	(553)	-	(553)
Vesting of shares under employee share schemes	-	423	(423)	-	-	-
Dividends paid	-	-	(419)	(419)	(363)	(782)

Redemption of Reserve Capital Instruments	-	-	-	-	(887)	(887)
Other reserve movements	-	-	129	129	(6)	123
Balance at 30 June 2011	12,361	1,291	37,920	51,572	10,417	61,989

1 Details of Share Capital and Other Reserves are shown on page 81.
2 Details of Non-controlling interests are shown on page 76. Included within other reserve movement of £125m, £91m relates to the disposal of the Iveco Finance business.

Condensed Consolidated Financial Statements

Condensed Consolidated Cash Flow Statement (Unaudited)

	Half Year Ended	Half Year Ended	Half Year Ended
Continuing Operations	30.06.12	31.12.11	30.06.11
	£m	£m	£m
Profit before tax	759	3,235	2,644
Adjustment for non-cash items	6,998	5,089	3,104
Changes in operating assets and liabilities	24,150	(10,362)	27,055
Corporate income tax paid	(889)	(796)	(890)
Net cash from operating activities	31,018	(2,834)	31,913
Net cash from investing activities	(2,232)	13,553	(15,465)
Net cash from financing activities	(3,861)	(3,112)	(2,849)
Effect of exchange rates on cash and cash equivalents	(2,424)	(1,350)	(1,583)
Net increase in cash and cash equivalents	22,501	6,257	12,016
Cash and cash equivalents at beginning of the period	149,673	143,416	131,400
Cash and cash equivalents at end of the period	172,174	149,673	143,416

Results by Business

UK Retail and Business Banking

	Half Year Ended	Half Year Ended	Half Year Ended

Income Statement Information	30.06.12	31.12.11	30.06.11	YoY
	£m	£m	£m	% Change
Net interest income	1,612	1,788	1,625	(1)
Net fee and commission income	568	566	591	(4)
Net investment income	-	17	-	
Net premiums from insurance contracts	39	43	49	(20)
Other income/(expense)	3	1	(2)	
Total income	2,222	2,415	2,263	(2)
Net claims and benefits incurred under insurance contracts	(17)	(13)	(9)	
Total income net of insurance claims	2,205	2,402	2,254	(2)
Credit impairment charges and other provisions	(122)	(261)	(275)	(56)
Net operating income	2,083	2,141	1,979	5
Operating expenses (excluding provision for PPI redress)	(1,337)	(1,427)	(1,275)	5
Provision for PPI redress	(300)	-	(400)	(25)
Operating expenses	(1,637)	(1,427)	(1,675)	(2)
Other net income	-	2	-	
Profit before tax	446	716	304	47
Adjusted profit before tax1	746	716	704	6

Balance Sheet Information			
Loans and advances to customers at amortised cost	£123.4bn	£121.2bn	£117.9bn
Customer deposits	£113.9bn	£111.8bn	£108.3bn
Total assets	£130.8bn	£127.8bn	£123.7bn
Risk weighted assets	£36.0bn	£34.0bn	£34.2bn

	Adjusted1			Statutory		
Performance Measures	30.06.12	31.12.11	30.06.11	30.06.12	31.12.11	30.06.11
Return on average equity	16.6%	14.8%	15.0%	9.9%	14.8%	6.4%
Return on average risk weighted assets	3.3%	3.0%	3.0%	1.9%	3.0%	1.3%
Cost: income ratio	61%	59%	57%	74%	59%	74%
Loan loss rate (bps)	19	42	46	19	42	46

Key Facts	30.06.12	31.12.11	30.06.11
90 day arrears rates - UK personal loans	1.4%	1.7%	2.1%
90 day arrears rates - home loans	0.3%	0.3%	0.3%
Number of UK current accounts	12.0m	11.9m	11.7m
Number of UK savings accounts	15.6m	15.1m	15.0m

Number of UK mortgage accounts	932,000	930,000	925,000
Number of Barclays Business customers	790,000	785,000	779,000
Average LTV of mortgage portfolio	44%	44%	43%
Average LTV of new mortgage lending	55%	54%	53%
Number of branches	1,614	1,625	1,634
Number of ATMs	3,984	3,629	3,361
Number of employees (full time equivalent)	34,100	34,100	34,200

1 Adjusted profit before tax and adjusted performance measures exclude the impact of the provision for PPI redress of £300m (H2 11 £nil; H1 11: £400m).

Results by Business

UK Retail and Business Banking

Income Statement - H1 12 compared to H1 11

- Adjusted profit before tax improved 6% to £746m. Profit before tax improved 47% to £446m after £300m (2011: £400m) provision for PPI redress
  - Solid new mortgage lending and deposit inflows as reflected in balance sheet growth
  - Continued reduction in impairment in personal unsecured lending
- Income declined 2% to £2,205m driven by lower net fees and commissions
- Net interest income declined 1% to £1,612m with net interest margin down 7bps to 139bps including reduced contributions from structural hedges
  - Customer asset margin decreased 17bps to 108bps reflecting higher funding rates
  - Average customer assets increased 5% to £122.3bn driven by 6% growth in average mortgage balances
  - Customer liability margin increased 14bps to 97bps reflecting an increase in funding rates and therefore the value generated from customer liabilities
  - Average customer liabilities increased 3% to £110.5bn due to savings deposit growth
-

Net fee and commission income down 4% to £568m following closure of the branch-based element of the financial planning business in Q1 2011 and lower overdraft fees

- Credit impairment charges decreased 56% to £122m with annualised loan loss rate of 19bps (2011: 46bps)
  - Personal unsecured lending impairment improved 62% to £61m with 90 day arrears rates on UK personal loans improving 70bps to 1.4%
- Operating expenses decreased 2% to £1,637m. Excluding the provision for PPI redress of £300m (2011: £400m), operating expenses increased 5% including higher PPI related operating costs
- Adjusted return on average equity improved to 16.6% (2011: 15.0%). Return on average equity improved to 9.9% (2011: 6.4%)
- Income Statement - Q2 12 compared to Q1 12
- Adjusted profit before tax improved 23% to £412m, reflecting a 5% increase in income and a 39% reduction in impairment charges due to a non-recurring provision release. Profit before tax improved £378m to £412m, reflecting the PPI redress provision of £300m recognised in Q1 12
- Balance Sheet - 30 June 2012 compared to 31 December 2011
- Total loans and advances to customers increased 2% to £123.4bn driven by growth in mortgage balances
  - Mortgage balances of £110.0bn at 30 June 2012 (31 December 2011: £107.8bn). Gross new mortgage lending of £7.8bn (30 June 2011: £7.6bn) and mortgage redemptions of £5.6bn (30 June 2011: £4.9bn), resulted in net new mortgage lending of £2.2bn (30 June 2011: £2.7bn)
  - Average Loan to Value (LTV) ratio on the mortgage portfolio (including buy to let) on a current valuation basis was 44% (31 December 2011: 44%). Average LTV of new mortgage lending was 55% (31 December 2011: 54%)
- Total customer deposits increased 2% to £113.9bn primarily driven by growth in savings from ISAs and bonds
- Risk weighted assets increased 6% to £36.0bn as a result of methodology changes and an increase in mortgage balances

Results by Business

Europe Retail and Business Banking

	Half Year Ended	Half Year Ended	Half Year Ended	
Income Statement Information	30.06.12	31.12.11	30.06.11	YoY
	£m	£m	£m	% Change

Net interest income	309	428	358	(14)
Net fee and commission income	152	210	219	(31)
Net trading income	4	4	5	
Net investment income	27	58	33	(18)
Net premiums from insurance contracts	220	209	254	(13)
Other income/(expense)	11	(56)	7	
Total income	723	853	876	(17)
Net claims and benefits incurred under insurance contracts	(237)	(231)	(272)	(13)
Total income net of insurance claims	486	622	604	(20)
Credit impairment charges and other provisions	(157)	(145)	(116)	35
Net operating income	329	477	488	(33)
Operating expenses (excluding goodwill impairment)	(428)	(554)	(657)	(35)
Goodwill impairment	-	(427)	-	
Operating expenses	(428)	(981)	(657)	(35)
Other net income	7	4	8	(13)
Loss before tax	(92)	(500)	(161)	(43)
Adjusted loss before tax1	(92)	(73)	(161)	(43)

Balance Sheet Information			
Loans and advances to customers at amortised cost	£41.2bn	£43.6bn	£46.0bn
Customer deposits	£18.4bn	£16.4bn	£19.1bn
Total assets	£48.1bn	£51.3bn	£56.7bn
Risk weighted assets	£16.6bn	£17.4bn	£17.9bn

	Adjusted1			Statutory		
Performance Measures	30.06.12	31.12.11	30.06.11	30.06.12	31.12.11	30.06.11
Return on average equity	(6.2%)	(2.7%)	(9.3%)	(6.2%)	(34.1%)	(9.3%)
Return on average risk weighted assets	(0.8%)	(0.4%)	(1.4%)	(0.8%)	(5.2%)	(1.4%)
Cost: income ratio	88%	89%	109%	88%	158%	109%
Loan loss rate (bps)	75	56	50	75	56	50

Key Facts	30.06.12	31.12.11	30.06.11
30 day arrears rates - cards	6.2%	5.9%	6.7%
90 day arrears rate - home Loans	0.8%	0.7%	0.6%
Number of customers	2.6m	2.7m	2.7m
Number of branches	951	978	1,120
Number of sales centres	228	250	247

Number of distribution points	1,179	1,228	1,367
Number of employees (full time equivalent)	8,000	8,500	9,300

1 Adjusted profit before tax and adjusted performance measures excludes the impact of goodwill impairment £nil (H2 11: £427m; H1 11: £nil).

Results by Business

Europe Retail and Business Banking

Income Statement - H1 12 compared to H1 11

- Loss before tax improved to £92m (2011: £161m) reflecting on-going strategic actions to reposition the business

 – Lower costs following restructuring charges in 2011 and subsequent cost savings

 – Reduction in funding mismatch driven by the active management of retail assets, particularly in Spain

- Income declined 20% to £486m reflecting the challenging economic environment across Europe

- Net interest income declined 14% to £309m reflecting lower asset and liability balances, partially offset by higher liability margins

 – Customer asset margin decreased 14bps to 80bps with net interest margin down to 108bps (2011: 118bps), driven by higher funding rates

 – Average customer assets decreased 3% to £42.0bn driven by active management to reduce funding mismatch

 – Customer liability margin increased 6bps to 47bps mainly due to re-pricing initiatives

 – Average customer liabilities decreased 14% to £15.5bn reflecting competitive pressures

- Net fee and commission income declined 31% to £152m, reflecting lower income from Italy mortgage sales and lower sales of investment products

- Net premiums from insurance contracts declined 13% to £220m, with a corresponding 13% decline in net claims and benefits to £237m

- Credit impairment charges increased 35% to £157m reflecting deterioration in credit performance in Spain and Portugal as economic conditions continued to worsen

– Loan loss rate increased to 75bps (2011: 50bps)

– 90 day arrears rate for home loans deteriorated to 80bps (30 June 2011: 60bps)

- Operating expenses decreased 35% to £428m, reflecting restructuring charges of £129m in 2011 and subsequent cost savings

- Return on average equity improved to negative 6.2% (2011: negative 9.3%) reflecting the improved loss before tax

Income Statement - Q2 12 compared to Q1 12

- Loss before tax of £49m (Q1 12: £43m) reflecting worsening delinquency trends on Spanish and Italian mortgages

Balance Sheet - 30 June 2012 compared to 31 December 2011

- Loans and advances to customers decreased 6% to £41.2bn reflecting currency movements and strategy to reduce the net funding mismatch. This change has driven a 6% reduction in total assets to £48.1bn

