

Please note this is a section from the full Annual Report, the contents of which are below.

Barclays PLC
Annual report 2000
Barclays PLC and Barclays Bank PLC
Annual report on Form 20-F 2000

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Registered No. 48839

This document contains certain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act 1995 with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including UK domestic and global economic and business conditions, market related risks such as interest rate and exchange rate risks, the policies and actions of regulatory authorities and the impact of competition, a number of which are beyond the Group's control. As a result, the Group's actual future results may differ materially from the plans, goals and expectations set forth in the Group's forward-looking statements. For a discussion of some of the factors that may cause actual future results and developments to differ materially from these forward-looking statements, see Risk factors on page 59.

Shareholder information

Dividends on the ordinary shares of Barclays PLC

Barclays PLC has paid dividends on its ordinary shares every year without interruption since its incorporation in 1896.

The dividends declared for each of the last five years were:

Pence per £1 ordinary share

	2000	1999	1998	1997	1996
First interim	20.00	17.50	15.50	13.50	11.50
Second interim (1999 and 1998 second interim, other comparative years final)	38.00	32.50	27.50	23.50	20.00
	58.00	50.00	43.00	37.00	31.50

US Dollars per £1 ordinary share

	2000	1999	1998	1997	1996
First interim	0.29	0.29	0.26	0.22	0.19
Second interim (1999 and 1998 second interim, other comparative years final)	0.55	0.51	0.44	0.39	0.33
	0.84	0.80	0.70	0.61	0.52

The gross dividends applicable to an American Depositary Share (ADS) representing four ordinary shares, before deduction of withholding tax, but including the UK imputed tax credit for dividends paid before 6th April 1999 (see Taxation of US holders (page 174)) are as follows.

US Dollars per American Depositary Shares

	2000	1999	1998	1997	1996
First interim	1.16	1.16	1.32	1.09	0.93
Second interim (1999 and 1998 second interim, other comparative years final)	2.20	2.03	1.77	1.95	1.63
	3.36	3.19	3.09	3.04	2.56

Dividends expressed in dollars are translated at the noon buying rates in New York City for cable transfers in pounds sterling as certified for customs purposes by the Federal Reserve Bank of New York (the 'Noon Buying Rate') for the days on which dividends are paid, except for the 2000 second interim dividend, payable in the UK on 30th April 2001, which is translated at Noon Buying Rate applicable on 20th February 2001, the latest practical date for inclusion in this report. No representation is made that pounds sterling amounts have been, or could have been, or could be, converted into dollars at these rates.

Dividends on the preference shares of Barclays Bank PLC

Dividends on the preference shares are paid quarterly at such rates as will, including the UK associated tax credit if any and before deduction of UK withholding tax (see Taxation), result in annual dividends to holders of 11.5% on the aggregate liquidation values of Series D1 and Series D2 Preference Shares.

Trading market for ordinary shares of Barclays PLC

The nominal capital of Barclays PLC is divided into 1,999,000,000 ordinary shares of £1 each (ordinary shares) and 1,000,000 staff shares of £1 each (staff shares). At the close of business on 31st December 2000 1,661,643,535 £1 ordinary shares and 875,000 staff shares were outstanding.

The principal trading market for Barclays PLC ordinary shares is the London Stock Exchange. Ordinary share listings were also obtained on the Tokyo Exchange with effect from 1st August 1986 and the New York Stock Exchange (NYSE) with effect from 9th September 1986.

Trading on the NYSE is in the form of ADSs under the symbol 'BCS'. Each ADS represents four £1 ordinary shares and is evidenced by an ADR. The ADR depository is Morgan Guaranty Trust Company of New York. Details of trading activity are published in the stock tables of leading daily newspapers in the United States.

There were 545 recorded holders of ordinary shares, including those holding ADRs, with US addresses at 31st December 2000, whose shareholdings represented approximately 0.12% of total outstanding ordinary shares on that date. Since certain of the ordinary shares and ADRs were held by brokers or other nominees, the number of recorded holders in the US may not be representative of the number of beneficial holders or of their country of residence.

The following table shows the high and low sales prices for the £1 ordinary shares during the periods indicated, based on mid-market prices at close of business on the London Stock Exchange and the high and low sale prices for ADSs as reported on the NYSE composite tape.

The following table shows the high and low sales prices for the £1 ordinary shares during the periods indicated, based on mid-market prices at close of business on the London Stock Exchange and the high and low sale prices for ADSs as reported on the NYSE composite tape.