- Customer deposits increased 12% to £18.4bn, reflecting active management to improve liquidity and reduce the funding mismatch

- Risk weighted assets decreased 5% to £16.6bn reflecting reduced loans and advances to customers

Results by Business

Africa Retail and Business Banking

Income Statement Information	Half Year Ended 30.06.12	Half Year Ended 31.12.11	Half Year Ended 30.06.11	YoY
	£m	£m	£m	% Change
Net interest income	897	1,021	957	(6)
Net fee and commission income	561	584	612	(8)
Net trading income	43	27	43	-
Net investment income	8	26	30	
Net premiums from insurance contracts	214	216	216	(1)
Other income	10	29	25	
Total income	1,733	1,903	1,883	(8)
Net claims and benefits incurred under insurance contracts	(108)	(102)	(113)	(4)
Total income net of insurance claims	1,625	1,801	1,770	(8)
Credit impairment charges and other provisions	(321)	(196)	(270)	19
Net operating income	1,304	1,605	1,500	(13)
Operating expenses	(1,033)	(1,118)	(1,161)	(11)
Other net income	3	3	3	
Profit before tax	274	490	342	(20)
Adjusted profit before tax1	274	488	342	(20)

Balance Sheet Information			
Loans and advances to customers at amortised cost	£34.1bn	£34.4bn	£39.9bn
Customer deposits	£22.3bn	£22.6bn	£24.2bn
Total assets	£47.4bn	£48.2bn	£55.1bn
Risk weighted assets	£27.9bn	£30.3bn	£32.7bn

	Adjusted1			Statutory		
Performance Measures	30.06.12	31.12.11	30.06.11	30.06.12	31.12.11	30.06.11
Return on average equity	7.6%	11.5%	7.9%	7.6%	11.7%	7.9%
Return on average risk weighted assets	1.3%	2.0%	1.4%	1.3%	2.0%	1.4%
Cost: income ratio	64%	62%	66%	64%	62%	66%
Loan loss rate (bps)	182	107	130	182	107	130

Key Facts	30.06.12	31.12.11	30.06.11

90 day arrears rate - South African home loans	2.8%	3.2%	3.5%
Number of customers	14.8m	14.5m	14.5m
Number of ATMs	10,365	10,068	9,816
Number of branches	1,342	1,354	1,317
Number of sales centres	106	139	189
Number of distribution points	1,448	1,493	1,506
Number of employees (full time equivalent)	42,700	43,800	45,500

1 Adjusted profit before tax and adjusted performance measures excludes the impact of profit on disposals of subsidiaries, associates and joint ventures of £nil (H2 11: £2m; H1 11: £nil).

Results by Business

Africa Retail and Business Banking

Income Statement - H1 12 compared to H1 11

- Profit before tax declined 20% to £274m

  – Higher credit impairment in the South African home loans portfolio

  – Adverse currency movements due to depreciation of major African currencies against Sterling

- Income declined 8% to £1,625m driven by currency movements, partially offset by modest pricing increases and volume growth

- Net interest income declined 6% to £897m with the net interest margin up 16bps to 318bps primarily due to a change in composition to higher margin business

  – Customer asset margin increased 15bps to 310bps reflecting a change in composition towards higher margin business and lower funding rates

  – Average customer assets decreased 14% to £34.4bn, driven by currency movements and a modest decrease in the mortgage book

– Customer liability margin increased 8bps to 266bps driven by improving margins across a number of African countries partially offset by a decline in South Africa

– Average customer liabilities decreased 7% to £22.3bn, driven by currency movements partially offset by 10% underlying growth in deposits in South Africa where Absa remains a leader in customer deposits

- Net fee and commission income declined 8% to £561m driven by currency movements, partially offset by modest pricing increases and volume growth

- Credit impairment charges increased 19% to £321m reflecting higher impairment charges in the South African home loans portfolio due to higher write-offs

- Operating expenses decreased 11% to £1,033m primarily driven by currency movements and tight cost control

- Adjusted return on average equity decreased to 7.6% (2011: 7.9%)

Income Statement - Q2 12 compared to Q1 12

- Profit before tax of £97m (Q1 12: £177m) driven by higher impairments in South Africa retail mortgages and currency movements

Balance Sheet - 30 June 2012 compared to 31 December 2011

- Loans and advances to customers decreased 1% to £34.1bn and total assets decreased 2% to £47.4bn mainly due to currency movements

- Customer deposits decreased 1% to £22.3bn due to currency movements partially offset by growth in deposits in South Africa

- Risk weighted assets decreased 8% to £27.9bn primarily driven by changes in exposure risk weightings and currency movements

Results by Business

Barclaycard

Income Statement Information	Half Year Ended 30.06.12	Half Year Ended 31.12.11	Half Year Ended 30.06.11	YoY
	£m	£m	£m	% Change
Net interest income	1,394	1,490	1,370	2
Net fee and commission income	604	600	571	6
Net trading loss	(4)	(4)	(3)	
Net investment income	-	10	-	
Net premiums from insurance contracts	22	21	21	
Other income	11	5	15	
Total income	2,027	2,122	1,974	3
Net claims and benefits incurred under insurance contracts	(1)	1	(2)	
Total income net of insurance claims	2,026	2,123	1,972	3
Credit impairment charges and other provisions	(460)	(611)	(648)	(29)
Net operating income	1,566	1,512	1,324	18
Operating expenses (excluding provision for PPI redress and goodwill impairment)	(830)	(888)	(771)	8
Provision for PPI redress	-	-	(600)	
Goodwill impairment	-	-	(47)	
Operating expenses	(830)	(888)	(1,418)	(41)
Other net income	17	13	18	(6)
Profit/(loss) before tax	753	637	(76)	
Adjusted profit before tax1	753	637	571	32

Balance Sheet Information			
Loans and advances to customers at amortised cost	£30.6bn	£30.1bn	£28.3bn
Customer deposits	£2.0bn	£0.6bn	£0.6bn
Total assets	£34.6bn	£33.8bn	£32.5bn
Risk weighted assets	£33.1bn	£34.2bn	£34.0bn

	Adjusted1			Statutory		
Performance Measures	30.06.12	31.12.11	30.06.11	30.06.12	31.12.11	30.06.11
Return on average equity	22.0%	17.1%	17.7%	22.0%	17.1%	(3.6%)
Return on average risk weighted assets	3.3%	2.5%	2.7%	3.3%	2.5%	(0.3%)
Loan loss rate (bps)	285	376	420	285	376	420
Cost: income ratio	41%	42%	39%	41%	42%	72%

Key Facts	30.06.12	31.12.11	30.06.11
30 day arrears rates - UK cards	2.7%	2.7%	3.0%
30 day arrears rates - US cards	2.5%	3.1%	3.2%
30 day arrears rates - South Africa cards	5.1%	4.9%	5.4%
Total number of Barclaycard customers	23.0m	22.6m	22.2m
Total average customer assets	£31.8bn	£31.1bn	£29.4bn
Number of retailer relationships	89,000	87,000	90,000
Number of employees (full time equivalent)	10,600	10,400	10,400

1 Adjusted profit before tax and adjusted performance measures excludes the impact of the provision for PPI redress of £nil (H2 11: £nil; H1 11: £600m) and goodwill impairment of £nil (H2 11: £nil; H1 11: £47m).

Results by Business

Barclaycard

Income Statement - H1 12 compared to H1 11

- Adjusted profit before tax improved 32% to £753m. Profit before tax increased by £829m to £753m reflecting £600m provision for PPI redress and £47m goodwill impairment in FirstPlus secured lending portfolio, both charged in H1 11

  – International profit increased driven by significant improvement in the US

  – UK consumer card profit increased due to balance growth and 2011 portfolio acquisitions

  – Solid profit growth within the Business Payments portfolio due to higher volumes

- Income improved 3% to £2,026m reflecting continued growth across the business and contributions from 2011 portfolio acquisitions, partially offset by higher funding rates

  – UK income increased by 2% to £1,281m including contribution from 2011 portfolio acquisitions offset by higher funding rates

  – International income improved 3% to £745m reflecting higher US outstanding balances partially offset by increased funding rates

- Net interest income increased by 2% to £1,394m driven by volume growth, partially offset by lower net interest margin of 881bps (2011: 939bps) including an adverse impact from structural hedges

  – Average customer assets increased 8% to £31.8bn due to 2011 portfolio acquisitions and business growth, partially offset by the continued run-off of FirstPlus

  – Customer asset margin was down 5bps to 953bps due to higher funding rates

- Net fee and commission income improved 6% to £604m due to increased business volumes

- Credit impairment charges decreased 29% to £460m

  – Loan loss rate reduced to 285bps (2011: 420bps) principally driven by lower charges in the cards portfolios, reflecting improved underlying delinquency performance

  – 30 day arrears rates for consumer cards in UK down 30bps to 2.7%, in the US down 70bps to 2.5% and in South Africa down 30bps to 5.1%

- Operating expenses decreased 41% to £830m. Excluding the provision for PPI redress and FirstPlus goodwill impairment, operating expenses increased 8% reflecting 2011 portfolio acquisitions, investment spend and PPI related operating costs

- Adjusted return on average equity improved to 22.0% (2011: 17.7%). Return on average equity improved to 22.0% (2011: negative 3.6%)

Income Statement - Q2 12 compared to Q1 12

- Profit before tax improved 16% to £404m driven by higher income reflecting seasonal trends and business growth

Balance Sheet - 30 June 2012 compared to 31 December 2011

- Total assets increased 2% to £34.6bn in line with loans and advances to customers, primarily within the US

- Customer deposits increased by £1.4bn due to business funding initiatives in the US and Germany

- Risk weighted assets decreased 3% to £33.1bn, driven by impairment trends and a change in risk weightings more than offsetting volume growth

Results by Business

Investment Bank

Income Statement Information	Half Year Ended 30.06.12	Half Year Ended 31.12.11	Half Year Ended 30.06.11	YoY
	£m	£m	£m	% Change
Net interest income	426	666	511	(17)
Net fee and commission income	1,527	1,483	1,543	(1)
Net trading income	4,269	1,544	3,720	15
Net investment income	270	382	491	(45)
Other income/(expense)	4	(3)	(2)	
Total income	6,496	4,072	6,263	4
Credit impairment charges and other provisions	(323)	(204)	111	
Net operating income	6,173	3,868	6,374	(3)
Operating expenses	(3,933)	(3,216)	(4,073)	(3)
Other net income	28	3	9	
Profit before tax	2,268	655	2,310	(2)
Adjusted profit before tax	2,268	655	2,310	(2)

Balance Sheet Information and Key Facts			
Loans and advances to banks and customers at amortised cost	£185.9bn	£158.6bn	£180.7bn
Customer deposits	£114.5bn	£83.1bn	£92.0bn
Total assets	£1,225.4bn	£1,158.4bn	£1,076.0bn
Assets contributing to adjusted gross leverage	£650.4bn	£604.0bn	£653.6bn
Risk weighted assets	£190.6bn	£186.7bn	£190.0bn
Average DVaR (95%)	£42m	£65m	£48m
Number of employees (full time equivalent)1	23,300	23,600	23,600

	Adjusted			Statutory		
Performance Measures	30.06.12	31.12.11	30.06.11	30.06.12	31.12.11	30.06.11
Return on average equity	14.9%	5.0%	15.6%	14.9%	5.0%	15.6%
Return on average risk weighted assets	1.7%	0.6%	1.8%	1.7%	0.6%	1.8%
Cost: income ratio	61%	79%	65%	61%	79%	65%
Cost: net operating income ratio	64%	83%	64%	64%	83%	64%
Compensation: income ratio	39%	49%	45%	39%	49%	45%
Average income per employee (000s)1	£276	£170	£259	£276	£170	£259
Loan loss rate (bps)	35	22	(6)	35	22	(6)

1 H2 11 and H1 11 comparatives have been revised to reflect the transfer of 400 and 500 respectively of dedicated shared service employees to Wealth and Investment Management.

Results by Business

Investment Bank

Income Statement - H1 12 compared to H1 11

- Profit before tax decreased 2% to £2,268m driven by 4% income growth and 3% improvement in operating expenses more than offset by higher credit impairment charges

	Half Year Ended	Half Year Ended	Half Year Ended	
Analysis of Total Income	30.06.12	31.12.11	30.06.11	YoY
	£m	£m	£m	% Change

Fixed Income, Currency and Commodities	4,364	2,409	3,916	11
Equities and Prime Services	973	643	1,108	(12)
Investment Banking	1,010	895	1,132	(11)
Principal Investments	149	125	107	39
Total income	6,496	4,072	6,263	4

- Total income increased 4% to £6,496m

– Fixed Income, Currency and Commodities (FICC) income increased 11% to £4,364m, reflecting improved performances in Rates and Commodities partly offset by lower contributions from Securitised Products

– Equities and Prime Services income decreased 12% to £973m, with reduced performance in cash equities and equity derivatives driven by declines in market volumes

– Investment Banking income decreased 11% to £1,010m. Equity and debt underwriting were impacted by lower deal activity partly offset by growth in financial advisory

– Total income for the second quarter of £3,032m increased 5% on the second quarter of 2011. FICC income increased 15%, Equities and Prime Services income was down 25%, and Investment Banking income was down 4%

- Credit impairment charge of £323m (2011: release of £111m) reflecting charges primarily relating to ABS CDO Super Senior positions and higher losses on single name exposures. There was a non-recurring release of £223m in the prior year

- Operating expenses reduced 3% to £3,933m, due to a 19% decrease in total performance costs. This was partially offset by a £193m charge relating to the Investment Banking allocation of the £290m penalty arising from the industry wide investigation into the setting of interbank offered rates. The remaining £97m has been charged to the Head Office and Other Operations

- Cost to net operating income ratio of 64% (2011: 64%) within target range of 60% to 65%. Compensation to income ratio improved to 39% (2011: 45%)

- Return on average equity of 14.9% (2011: 15.6%) and return on average risk weighted assets of 1.7% (2011: 1.8%)

Income Statement - Q2 12 compared to Q1 12

- Profit before tax decreased to £1,002m (Q1 12: £1,266m) driven by a decline in income and higher credit impairment charges, partially offset by a 17% improvement in operating expenses primarily due to performance costs

- Income of £3,032m decreased 12% on the first quarter of 2012 with an improved seasonal trend compared to 2011

Balance Sheet - 30 June 2012 compared to 31 December 2011

- Assets contributing to adjusted gross leverage increased 8% to £650bn reflecting increases in cash and central bank deposits and reverse repurchase agreements. Total assets increased 6% to £1,225bn reflecting the above, and an increase in settlement balances partially offset by a decrease in the fair value of gross derivative assets

- Credit market exposures reduced £2.5bn to £12.7bn, primarily driven by sales of commercial real estate loans and properties

- Risk weighted assets increased 2% to £191bn driven by increases in operational risk and market risk, mainly due to methodology changes, partially offset by a reduction in counterparty risk and foreign currency movements

Results by Business

Corporate Banking

Income Statement Information	Half Year Ended 30.06.12	Half Year Ended 31.12.11	Half Year Ended 30.06.11	YoY
	£m	£m	£m	% Change
Net interest income	957	1,141	1,014	(6)
Net fee and commission income	489	497	508	(4)
Net trading income/(expense)	70	(128)	29	141
Net investment income	9	21	8	
Other income	2	9	9	
Total income	1,527	1,540	1,568	(3)
Credit impairment charges and other provisions	(425)	(535)	(612)	(31)
Net operating income	1,102	1,005	956	15
Operating expenses (excluding goodwill impairment and provision for interest rate hedging products redress)	(754)	(858)	(901)	(16)
Goodwill impairment	-	(123)	-	
Provision for interest rate hedging products redress	(450)	-	-	
Operating expenses	(1,204)	(981)	(901)	34

Other net expense	(2)	(6)	(65)
(Loss)/profit before tax	(104)	18	(10)
Adjusted profit before tax1	346	150	54

Balance Sheet Information and Key Facts			
Loans and advances to customers at amortised cost	£64.0bn	£66.9bn	£66.2bn
Loans and advances to customers at fair value	£17.3bn	£17.2bn	£14.4bn
Customer deposits	£88.5bn	£85.2bn	£84.5bn
Total assets	£87.8bn	£91.2bn	£87.1bn
Risk weighted assets	£69.3bn	£72.8bn	£72.0bn
Number of employees (full time equivalent)	10,600	11,200	13,200

	Adjusted1			Statutory		
Performance Measures	30.06.12	31.12.11	30.06.11	30.06.12	31.12.11	30.06.11
Return on average equity	6.0%	2.8%	0.6%	(3.3%)	(0.8%)	(1.2%)
Return on average risk weighted assets	0.7%	0.3%	0.1%	(0.3%)	(0.1%)	(0.1%)
Loan loss rate (bps)	123	145	173	123	145	173
Cost: income ratio	49%	56%	57%	79%	64%	57%

1 Adjusted profit before tax and adjusted performance measures exclude the impact of goodwill impairment of £nil (H2 11: £123m, H1 11: £nil), provision for interest rate hedging products redress of £450m (H2 11: £nil, H1 11: £nil) and loss on disposal of £nil (H2 11: £9m, H1 11: £64m).

Results by Business

Corporate Banking

Half Year Ended 30 June 2012	UK	Europe	RoW	Total
Income Statement Information	£m	£m	£m	£m
Income	1,150	173	204	1,527
Credit impairment charges and other provisions	(146)	(277)	(2)	(425)
Operating expenses (excluding provision for interest rate hedging products redress)	(515)	(76)	(163)	(754)
Provision for interest rate hedging products redress	(450)	-	-	(450)
Other net expense	(2)	-	-	(2)
Profit/(loss) before tax	37	(180)	39	(104)

Adjusted profit/(loss) before tax	487	(180)	39	346
Balance Sheet Information				
Loans and advances to customers at amortised cost	£51.1bn	£7.5bn	£5.4bn	£64.0bn
Loans and advances to customers at fair value	£17.2bn	-	£0.1bn	£17.3bn
Customer deposits	£72.6bn	£5.6bn	£10.3bn	£88.5bn
Risk weighted assets	£49.9bn	£11.5bn	£7.9bn	£69.3bn

Half Year Ended 31 December 2011				
Income Statement Information				
Income	1,064	240	236	1,540
Credit impairment charges and other provisions	(192)	(288)	(55)	(535)
Operating expenses (excluding goodwill impairment)	(541)	(117)	(200)	(858)
Goodwill impairment	-	(123)	-	(123)
Other net income/(expense)	3	-	(9)	(6)
Profit/(loss) before tax	334	(288)	(28)	18
Adjusted profit/(loss) before tax	334	(165)	(19)	150
Balance Sheet Information				
Loans and advances to customers at amortised cost	£50.6bn	£11.2bn	£5.1bn	£66.9bn
Loans and advances to customers at fair value	£17.2bn	-	-	£17.2bn
Customer deposits	£69.9bn	£5.6bn	£9.7bn	£85.2bn
Risk weighted assets	£49.9bn	£15.4bn	£7.5bn	£72.8bn

Half Year Ended 30 June 2011				
Income Statement Information				
Income	1,135	200	233	1,568
Credit impairment charges and other provisions	(163)	(428)	(21)	(612)
Operating expenses	(558)	(131)	(212)	(901)
Other net expense	(1)	-	(64)	(65)
Profit/(loss) before tax	413	(359)	(64)	(10)
Adjusted profit/(loss) before tax	413	(359)	-	54
Balance Sheet Information				
Loans and advances to customers at amortised cost	£48.9bn	£12.5bn	£4.8bn	£66.2bn
Loans and advances to customers at fair value	£14.4bn	-	-	£14.4bn
Customer deposits	£67.5bn	£7.2bn	£9.8bn	£84.5bn
Risk weighted assets	£47.1bn	£17.2bn	£7.7bn	£72.0bn

Results by Business

Corporate Banking

Income Statement - H1 12 compared to H1 11

- Adjusted profit before tax improved £292m to £346m, primarily driven by improved credit impairment in Europe and improved operating expenses. Loss before tax was £104m (2011: £10m) including a gain of £68m (2011: gain of £21m) in the net valuation of fair value loans and a £450m provision for interest rate hedging products redress

  – UK adjusted profit before tax improved 18% to £487m reflecting improved operating expenses and credit impairment. UK profit before tax decreased £376m to £37m after £450m provision for interest rate hedging products redress

  – Europe loss before tax improved £179m to £180m driven by improved credit impairment charges in Spain and improved operating expenses, partially offset by non-recurring income from exited businesses

  – Rest of the World profit before tax improved £103m to £39m including a prior year loss on disposal of Barclays Bank Russia (BBR). Excluding this item, Rest of the World profit before tax improved £39m

- Net interest income decreased 6% to £957m reflecting increased funding rates and non-recurring income from exited businesses

- Credit impairment charges reduced 31% to £425m. Overall loan loss rates improved to 123bps (2011: 173bps)

  – Impairment charges in Spain reduced £115m to £184m, primarily as a result of ongoing action to reduce exposure within the property and construction sector

- Operating expenses excluding a £450m provision for interest rate hedging products redress improved 16% to £754m, principally due to prior year restructuring including the exit of BBR. Adjusted cost to income ratio improved to 49% (2011: 57%)

- Adjusted return on average equity improved to 6.0% (2011: 0.6%). Return on average equity was negative 3.3% (2011: negative 1.2%)

Income Statement - Q2 12 compared to Q1 12

- Adjusted profit before tax decreased £92m to £127m including a loss of £10m (Q1 12: gain of £78m) in the net valuation of fair value loans. Excluding this item, adjusted profit before tax of £137m was broadly in line with the previous quarter

- Loss before tax decreased £542m to £323m after £450m provision for interest rate hedging products redress

Balance Sheet - 30 June 2012 compared to 31 December 2011

- Total assets down £3.4bn to £87.8bn driven by reduced balances in Europe

- Customer deposits increased 4% to £88.5bn with increased balances in the UK

- Risk weighted assets decreased 5% to £69.3bn reflecting lower net exposures in Europe

Results by Business

Results by Business

Wealth and Investment Management

Income Statement Information	Half Year Ended 30.06.12	Half Year Ended 31.12.11	Half Year Ended 30.06.11	YoY
	£m	£m	£m	% Change
Net interest income	419	429	369	14
Net fee and commission income	467	473	470	(1)
Net trading income/(expense)	5	(4)	9	
Net investment income	-	-	-	
Other income/(expense)	1	(2)	-	
Total income	892	896	848	5
Credit impairment charges and other provisions	(19)	(22)	(19)	-
Net operating income	873	874	829	5
Operating expenses	(751)	(753)	(740)	1

Other net expense	(1)	(2)	(1)	
Profit before tax	121	119	88	38
Adjusted profit before tax	121	119	88	38

Balance Sheet Information and Key Facts			
Loans and advances to customers at amortised cost	£19.8bn	£18.8bn	£17.6bn
Customer deposits	£50.0bn	£46.5bn	£44.4bn
Total assets	£22.2bn	£20.9bn	£19.8bn
Risk weighted assets	£14.0bn	£13.1bn	£12.7bn
Client assets	£176.1bn	£164.2bn	£169.5bn
Number of employees (full time equivalent)1	8,000	8,100	8,400

	Adjusted			Statutory		
Performance Measures	30.06.12	31.12.11	30.06.11	30.06.12	31.12.11	30.06.11
Return on average equity	10.0%	12.2%	9.6%	10.0%	12.2%	9.6%
Return on average risk weighted assets	1.5%	1.7%	1.3%	1.5%	1.7%	1.3%
Cost: income ratio	84%	84%	87%	84%	84%	87%
Loan loss rate (bps)	19	23	21	19	23	21

1 H2 11 and H1 11 comparatives have been revised to reflect the transfer of 400 and 500 respectively of dedicated shared service employees to Wealth and Investment Management.