	£1 ordinary shares		American Depositary Shares	
	High p	Low p	High US\$	Low US\$
2000				
By month				
December	2,113	1,924	128 ³ / ₈	115
November	2,010	1,860	118 ¹ / ₄	106 ³ / ₈
October	1,972	1,672	118 ¹ / ₈	99 ⁷ / ₈
September	1,872	1,697	110 ⁵ / ₈	97
August	1,803	1,543	110	93 ¹ / ₂
July	1,650	1,469	101	90 ⁷ / ₈
By quarter				
Fourth quarter	2,113	1,672	128 ³ / ₈	99 ⁷ / ₈
Third quarter	1,872	1,469	110 ⁵ / ₈	90 ⁷ / ₈
Second quarter	1,828	1,539	116	94 ¹⁵ / ₈
First quarter	1,693	1,344	115 ¹ / ₂	91
1999				
Fourth quarter	1,996	1,617	129	105 ¹ / ₂
Third quarter	1,934	1,605	123 ¹ / ₂	104
Second quarter	2,011	1,724	129 ¹ / ₂	114
First quarter	1,893	1,288	124	86
1998	1,949	838	130 ⁷ / ₈	58 ³ / ₈
1997	1,750	980	115 ⁵ / ₈	63 ³ / ₈
1996	1,036	688	70	41 ¹ / ₄

Trading market for preference shares of Barclays Bank PLC

At 31st December 2000, Barclays Bank PLC had outstanding 17,000,000 non-cumulative dollar-denominated preference shares, issued in 1991, with a nominal value of \$0.01 each. Currently, the only trading market for these shares is the NYSE where they are traded in the form of ADSs, each ADS representing one preference share and being evidenced by an ADR. The Series D1 and Series D2 Preference Share ADSs are traded on the NYSE as Series D Preference Share ADS Units and each such Unit comprises one Series D1 Preference Share ADS and one Series D2 Preference Share ADS. The ADR depository is Morgan Guaranty Trust Company of New York. At 31st December 2000, the Series D Preference Share ADR Units were held by 849 recorded holders, all with US addresses.

The following table shows the high and low sale prices for the Series D Preference Share ADS Units during the periods indicated, as reported on the NYSE composite tape.

	American Depositary Shares Series D	
	High US\$	Low US\$
2000		
By month		
December	25 ⁵ / ₆	25 ¹ / ₆
November	25 ⁵ / ₆	25 ⁵ / ₆
October	26	25 ¹ / ₆
September	25 ³ / ₆	25 ⁷ / ₆
August	25 ¹¹ / ₆	25 ⁵ / ₆
July	26 ¹ / ₆	25 ³ / ₆
By quarter		
Fourth quarter	26	25 ⁵ / ₆
Third quarter	26 ¹ / ₆	25 ⁵ / ₆
Second quarter	26 ³ / ₆	25 ³ / ₆
First quarter	26 ³ / ₆	25 ⁵ / ₆
1999		
Fourth quarter	26 ³ / ₆	25 ³ / ₆
Third quarter	27 ¹ / ₆	26 ¹ / ₆
Second quarter	27 ¹ / ₆	26 ¹ / ₆
First quarter	28 ¹ / ₆	27 ¹ / ₆
1998	29 ¹ / ₆	26 ³ / ₆
1997	29 ¹ / ₆	27 ¹⁵ / ₆
1996	29 ¹ / ₆	27 ³ / ₆

The Series D1 and Series D2 Preference Share ADSs were issued during 1991.

Note

This section incorporates information on the prices at which securities of Barclays PLC and Barclays Bank PLC have traded. It is emphasised that past performance cannot be relied upon as a guide to future performance.

Shareholdings at 31st December 2000

	Shareholders			Shares held Percentage of called up ordinary shares
	Number	Percentage of total holders	Number (millions)	
Classification of shareholders				
Personal holders	432,818	93.83	172.5	10.38
Banks and nominee companies	22,802	4.94	1,371.1	82.52
Other companies	5,169	1.12	70.3	4.23
Insurance companies	449	0.10	32.8	1.98
Pension funds	40	0.01	14.8	0.89
Totals	461,278	100.00	1,661.5	100.00
Shareholding range				
1-100	249,892	54.17	14.3	0.86
101-250	94,018	20.38	14.2	0.86
251-500	41,999	9.10	14.5	0.87
501-1,000	28,505	6.18	20.8	1.25
1,001-5,000	38,546	8.36	82.1	4.94
5,001-10,000	4,597	1.00	31.5	1.90
10,001-25,000	1,765	0.38	26.1	1.57
25,001-50,000	552	0.12	19.5	1.17
50,001 and over	1,404	0.31	1,438.5	86.58
Totals	461,278	100.00	1,661.5	100.00

Memorandum and Articles of Association

The Company was incorporated in England and Wales on 20th July 1896 under the Companies Acts 1862 to 1890 as a company limited by shares and was re-registered in 1982 as a public limited company under the Companies Acts 1948 to 1980. The Company is registered under company number 48839. The Company was re-registered as Barclays PLC on 1st January 1985.