Results by Business

Wealth and Investment Management

Income Statement - H1 12 compared to H1 11

- Profit before tax increased 38% to £121m

  – Wealth and Investment Management continues to execute its strategic investment programme with a focus on building productive capacity and delivering a step change in the client experience

  – Delivery against these objectives has been strong over the last two and a half years, with significant front office hiring and material improvements to technology platforms driving efficiencies as well as improved service to clients

- Income improved 5% to £892m primarily driven by an increase in the High Net Worth businesses:

  – Net interest income grew 14% to £419m. Net interest margin increased to 125bps from 122bps with average loans up £2.3bn to £19.2bn and average customer deposits up £4.3bn to £48.2bn. The growth in deposits was primarily driven by an enhanced banking proposition in the High Net Worth businesses and a shift in client investment appetite towards holding cash in volatile market conditions

  – Net fee and commission income decreased 1% to £467m due to reduced client activity in challenging market conditions

- Operating expenses increased 1% to £751m as the continued cost of the strategic investment programme was partially offset by additional cost control initiatives

- Return on average equity increased to 10.0% (2011: 9.6%)

Income Statement - Q2 12 compared to Q1 12

- Profit before tax remained stable at £61m (Q1 12: £60m)

Balance Sheet - 30 June 2012 compared to 31 December 2011

- Customer deposits increased 8% to £50.0bn and loans and advances to customers increased 5% to £19.8bn driven by growth in the High Net Worth businesses

- Client assets increased to £176.1bn (2011: £164.2bn) driven by net new assets in the High Net Worth businesses offset by market, foreign exchange and other movements

- Risk weighted assets increased 7% to £14.0bn principally due to growth in lending balances

Results by Business

Head Office and Other Operations

Income Statement Information	Half Year Ended 30.06.12 £m	Half Year Ended 31.12.11 £m	Half Year Ended 30.06.11 £m
Adjusted total income/(expense) net of insurance claims1	218	(243)	20
Own credit	(2,945)	2,619	89
Gains on debt buy-backs	-	1,130	-
Gain/(loss) on disposal of investment in BlackRock, Inc.	227	-	(58)
Total (expense)/income net of insurance claims	(2,500)	3,506	51
Credit impairment (charges)/release and other provisions	(5)	-	1
Impairment of investment in BlackRock, Inc.	-	(1,800)	-
Net operating (expense)/income	(2,505)	1,706	52
Operating expenses (excluding bank levy)	(425)	(259)	(204)
UK bank levy	-	(325)	-
Operating expenses	(425)	(584)	(204)
Other net income/(expense)	23	(22)	(1)
(Loss)/profit before tax	(2,907)	1,100	(153)
Adjusted loss before tax2	(189)	(827)	(183)

Balance Sheet Information and Key Facts			
Total assets	£35.0bn	£31.9bn	£41.9bn
Risk weighted assets	£2.7bn	£2.5bn	£1.7bn
Number of employees (full time equivalent)	1,700	1,400	1,500

Income Statement - H1 12 compared to H1 11

- Adjusted loss before tax increased 3% to £189m

– Income improved to £218m (2011: £20m), principally due to a one-time gain relating to hedges of employee share awards that were closed out during Q1 12

– Operating expenses increased to £425m (2011: £204m) due to higher regulatory costs and a £97m charge relating to the allocation to Head Office and Other Operations of the £290m penalty arising from the industry wide investigation into the setting of interbank offered rates

- Statutory loss before tax increased to £2,907m (2011: £153m) reflecting an own credit charge of £2,945m (2011: gain of £89m), partially offset by the gain on sale of the strategic investment in Blackrock, Inc. of £227m (2011: £58m loss)

- The 2012 impact of the UK bank levy, which is calculated by reference to the Group's liabilities as at 31 December 2012, has not been reflected in these results in accordance with IFRS. The total cost for 2012, due to be recognised in the fourth quarter, is expected to be approximately £360m

Income Statement - Q2 12 compared to Q1 12

- Adjusted loss before tax of £272m (Q1 12: profit before tax £83m) principally reflects the non recurrence of gain on hedges of employee share awards that were closed out in Q1 12 and the penalty arising from the investigation into interbank offered rates recognised in Q2 12. Loss before tax improved to £370m (Q1 12: £2,537m), reflecting reduced own credit charges and the Q2 12 gain on sale of the investment BlackRock, Inc.

Balance Sheet - 30 June 2012 compared to 31 December 2011

- Total assets increased to £35.0bn (31 December 2011: £31.9bn) reflecting growth in the liquidity bond portfolio, partially offset by the sale of the strategic investment in Blackrock, Inc.

- Risk weighted assets increased 8% to £2.7bn

1 Includes net interest income of £98m (H2 11: expense of £950m; H1 11: expense of £15m).

2 Adjusted performance measures and profit before tax exclude the impact of £2,945m (2011: gain of £89m) own credit loss, £nil (2011: £1m loss) gains on acquisitions and disposals and £227m (2011: loss of £58m) gain on disposal of strategic investment in BlackRock, Inc.

Business Results by Quarter

UK RBB	Q212	Q112	Q411	Q311	Q211	Q111
	£m	£m	£m	£m	£m	£m
Adjusted basis						
Total income net of insurance claims	1,128	1,077	1,129	1,273	1,170	1,084
Credit impairment charges and other provisions	(46)	(76)	(156)	(105)	(131)	(144)
Net operating income	1,082	1,001	973	1,168	1,039	940
Operating expenses	(671)	(666)	(752)	(675)	(622)	(653)
Other net income/(expense)	1	(1)	1	1	(1)	1
Adjusted profit before tax	412	334	222	494	416	288
Adjusting items						
Provision for PPI redress	-	(300)	-	-	(400)	-
Statutory profit before tax	412	34	222	494	16	288

Europe RBB						
Adjusted basis						
Total income net of insurance claims	243	243	247	375	309	295
Credit impairment charges and other provisions	(85)	(72)	(83)	(62)	(47)	(69)
Net operating income	158	171	164	313	262	226
Operating expenses	(211)	(217)	(291)	(263)	(368)	(289)
Other net income	4	3	2	2	4	4
Adjusted (loss)/profit before tax	(49)	(43)	(125)	52	(102)	(59)
Adjusting items						
Goodwill impairment	-	-	(427)	-	-	-
Statutory (loss)/profit before tax	(49)	(43)	(552)	52	(102)	(59)

Africa RBB						
Adjusted basis						
Total income net of insurance claims	795	830	861	940	906	864
Credit impairment charges and other provisions	(214)	(107)	(88)	(108)	(126)	(144)
Net operating income	581	723	773	832	780	720
Operating expenses	(485)	(548)	(505)	(613)	(586)	(575)
Other net income	1	2	1	-	1	2
Adjusted profit before tax	97	177	269	219	195	147
Adjusting items						
Gains on acquisitions and disposals	-	-	-	2	-	-
Statutory profit before tax	97	177	269	221	195	147

Barclaycard

Adjusted basis						
Total income net of insurance claims	1,036	990	983	1,140	1,012	960
Credit impairment charges and other provisions	(228)	(232)	(271)	(340)	(344)	(304)
Net operating income	808	758	712	800	668	656
Operating expenses	(412)	(418)	(458)	(430)	(400)	(371)
Other net income	8	9	5	8	7	11
Adjusted profit before tax	404	349	259	378	275	296
Adjusting items						
Provision for PPI redress	-	-	-	-	(600)	-
Goodwill impairment	-	-	-	-	(47)	-
Statutory profit/(loss) before tax	404	349	259	378	(372)	296

Business Results by Quarter

Investment Bank	Q212	Q112	Q411	Q311	Q211	Q111
	£m	£m	£m	£m	£m	£m
Adjusted and statutory basis						
Fixed Income, Currency and Commodities	1,968	2,396	971	1,438	1,715	2,201
Equities and Prime Services	423	550	305	338	563	545
Investment Banking	501	509	506	389	520	612
Principal Investments	140	9	36	89	99	8
Total income	3,032	3,464	1,818	2,254	2,897	3,366
Credit impairment (charges)/releases and other provisions	(248)	(75)	(90)	(114)	80	31
Net operating income	2,784	3,389	1,728	2,140	2,977	3,397
Operating expenses	(1,788)	(2,145)	(1,458)	(1,758)	(2,006)	(2,067)
Other net income/(expense)	6	22	(3)	6	6	3
Adjusted profit before tax and profit before tax	1,002	1,266	267	388	977	1,333

Corporate Banking						
Adjusted basis						
Total income net of insurance claims	703	824	710	830	817	751
Credit impairment charges and other provisions	(218)	(207)	(252)	(283)	(327)	(285)
Net operating income	485	617	458	547	490	466
Operating expenses	(357)	(397)	(422)	(436)	(459)	(442)
Other net (expense)/income	(1)	(1)	1	2	2	(3)
Adjusted profit before tax	127	219	37	113	33	21
Adjusting items						
Goodwill impairment	-	-	(123)	-	-	-
	(450)	-	-	-	-	-

Provision for interest rate hedging products redress						
Losses on disposal	-	-	(9)	-	(64)	-
Statutory (loss)/profit before tax	(323)	219	(95)	113	(31)	21

Wealth and Investment Management						
Adjusted and statutory basis						
Total income net of insurance claims	441	451	449	447	426	422
Credit impairment charges and other provisions	(12)	(7)	(10)	(12)	(9)	(10)
Net operating income	429	444	439	435	417	412
Operating expenses	(367)	(384)	(384)	(369)	(375)	(365)
Other net expenses	(1)	-	(1)	(1)	-	(1)
Adjusted profit before tax and profit before tax	61	60	54	65	42	46

Head Office and Other Operations						
Adjusted basis						
Total (expense)/income net of insurance claims	(41)	259	15	(258)	12	8
Credit impairment (charges)/releases and other provisions	(3)	(2)	(1)	1	(3)	4
Net operating (expense)/income	(44)	257	14	(257)	9	12
Operating expenses (excluding UK bank levy)	(251)	(174)	(144)	(115)	(124)	(80)
UK bank levy	-	-	(325)	-	-	-
Other net income	23	-	-	-	-	-
Adjusted (loss)/profit before tax	(272)	83	(455)	(372)	(115)	(68)
Adjusting items						
Own credit	(325)	(2,620)	(263)	2,882	440	(351)
Impairment and gain/(loss) on disposal of BlackRock investment	227	-	-	(1,800)	(58)	-
Gains on debt buy-backs	-	-	1,130	-	-	-
(Losses)/gains on acquisitions and disposals	-	-	(23)	1	(3)	2
Statutory (loss)/profit before tax	(370)	(2,537)	389	711	264	(417)

Performance Management

Returns and Equity by Business

Returns on average equity and average tangible equity are calculated using profit after tax and non-controlling interests for the period, divided by average allocated equity or tangible equity as appropriate. Average allocated equity has been calculated as 10% of average risk weighted assets for each business, adjusted for capital deductions, including goodwill and intangible assets, reflecting the assumptions the Group uses for capital planning purposes. The higher capital level currently held, reflecting as at 30 June 2012 Core Tier 1 capital ratio of 10.9%, is allocated to Head Office and Other Operations. Average allocated tangible equity is calculated using the same method but excludes goodwill and intangible assets.