The objects of the Company are set out in full in clause 4 of its memorandum of association which provides, among other things, that the Company's objects are to carry on the business of an investment and holding company in all respects.

Directors

A Director may not vote or count towards the quorum on any resolution concerning any proposal in which he (or any person connected with him) has a material interest (other than by virtue of his interest in securities of the Company) or if he has a duty which conflicts or may conflict with the interests of the Company, unless the resolution relates to any proposal:

- (i) to indemnify a Director in respect of any obligation incurred for the benefit of the Company (or any other member of the Group);
- (ii) to indemnify a third party in respect of any obligation for which the Director has personally assumed responsibility;
- (iii) to indemnify a Director for any liability which he may incur in the performance of his duties or to obtain insurance against such a liability;
- (iv) involving the acquisition by a Director of any securities of the Company pursuant to an offer to existing holders of securities or to the public;
- (v) that the Director underwrite any issue of securities of the Company (or any of its subsidiaries);
- (vi) concerning any other company in which the Director is interested as an officer or creditor or shareholder, but only if he owns less than 1% of either the issued equity share capital or of the voting rights of that company;
- (vii) concerning any superannuation fund or retirement, death or disability benefits scheme or employees share scheme, so long as any such fund or scheme does not give additional advantages to the Directors which are not granted to the employees who are in the fund or scheme; and
- (viii) concerning any other arrangement for the benefit of employees of the Company or any other member of the Group under which the Director benefits in a similar manner to the employees concerned and which does not give the Director any advantage which the employees to whom the arrangement relates would not receive.

A Director may not vote or be counted in the quorum on any resolution which concerns his own employment with the Company or any other company in which the Company is interested.

The Directors may exercise all the powers of the Company to borrow money.

A Director must retire from office at the conclusion of the first annual general meeting after he reaches the age of 70.

A Director is required to hold an interest in ordinary shares having a nominal value of at least £500. A Director may act before acquiring those shares but must acquire the qualification shares within two months after his or her appointment.

At each annual general meeting one-third of the Directors for the time being (rounded down if necessary) are required to retire from office.

Classes of share

The Company has two classes of shares, ordinary shares and staff shares, to which the provisions set out below apply.

(a) Dividends

Under English law, dividends are payable on the Company's ordinary shares only out of profits available for distribution, as determined in accordance with accounting principles generally accepted in the UK and by the Companies Act 1985. The Company in general meeting may declare dividends by ordinary resolution, but such dividend may not exceed the amount recommended by the Directors. The Directors may pay interim dividends if it appears they are justified by the Company's financial position.

The profits which are resolved to be distributed in respect of any financial period are applied first in payment of a fixed dividend of 20% per annum on the staff shares and then in payment of dividends on the ordinary shares.

If a dividend is not claimed after 12 years of it becoming payable, it is forfeited and reverts to the Company.

The Directors may, with the approval of an ordinary resolution of the Company, offer shareholders the right to choose to receive an allotment of new ordinary shares credited as fully paid instead of cash in respect of all or part of any dividend.

(b) Voting

Every member who is present in person or represented at any general meeting of the Company and who is entitled to vote has one vote on a show of hands. On a poll every member who is present or represented has one vote for every share held.

If any sum remains unpaid in relation to a member's shareholding that member is not entitled to vote that share unless the board otherwise determines.

If any member, or any other person appearing to be interested in any shares in the Company, is served with a notice under Section 212 of the Companies Act 1985 and does not supply the Company with the information required in the notice, then the board, in its absolute discretion, may direct that that member shall not be entitled to attend or vote at any meeting of the company.

(c) Liquidation

In the event of any return of capital on liquidation the ordinary shares and the staff shares rank equally in proportion to the amounts paid up or credited as paid up on the shares of each class, except that in the event of a winding up of the company the holders of the staff shares are only entitled to participate in the surplus assets available for distribution up to the amount paid up on the staff shares plus 10%.

(d) Redemption provisions

Subject to the Companies Act 1985, any share may be issued on terms that it is, at the option of the Company or the holder of such share, redeemable. The Company has no redeemable shares in issue.

(e) Calls on capital

The Directors may make calls upon the members in respect of any monies unpaid on their shares. A person upon whom a call is made remains liable even if the shares in respect of which the call is made have been transferred.

Variation of rights

The rights attached to any class of shares may be varied with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class.

Annual and extraordinary general meetings

The Company is required to hold a general meeting each year as its annual general meeting in addition to other meetings (called extraordinary general meetings) as the Directors think fit. The type of the meeting will be specified in the notice calling it. Not more than 15 months may elapse between the date of one annual general meeting and the next.

In the case of an annual general meeting or a meeting for the passing of a special resolution (requiring the consent of a 75% majority) 21 clear days' notice is required. In other cases 14 clear days' notice is required. The notice must specify the place, the date and the hour of the meeting, and the general nature of the business to be transacted.

Subject as noted in (b) above, all shareholders are entitled to attend and vote at general meetings. The articles of association do, however, provide that arrangements may be made for simultaneous attendance at a general meeting at a place other than that specified in the notice of meeting, in which case some shareholders may be excluded from the specified place.

Limitations on foreign shareholders

There are no limitations imposed by English law or the Company's memorandum or articles of association on the right of non-residents or foreign persons to hold or vote the Company's ordinary shares other than the limitations that would generally apply to all of the Company's shareholders.

Taxation

The following is a summary of the principal tax consequences for holders of ordinary shares of Barclays PLC, preference shares of the Bank, ADRs representing such ordinary shares or preference shares and loan capital guaranteed by the Bank, who are citizens or residents of the UK or United States, or otherwise who are subject to UK tax or US federal income tax on a net income basis in respect of such securities. It is not, however, a comprehensive analysis of all the potential tax consequences for such holders and investors are advised to consult their tax advisers regarding the tax implications of their particular holdings, including the consequences under applicable state and local law. Unless otherwise noted, the statements of tax laws set out below are based on the laws in force as at 7th February 2001 and are subject to any subsequent changes in UK or US law, in particular any announcements made in the Chancellor's UK Budget on 7th March 2001, or in any double tax convention between the United States and the UK. An announcement that this was being re-negotiated was made on 1st October 1998. In addition, this section is based in part upon the representations of the ADR Depositary and the

assumption that each obligation of the Deposit Agreement and any related agreement will be performed in accordance with its terms.

For the purposes of the current US-UK double tax conventions relating to income tax (the Income Tax Convention) and estate and gift tax (the Estate Tax Convention) and for the purposes of the US Internal Revenue Code of 1986, as amended (the Code), the holders of ADRs are treated as owners of the underlying ordinary shares or preference shares, as the case may be.

Taxation of UK holders

Taxation of dividends

In accordance with UK law, Barclays PLC and the Bank pay dividends on ordinary shares and preference shares without any deduction or withholding tax in respect of any taxes imposed by the UK government or any UK taxing authority.

If the shareholder is a UK resident individual liable to income tax only at the basic rate or the lower rate, then there will be no further tax liability in respect of the dividend received. If, however, the individual shareholder is subject to income tax at the higher rate (currently 40%), there will be a further liability to tax. Higher rate taxpayers are taxable on dividend income at a special rate of (currently 32.5%) against which can be offset a tax credit of one-ninth of the dividend paid. Tax credits are no longer repayable to shareholders with no tax liability.

Taxation of shares under the Dividend Reinvestment Plan

Where a shareholder elects to purchase shares using their cash dividend, the individual will be liable for income tax on dividends reinvested in the Plan on the same basis as if they had received the cash and arranged the investment themselves. They should accordingly include the dividend received in their annual tax return in the normal way. The tax consequences for a UK individual are the same as described in 'Taxation of dividends' above.

Taxation of capital gains

Where shares are disposed of by open market sale, a capital gain may result if the disposal proceeds exceed the sum of the base cost of the shares sold and any other allowable deductions such as share dealing costs, indexation relief (up to 5th April 1998) and taper relief (generally on shares held at 16th March 1998 and subsequent acquisitions). To arrive at the total base cost of any Barclays PLC shares held, the amount subscribed for rights taken up in 1985 and 1988 must be added to the cost of all other shares held. For this purpose, current legislation permits the market valuation at 31st March 1982 to be substituted for the original cost of shares purchased before that date.