	Adjusted1			Statutory		
	Half Year Ended	Half Year Ended	Half Year Ended	Half Year Ended	Half Year Ended	Half Year Ended
Return on Average Equity	30.06.12	31.12.11	30.06.11	30.06.12	31.12.11	30.06.11
	%	%	%	%	%	%
UK RBB	16.6%	14.8%	15.0%	9.9%	14.8%	6.4%
Europe RBB	(6.2%)	(2.7%)	(9.3%)	(6.2%)	(34.1%)	(9.3%)
Africa RBB	7.6%	11.5%	7.9%	7.6%	11.7%	7.9%
Barclaycard	22.0%	17.1%	17.7%	22.0%	17.1%	(3.6%)
Investment Bank	14.9%	5.0%	15.6%	14.9%	5.0%	15.6%
Corporate Banking	6.0%	2.8%	0.6%	(3.3%)	(0.8%)	(1.2%)
Wealth and Investment Management	10.0%	12.2%	9.6%	10.0%	12.2%	9.6%
Group excluding Head Office and Other Operations	12.8%	7.5%	11.2%	10.4%	5.1%	7.6%
Head Office and Other Operations impact	(2.9%)	(3.6%)	(1.9%)	(10.1%)	0.6%	(1.7%)
Total	9.9%	3.9%	9.3%	0.3%	5.7%	5.9%

	Adjusted1			Statutory		
Return on Average Tangible Equity	%	%	%	%	%	%
UK RBB	32.2%	28.5%	28.7%	19.2%	28.5%	12.3%
Europe RBB	(7.0%)	(3.5%)	(12.5%)	(7.0%)	(44.8%)	(12.5%)
Africa RBB2	11.1%	18.2%	14.2%	11.1%	18.3%	14.2%
Barclaycard	29.4%	22.5%	23.5%	29.4%	22.5%	(4.8%)
Investment Bank	15.5%	5.1%	16.2%	15.5%	5.1%	16.2%
Corporate Banking	6.4%	3.0%	0.6%	(3.4%)	(0.8%)	(1.2%)
Wealth and Investment Management	14.0%	16.7%	13.2%	14.0%	16.7%	13.2%
Group excluding Head Office and Other Operations	15.0%	9.3%	13.6%	12.2%	6.5%	9.4%
Head Office and Other Operations impact	(3.5%)	(4.7%)	(2.3%)	(11.9%)	0.2%	(2.3%)
Total	11.5%	4.6%	11.3%	0.3%	6.7%	7.1%

	Average Equity			Average Tangible Equity		
	£m	£m	£m	£m	£m	£m
UK RBB	6,772	6,795	6,847	3,493	3,535	3,588
Europe RBB	2,325	2,722	2,683	2,042	2,067	1,997

Africa RBB	2,612	2,599	2,651	1,120	1,066	1,002
Barclaycard	4,660	4,675	4,594	3,491	3,546	3,459
Investment Bank	20,778	20,106	20,896	20,057	19,386	20,113
Corporate Banking	7,306	7,420	7,479	6,947	6,940	6,978
Wealth and Investment Management	1,894	1,752	1,695	1,359	1,284	1,233
Head Office and Other Operations 3	8,710	7,033	3,679	8,711	7,031	3,678
Total	55,057	53,102	50,524	47,220	44,855	42,048

1 Adjusted performance metrics exclude the impact of own credit gain, gains on debt buy-backs, impairment and gain/loss on disposal of BlackRock, Inc., provision for PPI redress, provision for interest rate hedging products redress, goodwill impairment and (loss)/gain on acquisitions and disposals.

2 The return on average tangible equity for Africa RBB has been calculated based on average tangible equity including amounts relating to Absa Group's non-controlling interests.

3 Includes risk weighted assets and capital deductions in Head Office and Other Operations, plus the residual balance of average shareholders' equity and tangible equity.

Performance Management

Margins and Balances

Analysis of Net Interest Income	Half Year Ended 30.06.12 £m	Half Year Ended 31.12.11 £m	Half Year Ended 30.06.11 £m
RBB, Corporate Banking and Wealth and Investment Management customer income:			
- Customer assets	3,335	3,478	3,505
- Customer liabilities	1,564	1,552	1,314
Total	4,899	5,030	4,819
RBB, Corporate Banking and Wealth and Investment Management non-customer income:			
- Product structural hedge1	487	540	628
- Equity structural hedge2	119	643	181
- Other	83	83	65
Total RBB, Corporate Banking and Wealth and Investment Management net interest income	5,588	6,296	5,693
Investment Bank	426	666	511
Head Office and Other Operations	98	(950)	(15)
Group net interest income	6,112	6,012	6,189

RBB, Corporate Banking and Wealth and Investment Management net interest income (NII)

Barclays distinguishes the relative net interest contribution from customer assets and customer liabilities, and separates this from the contribution delivered by non-customer income, which principally arises from Group hedging activities.

Customer interest income

- Customer NII increased 2% to £4,899m, driven by increases in the customer liability margin and growth in average customer asset and liability balances. Customer liabilities grew due to increases in retail savings products and corporate deposits in the UK

- The customer asset margin declined to 2.11% (2011: 2.23%), reflecting an increase in funding rates across RBB, Corporate Banking and Wealth and Investment Management businesses. This was partially offset by a move towards higher margin business in Africa RBB

- The customer liability margin increased to 1.13% (2011: 0.99%) reflecting increased funding rates and therefore value generated from RBB, Corporate Banking and Wealth and Investment Management customer liabilities

Non-customer interest income

- Non-customer NII decreased 21% to £689m, reflecting a reduction in the benefits from Group hedging activities. Group hedging activities utilise structural interest rate hedges to mitigate the impact of the low interest rate environment on customer liabilities and the Group's equity

- Product structural hedges generated a lower contribution of £487m (2011: £628m), as hedges were maintained in this period of continued low interest rates. Based on current interest rate curves and the on-going hedging strategy, fixed rate returns on product structural hedges are expected to continue to make a significant but declining contribution in H2 2012 and 2013

- The contribution from equity structural hedges in RBB, Corporate Banking and Wealth and Investment Management decreased to £119m (2011: £181m) following the sale of hedging instruments in H2 11 and the continued low interest rate environment

Other Group interest income

- Head Office and Other Operations NII of £98m (2011: £15m expenses) principally reflects an increase in income transferred from trading income within Head Office relating to interest rate swaps used for hedge accounting

1 Product structural hedges convert short term interest margin volatility on product balances (such as non-interest bearing current accounts and managed rate deposits) into a more stable medium term rate and are built on a monthly basis to achieve a targeted maturity profile. Product structural hedge income for H1 11 has been revised to £628m (previously reported as £711m).

2 Equity structural hedges are in place to manage the volatility in net earnings generated by businesses on the Group's equity, with the impact allocated to businesses in line with their economic capital usage.

Performance Management

- Investment Bank NII decreased 17% to £426m, due to a reduction in interest income from credit market exposures

- Total Group income from equity structural hedges decreased to £378m (2011: £583m) including £259m (2011: £402m) that was allocated to the Investment Bank and Head Office

Net Interest Margin

- The net interest margin for RBB, Corporate Banking and Wealth and Investment Management decreased to 1.89% (2011: 1.97%), reflecting the reduction in contribution from Group hedging activities. Consistent with prior periods the net interest margin is expressed as a percentage of the sum of average customer assets and liabilities, to reflect the impact of the margin generated on retail and commercial banking liabilities

- The net interest margin expressed as a percentage of average customer assets only, declined to 3.53% (2011: 3.63%)1

Analysis of Net Interest Margin

	UK RBB	Europe RBB	Africa RBB1	Barclaycard	Corporate Banking1	Wealth and Investment Management	Total RBB, Corporate and Wealth
Half Year Ended 30.06.12	%	%	%	%	%	%	%
Customer asset margin	1.08	0.80	3.10	9.53	1.20	0.65	2.11

Customer liability margin	0.97	0.47	2.66	n/m	1.08	1.11	1.13
Non-customer generated margin	0.37	0.36	0.25	(0.73)	0.16	0.27	0.23
Net interest margin	1.39	1.08	3.18	8.81	1.29	1.25	1.89
Average customer assets (£m)	122,343	42,044	34,369	31,830	68,162	19,152	317,900
Average customer liabilities (£m)	110,540	15,523	22,345	n/m	80,758	48,246	277,412
Half Year Ended 31.12.11							
Customer asset margin	1.18	0.82	2.89	9.47	1.40	0.78	2.15
Customer liability margin	0.90	0.90	2.91	n/m	0.99	1.05	1.12
Non-customer generated margin	0.50	0.54	0.52	0.02	0.31	0.39	0.42
Net interest margin	1.55	1.38	3.42	9.49	1.50	1.36	2.10
Average customer assets (£m)	120,015	44,133	35,992	31,155	71,027	18,045	320,367
Average customer liabilities (£m)	108,408	17,379	23,274	n/m	80,268	44,718	274,047
Half Year Ended 30.06.11							
Customer asset margin	1.25	0.94	2.95	9.58	1.54	0.77	2.23
Customer liability margin	0.83	0.41	2.58	n/m	0.89	0.94	0.99
Non-customer generated margin	0.41	0.40	0.21	(0.18)	0.22	0.33	0.30
Net interest margin	1.46	1.18	3.02	9.39	1.42	1.22	1.97
Average customer assets (£m)	116,977	43,360	39,943	29,408	69,760	16,849	316,297
Average customer liabilities (£m)	107,007	18,029	23,914	n/m	74,430	43,994	267,374

- Customer asset and liability margins reflect a year on year increase in the Group's internal funding rates, which are based on the cost to the Group of alternative funding in the wholesale market. The increase in funding rates has had an adverse impact to customer asset margins and a benefit to customer liability margins

- The Group's internal funding rate prices intra-group funding and liquidity to appropriately give credit to businesses with net surplus liquidity and to charge those businesses in need of wholesale funding at a rate that is driven by prevailing market rates and includes a term premium. The objective is to price internal funding for assets and liabilities in line with the cost of alternative funding, which ensures there is consistency between retail and wholesale sources

1 2011 comparatives have been revised to reflect certain corporate banking activities previously reported in Africa RBB which are now included within Corporate Banking. Africa RBB comparatives have additionally been revised to include gross cheque advances and cheque deposits within average assets and average liabilities respectively where these were previously reported net. The H1 11 net interest margin expressed as a percentage of average customer assets only is therefore revised to 3.63% (previously reported as 3.64%).