The calculations required to compute chargeable capital gains, particularly taper and indexation reliefs, may be complex. Capital gains may also arise from the gifting of shares to connected parties such as relatives (although not spouses) and family trusts. Shareholders are advised to consult their personal financial adviser if further information regarding a possible tax liability in respect of their holdings of Barclays PLC shares is required.

Stamp duty

On the purchase of shares, stamp duty or stamp duty reserve tax at the rate of 1/2% is normally payable on the purchase price of the shares.

Inheritance tax

An individual may be liable to inheritance tax on the transfer of ordinary shares or preference shares. Where an individual is liable, inheritance tax may be charged on the amount by which the value of his or her estate is reduced as a result of any transfer by way of gift or other gratuitous transaction made by them or treated as made by them.

Taxation of US holders

Taxation of dividends

Under the Income Tax Convention, a beneficial owner of ordinary shares or preference shares who is a resident of the United States and not a resident of the UK, whose holding is not effectively connected with a permanent establishment or fixed base in the UK and who is not subject to special rules (such as those that apply to US tax-exempt entities and certain investment or holding companies, 25% of the capital of which is held directly or indirectly by persons that are not individual residents or nationals of the United States (a US holder)) has generally been entitled to receive a refund from the UK Inland Revenue, in addition to any dividend paid by Barclays PLC or the Bank, of an amount equal to the tax credit available to UK resident individuals, less a withholding tax equal to 15% of the aggregate of the tax credit and the dividend.

For dividends paid on or after 6th April 1999, the tax credit has been reduced to one-ninth of the dividend paid, although the withholding rate remains at 15% (but not to exceed the amount of the tax credit). Thus, US holders generally are no longer entitled to a refund of the tax credit as of that date or are entitled only to a residual refund equal to less than 1% of the amount of the dividend. In respect of dividends paid after 6th April 1999 any US holder entitled to such refund must, in order to obtain it, file a claim for payment in the manner, and at the time, specified by the procedures established by the UK Inland Revenue. Dividends received by a US holder will be foreign source income for US federal income tax purposes in the amount equal to the US dollar value of the payment (including the related tax credit amount if the benefit of the Income Tax convention is claimed), on the date of such payment. Dividends generally will not be eligible for the 'dividends received' deduction allowed to US corporations under the Code. Subject to certain limitations, UK tax withheld from payments will be available as a credit against US tax (assuming such US holder claims the benefits of the Income Tax Convention with respect to such dividends).

Taxation of capital gains

Generally, US holders will not be subject to UK tax, but will be subject to US tax on capital gains realised on the sale or other disposition of ordinary shares, preference shares or ADRs (assuming such shares are held as capital assets).

Taxation of premium on redemption or purchase of shares

No refund of tax will be available under the Income Tax Convention in respect of any premium paid on a redemption of preference shares by the Bank or on a purchase by Barclays PLC of its own shares.

For US tax purposes, redemption premium generally will be treated as an additional amount realised in the calculation of gain or loss.

Stamp duty

No UK stamp duty is payable on the transfer of an ADR, provided that the separate instrument of transfer is not executed in, and remains at all times outside, the UK.

Estate and gift tax

Under the Estate Tax Convention, a US holder generally is not subject to UK inheritance tax.

Payments under loan capital guarantees

It is unclear whether, under current UK law and Inland Revenue practice, the Bank would be required to deduct or withhold UK income tax from any payment of interest made to residents of the United States in respect of the guarantees given by the Bank in relation to the long-term debt issue by Barclays North American Capital Corporation. However, the terms of such guarantees impose a grossing up obligation on the Bank, subject to limited exceptions, in regard to any payment thereunder which is subject to any such deduction or withholding.

Exchange controls and other limitations affecting security holders

Other than certain emergency restrictions which may be in force from time to time, there are currently no UK laws, decrees or regulations which would affect the transfer of capital or remittance of dividends, interest and other payments to holders of Barclays securities who are not residents of the UK. There are also no restrictions under the Articles of Association of either Barclays PLC or the Bank, or under current UK laws, which limit the right of non-resident or foreign owners, to hold Barclays securities or, when entitled to vote, to do so.

Shareholder enquiries

Investors who have any questions about their investment in Barclays, or about Barclays in general, may write to:

Head of Investor Relations,
Barclays PLC,
54 Lombard Street,
London EC3P 3AH

or, in the United States of America,

The Corporate Communications Department,
Barclays Bank PLC,
222 Broadway,
New York, NY 10038, USA.

Registered and Head office:
54 Lombard Street,
London EC3P 3AH.
Tel: 020 7699 5000

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