Risk Management

Overview

- Barclays has clear risk management objectives, and a well-established strategy and framework for managing risk. The approach to identifying, assessing, controlling, reporting and managing risks is formalised in the Principal Risks Framework. The framework, which groups risk into four Principal Risks categories, is unchanged in 2012. Further detail on how these risks are managed may be found in the 2011 Annual Report and Accounts

- The uncertainties currently associated with the Group's Principal Risks are described below:

Principal Risks and Associated Uncertainties[1]	Topics Covered	Page
Funding Risk		
· Impact of Basel 3 as regulatory rules are finalised	· Capital base, risk weighted assets, balance sheet leverage and significant regulatory changes	37 40 62
· Impacts on capital ratios of weak profit performance	· Liquidity pool and funding structure	
· Volatility in cost of funding due to economic uncertainty	· Local Eurozone balance sheet funding exposures	
· Reduction in available depositor and wholesale funding		
· Changes in the value of local assets and liabilities due to the potential exit of one or more countries from the Euro		
Credit Risk		
· Impact of potentially deteriorating sovereign credit quality, particularly debt servicing and refinancing capability	· Total assets by valuation basis and underlying asset class	45 46
· Extent and sustainability of economic recovery, including impact of austerity measures on the European economies	· Loans and advances to customers and banks	48 51
· Increase in unemployment due to a weaker economy, fiscal tightening and other measures	· Impairment, potential credit risk loans and coverage ratios	56 69
	· Retail credit risk	58
	· Wholesale credit risk	60

· Impact of rising inflation and potential interest rate rises on consumer debt affordability and corporate profitability · Possibility of further falls in residential property prices in the US, UK, South Africa and Western Europe · Potential liquidity shortages increasing counterparty risks · Potential for large single name losses and deterioration in specific sectors and geographies · Possible deterioration in remaining credit market exposures	· Investment Bank credit market exposures · Group exposures to Eurozone countries · Credit derivatives referencing Eurozone sovereign debt	
Market Risk		
· Reduced client activity leading to lower returns · Decreases in market liquidity due to economic uncertainty · Impact on income from uncertain interest and exchange rate environment · Underperformance of pension asset returns	· Analysis of market risk and, in particular, Investment Bank's DvaR · Analysis of interest margins · Retirement benefit liabilities	70 35 81
Operational Risk		
· Implementation of strategic change and integration programmes across the Group · Continued regulatory and change programmes, driven by the global economic climate · Impact of new, wide ranging, legislation in various countries coupled with a changing regulatory landscape · Increasingly litigious environment · The crisis management agenda and breadth of regulatory change required in global financial institutions	· Significant litigation matters · Significant competition and regulatory matters which could lead to penalties and/or the need for redress	83 87

1 The associated uncertainties may affect more than one Principal Risk.

Funding Risk

Key Capital Ratios	As at 30.06.12	As at 31.12.11	As at 30.06.11
Core tier 1	10.9%	11.0%	11.0%
Tier 1	13.3%	12.9%	13.5%
Total capital	16.5%	16.4%	16.9%

Capital Resources	£m	£m	£m
Shareholders' equity (excluding non-controlling interests) per balance sheet	54,205	55,589	51,572
Non-controlling interests per balance sheet	9,485	9,607	10,417
- Less: Other tier 1 capital - preference shares	(6,225)	(6,235)	(6,294)
- Less: Other tier 1 capital - Reserve Capital Instruments	-	-	(437)
- Less: Non-controlling tier 2 capital	(564)	(573)	(552)
Other regulatory adjustments	(171)	(138)	(259)
Regulatory adjustments and deductions:			
Own credit cumulative gain (net of tax)	(492)	(2,680)	(690)
Defined benefit pension adjustment	(2,260)	(1,241)	139
Unrealised losses on available for sale debt securities	83	555	171
Unrealised gains on available for sale equity (recognised as tier 2 capital)	(95)	(828)	-
Cash flow hedging reserve	(1,676)	(1,442)	(104)
Goodwill and intangible assets	(7,574)	(7,560)	(8,223)
50% excess of expected losses over impairment (net of tax)	(500)	(506)	(419)
50% of securitisation positions	(1,663)	(1,577)	(1,959)
Other regulatory adjustments	23	95	175
Core tier 1 capital	42,576	43,066	43,537
Other tier 1 capital:			
Preference shares	6,225	6,235	6,294
Tier 1 notes1	521	530	1,017
Reserve Capital Instruments	2,874	2,895	5,206
Regulatory adjustments and deductions:			
50% of material holdings	(285)	(2,382)	(2,480)
50% tax on excess of expected losses over impairment	100	129	(41)
Total tier 1 capital	52,011	50,473	53,533
Tier 2 capital:			
Undated subordinated liabilities	1,648	1,657	1,637
Dated subordinated liabilities	12,488	15,189	15,646
Non-controlling tier 2 capital	564	573	552
Reserves arising on revaluation of property	21	25	29
Unrealised gains on available for sale equity	95	828	-
Collectively assessed impairment allowances	1,783	2,385	2,517
Tier 2 deductions:			
50% of material holdings	(285)	(2,382)	(2,480)
50% excess of expected losses over impairment (gross of tax)	(601)	(635)	(419)
50% of securitisation positions	(1,663)	(1,577)	(1,959)
Total capital regulatory adjustments and deductions:			
Investments that are not material holdings or qualifying holdings	(1,209)	(1,991)	(1,761)

Other deductions from total capital	(565)	(597)	(559)
Total regulatory capital	64,287	63,948	66,736

1 Tier 1 notes are included in subordinated liabilities in the consolidated balance sheet.

Funding Risk

- In the first half of 2012, Core Tier 1 capital decreased by £0.5bn to £42.6bn. Whilst the Group generated £2.3bn Core Tier 1 capital from retained profits (excluding own credit, which is added back for regulatory capital purposes), this was more than offset by other movements in Core Tier 1 capital, principally:

– £1.0bn increase in the deduction for defined benefit pensions, driven by an additional contribution made to the UK Retirement Fund in April 2012 and deducting expected future deficit contributions over the next five years in addition to the pension asset recognised on the Group's balance sheet

– £0.5bn cash dividends paid during 2012, relating to the 2011 final dividend and the first interim dividend for 2012

– £0.5bn net reduction from the impact of share awards

– £0.5bn reduction due to foreign currency movements, primarily due to depreciation of the US Dollar, South African Rand and Euro against Sterling

- Total Capital Resources increased by £0.3bn principally as a result of the sale of the stake in BlackRock, Inc. resulting in a £3.4bn increase in capital (reflecting lower deductions for material holdings offset by gains on the available for sale investment being recognised in retained profits), offset by the redemption of £2.2bn dated subordinated liabilities

	Total Assets by Business			Risk Weighted Assets by Business		
Assets and Risk Weighted	As at	As at	As at	As at	As at	As at
Assets by Business	30.06.12	31.12.11	30.06.11	30.06.12	31.12.11	30.06.11
	£m	£m	£m	£m	£m	£m
UK RBB	130,776	127,845	123,745	36,038	33,956	34,216
Europe RBB	48,109	51,310	56,699	16,563	17,436	17,916
Africa RBB	47,398	48,243	55,064	27,909	30,289	32,671
Barclaycard	34,596	33,838	32,513	33,149	34,186	33,983

Investment Bank	1,225,409	1,158,350	1,076,018	190,553	186,700	189,952
Corporate Banking	87,758	91,190	87,132	69,328	72,842	72,044
Wealth and Investment Management	22,205	20,866	19,814	13,998	13,076	12,664
Head Office and Other Functions	35,014	31,885	41,937	2,685	2,514	1,704
Total	1,631,265	1,563,527	1,492,922	390,223	390,999	395,150

Risk Weighted Assets by Risk	As at 30.06.12 £m	As at 31.12.11 £m	As at 30.06.11 £m
Credit risk	239,543	245,224	247,101
Counterparty risk			
- Internal model method	30,165	33,131	27,072
- Non-model method	4,496	4,953	14,009
Market risk			
- Modelled - VaR	23,885	26,568	10,692
- Modelled - Charges add-on and Non-VaR	21,343	17,560	7,784
- Standardised	28,320	27,823	52,561
Operational risk	42,471	35,740	35,931
Total risk weighted assets	390,223	390,999	395,150

- Total assets increased to £1,631bn (2011: £1,564bn), reflecting increases across a number of asset categories, notably a £19bn increase in cash and balances at central banks, a £23bn increase in loans and advances to customers (primarily in relation to settlement balances) and a £21bn increase in reverse repurchase agreements. These were partially offset by a £21bn reduction in derivative financial instrument assets

- Group risk weighted assets remained stable at £390bn, reflecting:

– £5.7bn reduction in credit risk exposures, mainly from Corporate Banking and RBB, owing to changes in the risk weighting portfolio mix combined with methodology changes

– £3.4bn decrease in counterparty risk primarily driven by market movements and business reduction in Investment Bank

– £1.6bn increase in Investment Bank market risk exposures primarily due to methodology changes

– £6.7bn increase in operational risk exposures following the annual review of key risk scenarios across all business areas

Funding Risk

Balance Sheet Leverage	As at 30.06.12 £m	As at 31.12.11 £m	As at 30.06.11 £m
Total assets1	1,631,265	1,563,527	1,492,922
Counterparty netting	(425,616)	(440,592)	(304,097)
Collateral on derivatives	(51,421)	(51,124)	(33,394)
Net settlement balances and cash collateral	(97,181)	(61,913)	(84,158)
Goodwill and intangible assets	(7,861)	(7,846)	(8,541)
Customer assets held under investment contracts2	(1,661)	(1,681)	(1,524)
Adjusted total tangible assets	1,047,525	1,000,371	1,061,208
Total qualifying Tier 1 capital	52,011	50,473	53,533
Adjusted gross leverage	20	20	20
Adjusted gross leverage (excluding liquidity pool)	17	17	17
Ratio of total assets to shareholders' equity	26	24	24
Ratio of total assets to shareholders' equity (excluding liquidity pool)	23	22	22

- Barclays continues to manage its balance sheet within limits and targets for balance sheet usage

- Adjusted gross leverage was 20x (31 December 2011: 20x) as the 3% increase in qualifying Tier 1 capital to £52bn was offset by the 5% increase in adjusted total tangible assets to £1,048bn

- At month ends during 2012, the ratio moved in a range from 20x to 23x (Full Year 2011: 20x to 23x) primarily due to fluctuations in collateralised reverse repurchase lending and high quality trading portfolio assets

- Adjusted total tangible assets include cash and balances at central banks of £126.1bn (31 December 2011: £106.9bn). Excluding these balances, the balance sheet leverage would be 18x (31 December 2011: 18x). Excluding the whole liquidity pool, leverage would be 17x (31 December 2011: 17x)

- The ratio of total assets to total shareholders' equity was 26x (31 December 2011: 24x) and moved within a month end range of 25x to 28x (Full Year 2011: 24x to 28x), driven by fluctuations noted above and changes in gross interest rate derivatives and settlement balances

Implementation of Basel 3 - Impact on Regulatory Capital

- Member States, the European Commission and the European Parliament are in the process of finalising the new capital requirements regulation, capital requirements directive and associated binding technical standards (collectively known as CRDIV) that implement the Basel 3 proposals within the EU. In summary Basel 3 and CRDIV aims to:

- Increase the quantity and quality of capital, by implementing more stringent requirements for the eligibility of capital instruments, higher minimum capital ratios and changes to the regulatory deductions from shareholders' equity

- Improve measures to address procyclicality and excessive credit growth as well as promote conservation of capital, by building up capital buffers that can be drawn down in periods of stress

- Strengthen counterparty credit risk measures by introducing higher capital requirements for OTC derivative transactions and trades cleared via central counterparties

- Constrain excess leverage, by introducing a non-risk based leverage ratio that acts as a supplementary measure to the risk based capital requirements

- Introduce a new liquidity framework, which includes two minimum liquidity metrics: a 30-day liquidity coverage ratio which measures resilience to short-term liquidity stress, and a 1-year net stable funding ratio which measures the stability of long term structural funding

The European Commission and European Parliament were due to finalise CRDIV by the end of July, for implementation by 1 January 2013. However, there are a number of areas still under consideration and the EU requirements are not expected to be finalised until October 2012.

1 Includes Liquidity Pool £170bn (31 December 2011: £152bn).

2 Comprising financial assets designated at fair value and associated cash balances.

Funding Risk

Funding and Liquidity

Barclays has a comprehensive Liquidity Risk Management Framework (the Liquidity Framework) for managing the Group's liquidity risk. The Liquidity Framework meets the FSA's standards and is designed to ensure that the Group maintains sufficient financial resources of appropriate quality for the Group's funding profile. This is achieved via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring. Together, these meet internal and regulatory requirements.

Regulatory requirements are complied with at the Group and entity level, with the Liquidity Risk Appetite (LRA) providing a consistent Group wide perspective that supplements these requirements. Under the Liquidity Framework, the Group has established the LRA, which is the level of liquidity risk the Group chooses to take in pursuit of its business objectives and in meeting its regulatory obligations. The LRA is measured with reference to the liquidity pool as a percentage of anticipated stressed net contractual and contingent outflows for each of three stress scenarios.

The stress outflows are used to determine the size of the Group liquidity pool, which represents those resources immediately available to meet outflows in a stress. In addition to the liquidity pool, the Liquidity Framework provides for other management actions, including generating liquidity from other liquid assets on the Group's balance sheet in order to meet additional stress outflows, or to preserve or restore the liquidity pool in the event of a liquidity stress.

Liquidity Pool

The Group liquidity pool as at 30 June 2012 was £170bn (31 December 31 2011: £152bn) which is towards the top of the month-end range for the period of £152bn to £173bn (Full Year 2011: £140bn to £167bn). The liquidity pool is held unencumbered and is not used to support payment or clearing requirements. Such requirements are treated as part of our regular business funding. The liquidity pool is intended to offset stress outflows and comprises the following cash and unencumbered assets.

	Cash and Deposits with Central Banks1 £bn	Government Bonds2 £bn	Other Available Liquidity £bn	Total3 £bn
As at 30.06.12	124	32	14	170
As at 31.12.11	105	36	11	152

Liquidity Stress Testing

Under the Liquidity Framework, the Group has established a Liquidity Risk Appetite (LRA), which is measured with reference to the liquidity pool as a percentage of anticipated stressed net contractual and contingent outflows for each of three stress scenarios. These scenarios are aligned to the FSA's prescribed stresses and cover a market-wide stress event, a Barclays-specific stress event and a combination of the two. Under normal market conditions, the liquidity pool must be in excess of 100% of three months' anticipated outflows for a market-wide stress and one month's anticipated outflows for each of the Barclays-specific and combined stresses. As at 30 June 2012, the liquidity pool as a percentage of the anticipated net outflows under each of the stress scenarios was:

	Market wide	Barclays-specific	Combined
Liquidity pool as a percentage of anticipated net outflows	3 month	1 month	1 month

As at 30.06.12	141%	115%	124%
As at 31.12.11	127%	107%	118%

The Group also monitors compliance against anticipated Basel 3 metrics, including the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). As at 30 June 2012, the Group met 97% of the expected LCR requirement (31 December 2011: 82%) and was compliant with the expected NSFR requirement at 101% (31 December 2011: 97%). The Group is on track to exceed 100% of the requirements under Basel 3 for both ratios required by 2015 and 2018 respectively.

1 Of which over 95% (31 December 2011: over 95%) is placed with the Bank of England, US Federal Reserve, European Central Bank, Bank of Japan and Swiss National Bank.

2 Of which over 70% (31 December 2011: over 80%) are comprised of UK, US, Japanese, French, German, Danish and Dutch securities.

3 £149bn (31 December 2011: £140bn) of which is FSA eligible.

Funding Risk

Deposit Funding

		As at 30.06.12		As at 31.12.11
Funding of Loans and Advances to Customers1	Loans and Advances to Customers	Customer Deposits	Loan to Deposit Ratio	Loan to Deposit Ratio
	£bn	£bn	%	%
RBB	229.3	156.6	146	146
Corporate Banking1	64.0	88.5	72	83
Wealth and Investment Management	19.8	50.0	40	40
Total funding excluding secured	313.1	295.1	106	111
Secured funding	n/a	37.2	n/a	n/a
Sub-total including secured funding	313.1	332.3	94	101
RBB, Corporate Banking & Wealth and Investment Management	313.1	295.1	106	111
Investment Bank	58.7	46.7	126	138
Head Office and Other Operations	0.9	-	-	-
Trading settlement balances and cash collateral	82.0	66.8	123	142

Total	454.7	408.6	111	118

RBB, Corporate Banking and Wealth and Investment Management activities are largely funded by customer deposits with the remainder covered by funding secured against customer loans and advances. As at 30 June 2012, the loan to deposit ratio for these businesses was 106% (31 December 2011: 111%) and the loan to deposit and secured funding ratio was 94% (31 December 2011: 101%).

The total loan to deposit ratio as at 30 June 2012 was 111% (31 December 2011: 118%) and the loan to deposit and long-term funding ratio was 73% (31 December 2011: 75%).

The excess of Investment Bank loans and advances over customer deposits of £12.0bn (31 December 2011: £17.4bn) is funded with long-term debt and equity.

Included within RBB, Corporate Banking and the Investment Bank are Absa Group related balances totalling £38.0bn of loans and advances to customers funded by £33.4bn of customer deposits and the balance of £4.6bn (31 December 2011: £5.0bn) is funded with wholesale borrowing. This is managed separately by the Absa Group due to local currency and funding requirements. Absa manages its funding position conservatively, relative to local practices, which has a high structural dependence on wholesale funding sources. This dependence is a function of customer behaviour in relation to savings in South Africa as a whole, where there is a higher concentration of cash in investment funds than in bank savings.

Wholesale Funding

Funding of Other Assets2 as at 30 June 2012

Assets	£bn	Liabilities	£bn
Trading Portfolio Assets	126	Repurchase agreements	246
Reverse repurchase agreements	120		
Reverse repurchase agreements	50	Trading Portfolio Liabilities	50
Derivative Financial Instruments	515	Derivative Financial Instruments	505
Liquidity pool	170	Less than 1 year wholesale debt	118
Other assets 3	152	Greater than 1 year wholesale debt and equity	204

1 In addition Corporate Banking also holds £17.3bn (31 December 2011: £17.2bn) loans and advances as financial assets held at fair value.

2 Excludes balances relating to the Absa Group, which are managed separately due to local currency and funding requirements.

3 Predominantly available for sale investments, trading portfolio assets, financial assets designated at fair value and loans and advances to banks.

Funding Risk

- Trading portfolio assets are largely funded by repurchase agreements. The majority of reverse repurchase agreements (i.e. secured lending) are matched by repurchase agreements. The remainder of reverse repurchase agreements are used to settle trading portfolio liabilities

- Derivative assets and liabilities are largely matched. A substantial proportion of balance sheet derivative positions qualify for counterparty netting and the remaining portions largely offset once netted against cash collateral received and paid

- The majority of the liquidity pool is funded by wholesale debt maturing in less than one year

- Other assets (mainly being available for sale investments, trading portfolio assets and loans and advances to banks) are largely matched by wholesale debt maturing over an average of 5 years and equity

- Repurchase agreements and other secured funding are largely collateralised by government issued bonds and other highly liquid securities. The percentage of secured funding using each asset class as collateral is set out below

Secured Funding by Asset Class	Govt	Agency	MBS	ABS	Corporate	Equity	Other
	%	%	%	%	%	%	%
As at 30.06.12	63	7	11	2	7	7	3
As at 31.12.11	66	6	9	3	7	7	2

Composition of Wholesale Funding1

As at 30 June 2012 total wholesale funding outstanding (excluding repurchase agreements) was £263bn (31 December 2011: £265bn). £118bn of wholesale funding matures in less than one year (31 December 2011: £130bn) of which £23bn relates to term funding2. £145bn of wholesale funding has a residual maturity of over one year.

The Group has £75bn of privately placed senior unsecured notes in issue. The Group issues these notes through a variety of distribution channels including intermediaries and private banks and a large proportion of end users of these products are individual retail investors.

	Not more than one months £bn	Over one month but not more than three months £bn	Over three months but not more than six months £bn	Over six months but not more than one year £bn	Sub-total less than one year £bn	Over one year but not more than three years £bn	Over three years £bn	Total1 £bn
Deposits from Banks	16.7	7.2	3.0	0.5	27.4	6.7	1.5	35.6
CDs and CP	12.2	15.4	13.5	3.7	44.8	2.4	0.8	48.0
Asset Backed Commercial Paper	4.7	3.3	0.1	-	8.1	-	-	8.1
Senior unsecured (Public benchmark)	-	2.4	-	3.4	5.8	11.3	13.9	31.0
Senior unsecured (Privately placed)	1.4	2.7	3.9	9.5	17.5	20.3	37.5	75.3
Covered bonds/ABS	-	0.3	0.7	1.9	2.9	10.4	14.4	27.7
Subordinated liabilities	-	-	-	0.6	0.6	0.3	20.1	21.0
Other3	6.8	1.7	1.4	0.9	10.8	1.4	3.6	15.8
Total	41.8	33.0	22.6	20.5	117.9	52.8	91.8	262.5
Of which secured	6.9	5.2	2.0	2.6	16.7	11.5	14.6	42.8
Of which unsecured	34.9	27.8	20.6	17.9	101.2	41.3	77.2	219.7

1 The composition of wholesale funds comprises the balance sheet reported Deposits from Banks, Financial liabilities at Fair Value and Debt Securities in Issue split by product and Subordinated Liabilities, excluding cash collateral and settlement balances, liabilities to customers under investment contracts and Absa Group balances of £74bn in total. Included within deposits from banks are £6.6bn of liabilities drawn down in the European Central Bank's 3 year long-term refinancing operation (LTRO).

2 Term funding maturities comprise public benchmark and privately placed senior unsecured notes, covered bonds/ABS and subordinated debt where the original maturity of the instrument was more than 1 year. In addition, at 30 June 2012, £4bn of these instruments were not counted towards term financing as they had an original maturity of less than 1 year.

3 Primarily comprised of fair value deposits and secured financing of physical gold.

Funding Risk

The liquidity risk is carefully managed primarily through the LRA stress tests, against which the liquidity pool is held. Although not a requirement, as at 30 June 2012, the liquidity pool was equivalent to more than one year of wholesale debt maturities.

Excluding wholesale funding of the liquidity pool, the average maturity of wholesale funding was in excess of 65 months.

Term Financing

Barclays continues to attract deposits in unsecured money markets and raise additional secured and unsecured term funding in a variety of markets. During H1 12 the Group raised £19.9bn of term funding comprising:

- £3.5bn equivalent of public benchmark senior unsecured

- £6.7bn equivalent of privately placed senior unsecured

- £9.7bn equivalent of secured1

The Group has £11bn of term funding maturing in the remainder of 2012 (31 December 2011: £27bn) and a further £18bn maturing in 2013.

Currency Profile

As at 30 June 2012 the Group's wholesale funds and liquidity pool were well diversified by major currency as follows:

	USD	EUR	GBP	Other
Currency Split by Product Type	%	%	%	%
Deposits from Banks	14	58	16	12
CDs and CP	51	29	20	-
Asset Backed Commercial Paper	82	11	7	-
Senior unsecured	31	32	15	22
Covered bonds/ABS	22	57	20	1
Subordinated Debt	30	26	43	1
Wholesale debt	33	37	19	11
Currency composition of liquidity pool	20	48	14	18

- To manage cross-currency refinancing risk Barclays manages to FX cash-flow limits, which limit the risk at specific maturities

- The Group's liquidity pool is also well diversified by major currency in order to meet potential stress outflows under the three LRA stress scenarios, which the Group monitors for major currencies

Credit Rating

In addition to monitoring and managing key metrics related to the financial strength of Barclays, the Group subscribes to independent credit rating agency reviews by Standard & Poor's, Moody's, Fitch and DBRS.

Credit Ratings as at 26 July 2012	Standard & Poor's	Moody's	Fitch	DBRS
Barclays Bank PLC				
Long Term	A+(Negative)	A2(Negative)	A(Stable)	AA(Negative)
Short Term	A-1	P-1	F1	R-1(Negative)

On 21 June 2012 Moody's concluded its ratings review of banks and securities firms with global capital market operations by repositioning the ratings of 15 firms including Barclays, resulting in Barclays Bank PLC long-term issuer rating being downgraded from Aa3 to A2. Barclays was fully reserving for maximum contractual outflows as a result of the ratings action in its liquidity pool and is now reserving for a further 2 notch downgrade in the liquidity pool as of 30 June 2012. There has been no significant change in deposit funding or wholesale funding in relation to the ratings action.

1 Comprised of covered bonds and ABS and bilateral secured funding of greater than one year.

Funding Risk

Further credit rating downgrades could result in contractual outflows to meet collateral requirements on existing contracts. The below table shows contractual collateral requirements following one and two notch long-term and associated short-term simultaneous downgrades across all credit rating agencies, which are fully reserved for in the liquidity pool. These numbers do not assume any management or restructuring actions that could be taken to reduce posting requirements.

These outflows do not include the potential liquidity impact from loss of unsecured funding, such as from money market funds, or loss of secured funding capacity. However, unsecured and secured funding stresses are included in the LRA stress scenarios and a portion of the liquidity pool is held against these risks.

Credit ratings downgrades could also result in increased costs or reduced capacity to raise funding.

Contractual credit rating downgrade exposure	Cumulative cash outflow

1 notch long-term and associated short-term downgrade	£11bn
2 notch long-term and associated short-term downgrade	£20bn

Credit Risk

Analysis of Total Assets by Valuation Basis

		Accounting Basis		Sub Analysis
Assets as at 30.06.12	Total Assets	Cost Based Measure	Fair Value	Credit Market Exposures1
	£m	£m	£m	£m
Cash and balances at central banks	126,062	126,062	-	-
Items in the course of collection from other banks	2,598	2,598	-	-
Debt securities	131,940	-	131,940	1,172
Equity securities	30,446	-	30,446	-
Traded loans	1,805	-	1,805	-
Commodities2	2,109	-	2,109	-
Trading portfolio assets	166,300	-	166,300	1,172
Loans and advances	22,451	-	22,451	2,124
Debt securities	6,420	-	6,420	-
Equity securities	4,811	-	4,811	-
Other financial assets3	10,924	-	10,924	-
Held in respect of linked liabilities to customers under investment contracts	1,322	-	1,322	-
Financial assets designated at fair value	45,928	-	45,928	2,124
Derivative financial instruments	517,685	-	517,685	973
Loans and advances to banks	48,777	48,777	-	-
Loans and advances to customers	454,728	454,728	-	5,298
Banks	70,267	70,267	-	-
Customers	104,125	104,125	-	-
Reverse repurchase agreements and other similar secured lending	174,392	174,392	-	-
Debt securities	68,236	-	68,236	250
Equity securities	686	-	686	-
Available for sale financial investments	68,922	-	68,922	250

Other assets	25,873	23,033	2,840	2,674
Total assets as at 30.06.12	1,631,265	829,590	801,675	12,491
Total assets as at 31.12.11	1,563,527	764,012	799,515	14,981

1 Further analysis of Investment Bank credit market exposures is on pages 69 to 70. Undrawn commitments of £201m (31 December 2011: £180m) are off-balance sheet and therefore not included in the table above.

2 Commodities primarily consist of physical inventory positions.

3 These instruments consist primarily of reverse repurchase agreements designated at fair value.

Credit Risk

Analysis of Loans and Advances to Customers and Banks

Loans and Advances at Amortised Cost Net of Impairment Allowances, by Industry Sector and Geography

As at 30.06.12	United Kingdom £m	Europe £m	Americas £m	Africa and Middle East £m	Asia £m	Total £m
Banks	9,888	15,843	12,958	1,909	3,610	44,208
Other financial institutions	23,923	28,794	59,261	2,804	4,548	119,330
Manufacturing	6,269	2,862	1,435	1,573	604	12,743
Construction	3,651	658	1	1,270	48	5,628
Property	14,924	2,786	670	3,576	287	22,243
Government	486	3,653	1,389	3,090	1,925	10,543
Energy and water	1,748	2,400	1,657	917	274	6,996
Wholesale and retail distribution and leisure	11,888	2,541	1,135	1,738	129	17,431
Business and other services	16,144	4,635	1,312	3,407	529	26,027
Home loans	114,756	36,669	552	18,719	578	171,274
Cards, unsecured loans and other personal lending	26,202	5,518	9,553	5,335	468	47,076
Other	8,171	2,933	1,378	7,001	523	20,006
Net loans and advances to customers and banks	238,050	109,292	91,301	51,339	13,523	503,505
Impairment allowance	(3,653)	(2,635)	(2,155)	(1,436)	(67)	(9,946)

As at 31.12.11						
Banks	9,251	13,503	13,349	2,956	5,648	44,707
Other financial institutions	18,474	20,059	44,965	2,264	3,888	89,650
Manufacturing	6,185	3,341	1,396	1,439	543	12,904
Construction	3,391	771	32	348	65	4,607
Property	16,230	3,193	869	3,600	212	24,104
Government	493	3,365	907	3,072	1,031	8,868
Energy and water	1,599	2,448	2,165	818	384	7,414
Wholesale and retail distribution and leisure	10,308	3,008	656	2,073	161	16,206
Business and other services	16,473	4,981	1,584	2,907	355	26,300
Home loans	112,260	38,508	566	19,437	501	171,272
Cards, unsecured loans and other personal lending	27,409	6,417	9,293	6,158	785	50,062
Other	8,363	5,554	1,312	7,471	586	23,286
Net loans and advances to customers and banks	230,436	105,148	77,094	52,543	14,159	479,380
Impairment allowance	(4,005)	(2,920)	(2,128)	(1,446)	(98)	(10,597)

Credit Risk

Loans and Advances Held at Fair Value, by Industry Sector and Geography

As at 30.06.12	United Kingdom £m	Europe £m	Americas £m	Africa and Middle East £m	Asia £m	Total £m
Banks	-	435	159	339	-	933
Other financial institutions1	38	567	1,034	135	30	1,804
Manufacturing	174	72	80	5	13	344
Construction	171	-	-	19	6	196
Property	8,442	895	835	96	2	10,270
Government	5,624	1	-	30	24	5,679
Energy and water	29	179	343	61	3	615
Wholesale and retail distribution and leisure	64	12	113	79	4	272
Business and other services	3,314	35	305	40	-	3,694
Other	92	78	38	184	57	449
Total	17,948	2,274	2,907	988	139	24,256
As at 31.12.11						
Banks	11	364	10	126	1	512
Other financial institutions1	142	76	892	134	21	1,265
Manufacturing	16	211	154	7	18	406
Construction	158	-	-	19	2	179
Property	8,443	1,147	575	133	3	10,301
Government	5,609	-	-	19	8	5,636
Energy and water	32	203	46	104	-	385

Wholesale and retail distribution and leisure	63	15	243	36	2	359
Business and other services	3,381	76	201	34	-	3,692
Other	90	66	55	317	71	599
Total	17,945	2,158	2,176	929	126	23,334

Impairment Allowance

	Half Year Ended	Half Year Ended	Half Year Ended
	30.06.12	31.12.11	30.06.11
	£m	£m	£m
At beginning of period	10,597	11,621	12,432
Acquisitions and disposals	(73)	-	(18)
Exchange and other adjustments	(168)	(361)	(79)
Unwind of discount	(109)	(118)	(125)
Amounts written off	(2,201)	(2,601)	(2,564)
Recoveries	95	165	100
Amounts charged against profit	1,805	1,891	1,875
At end of period	9,946	10,597	11,621

1 Included within Other financial institutions (Americas) are £558m (31 December 2011: £693m) of loans backed by retail mortgage collateral.

Credit Risk

Credit Impairment Charges and Other Provisions by Business

	Loans and advances1	Available for Sale Financial Investments2	Reverse Repurchase Agreements	Total
Half Year Ended 30.06.12	£m	£m	£m	£m
UK RBB	122	-	-	122
Europe RBB	157	-	-	157
Africa RBB	321	-	-	321
Barclaycard	460	-	-	460
Investment Bank3	324	-	(1)	323
Corporate Banking	418	7	-	425
Wealth and Investment Management	19	-	-	19
Head Office and Other Operations	1	4	-	5
Total	1,822	11	(1)	1,832

Half Year Ended 31.12.11

UK RBB	261	-	-	261
Europe RBB	125	20	-	145
Africa RBB	196	-	-	196
Barclaycard	611	-	-	611
Investment Bank3	180	26	(2)	204
Corporate Banking	522	13	-	535
Wealth and Investment Management	22	-	-	22
Head Office and Other Operations	(1)	1	-	-
Total	1,916	60	(2)	1,974
Half Year Ended 30.06.11				
UK RBB	275	-	-	275
Europe RBB	116	-	-	116
Africa RBB	270	-	-	270
Barclaycard	648	-	-	648
Investment Bank3	(51)	(14)	(46)	(111)
Corporate Banking	598	14	-	612
Wealth and Investment Management	19	-	-	19
Head Office and Other Operations	(1)	-	-	(1)
Total	1,874	-	(46)	1,828

- Impairment charges on loans and advances improved 3% from the first half of 2011 to £1,822m reflecting:

– Lower impairment in UK RBB, Barclaycard and Corporate Banking,

– Partially offset by higher charges in some international businesses, notably in Europe and South Africa, and a higher charge in Investment Bank

- The impairment charge of £10m against available for sale assets and reverse repurchase agreements relates to charges in Corporate Banking and Head Office and Other Operations. This compared with a release of £46m in the prior year

- Further detail can be found in the Retail and Wholesale Credit Risk sections on pages 51 to 57

1 Includes charges of £17m (2011: £1m release) in respect of undrawn facilities and guarantees.

2 Excludes £nil (2011: £1,800m) impairment of BlackRock, Inc. recorded in Head Office and Other Operations.

3 Credit market related charges within Investment Bank comprised a net £135m charge (H2 11: £62m charge; H1 11: £76m write back) against loans and advances and £2m write back (H2 11: £2m charge; H1 11: £37m write back) against available for sale assets.

Credit Risk

Credit Risk Loans and Coverage Ratios

	CRLs		Impairment Allowance		CRL Coverage	
	As at 30.06.12 £m	As at 31.12.11 £m	As at 30.06.12 £m	As at 31.12.11 £m	As at 30.06.12 %	As at 31.12.11 %
Home loans	3,545	3,790	826	834	23.3	22.0
Cards, unsecured and other retail lending	6,000	6,626	4,195	4,540	69.9	68.5
Retail	9,545	10,416	5,021	5,374	52.6	51.6
Wholesale	10,196	10,926	4,925	5,223	48.3	47.8
Group	19,741	21,342	9,946	10,597	50.4	49.7

Credit Risk Loans

- Overall, Credit Risk Loan (CRL) balances decreased by 8% in the first half of 2012 reflecting improvements in both the wholesale and retail portfolios.

- CRL balances in the wholesale portfolio decreased 7% primarily due to:

– Investment Banking, where lower balances principally reflected asset sales and paydowns

– Corporate Banking, where lower balances principally reflected a high level of write-offs in the UK and the disposal of the Iveco Finance business in Europe

- CRL balances in the retail portfolio decreased 8%, primarily due to:

– Barclaycard, where reductions principally reflected lower recovery balances in UK Cards, due to asset sales; in US Cards due to lower charge-offs and higher write-offs; and in UK Secured Lending due to an update in the write-off policy

– UK RBB, where reductions reflected falling recovery balances across the majority of portfolios

- This was partially offset by higher balances in Europe RBB principally in the Spanish and Italian mortgage books

Coverage Ratios

- The CRL coverage ratio increased slightly to 50.4% (2011: 49.7%) reflecting increases in:

- the wholesale portfolio ratio to 48.3% (2011: 47.8%)

- the retail portfolio ratio to 52.6% (2011: 51.6%)

Credit Risk

Retail and Wholesale Loans and Advances to Customers and Banks

As at 30.06.12	Gross L&A £m	Impairment Allowance £m	L&A Net of Impairment £m	Credit Risk Loans £m	CRLs % of Gross L&A %	Loan Impairment Charges1 £m	Loan Loss Rates2 bps
Total retail	240,903	5,021					