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Registered No. 48839

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.

The Group may also make forward-looking statements in other written materials, including other documents filed with or furnished to the SEC. In addition, the Group's senior management may make forward-looking statements orally to analysts, investors, representatives of the media and others. In particular, among other statements, certain statements in the Financial Review and Business Description with regard to management objectives, trends in results of operations, margins, costs, return on equity, risk management, and competition are forward looking in nature. These forward-looking statements can be identified by the fact that they do not

relate only to historical or current facts. Forward-looking statements often use words such as "anticipate," "target," "expect," "estimate," "intend," "plan," "goal," "believe," or other words of similar meaning.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The Group's actual future results may differ materially from those set out in the Group's forward-looking statements. There are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made. Barclays does not undertake to update forward-looking statements to reflect any changes in the Group's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any further disclosures Barclays may make in documents it files with the SEC.

Directors' report

Profit attributable

The profit attributable to shareholders for the year amounted to £2,230m, compared with £2,446m in 2001.

Dividends

The final dividends for the year ended 31st December 2002 of 12p per ordinary share of 25p each and 10p per staff share of £1 each have been approved by the Directors. The final dividends will be paid on 28th April 2003 in respect of the ordinary shares registered at the close of business on 28th February 2003 and in respect of the staff shares so registered on 31st December 2002. With the interim dividend of 6.35p per ordinary share and of 10p per staff share that were paid on 1st October 2002, the total distribution for 2002 is 18.35p (2001: 16.625p) per ordinary share and 20p (2001: 20p) per staff share. The dividends for the year absorb a total of £1,206m (2001: £1,110m).

Dividend Reinvestment Plan

Ordinary shareholders may have their dividends reinvested in Barclays PLC ordinary shares by participating in the Dividend Reinvestment Plan. The Plan is available to all ordinary shareholders provided that they do not live in, or are subject to the jurisdiction of, any country where their participation in the Plan would require Barclays or The Plan Administrator to take action to comply with local government or regulatory procedures or any similar formalities. Any shareholder wishing to obtain details of the Plan and a mandate form should contact The Plan Administrator to Barclays at PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH. Those wishing to participate for the first time in the Plan should send their completed mandate form to The Plan Administrator so as to be received by 3rd April 2003 for it to be applicable to the payment of the final dividend on 28th April 2003. Existing participants should take no action unless they wish to alter their current mandate instructions, in which case they should contact The Plan Administrator.

Share capital

At the 2002 AGM held on 25th April 2002, a resolution was passed to divide each ordinary share of £1 each (issued and unissued) into four ordinary shares of 25p each.

During the year, Barclays PLC purchased in the market for cancellation 4.6 million of its ordinary shares of £1 each prior to the subdivision and 101.5 million of its ordinary shares of 25p following the subdivision at a total cost of £546m as part of its programme of returning excess capital to shareholders. These transactions represented some 1.8% of the issued ordinary share capital at 31st December 2002. As at 12th February 2003, the Company has an unexpired authority to repurchase further shares up to a maximum of 957.1 million ordinary shares of 25p.

In addition, the ordinary share capital was increased by 28.6 million ordinary shares during the year as a result of the exercise of options under the SAYE and Executive Share Option Schemes. At 31st December 2002 the issued ordinary share capital totalled 6,576 million shares.

Substantial shareholdings

As at 12th February 2003, the Company has not been notified of any major interests in its shares as required by sections 198 to 208 of the Companies Act 1985.

Board membership

The membership of the Boards of Directors of Barclays PLC and Barclays Bank PLC is identical, and is set out on pages 32 and 33. Dr Jürgen Zech was appointed as a non-executive Director on 30th July 2002 and Professor Sandra Dawson has been appointed as a non-executive Director from 1st March 2003. Sir Andrew Large resigned from the Board on 3rd September 2002 and John Stewart has resigned from the Board with effect from 27th February 2003.

Group Secretary

Howard Trust stepped down as Group Secretary on 19th September 2002. He was succeeded by Lawrence Dickinson.

Retirement and re-election of Directors

In accordance with its articles of association, one-third (or the nearest whole number below one-third) of the Directors of Barclays PLC are required to retire by rotation at each AGM, together with Directors appointed by the Board since the previous AGM. The retiring Directors may stand for re-election. The Directors retiring by rotation at the 2003 AGM and offering themselves for re-election are Matthew Barrett and Sir Nigel Rudd. Sir Nigel Mobbs will be retiring as a Director at the 2003 AGM. In addition, Dr Jürgen Zech and Professor Sandra Dawson, who were appointed as Directors since the last AGM, will be offering themselves for re-election at the 2003 AGM.

Directors' interests

Directors' interests in the shares of the Group on 31st December 2002, according to the register maintained under the Companies Act 1985, are shown on page 51. The register is available for inspection during business hours at the Group's Head office and will be available for inspection at the 2003 AGM.

Directors' emoluments and options

Information on emoluments and share options of Directors of Barclays PLC, in accordance with the Companies Act 1985 and the Listing Rules of the United Kingdom Listing Authority, is given in the corporate governance report by the Board on pages 44 to 51 and in notes 57 and 58 to the accounts.

For US disclosure purposes, the aggregate emoluments of all Directors and officers of Barclays PLC who held office during the year (2002: 25 persons, 2001: 24 persons) for the year ended 31st December 2002 amounted to £30,409,000 (2001: £34,459,000). In addition, the aggregate amount set aside for the year ended 31st December 2002, to provide pension benefits for the Directors and officers amounted to £1,356,000 (2001: £702,000). The aggregate emoluments of all Directors and officers of Barclays Bank PLC who held office during the year (2002: 27 persons, 2001: 25 persons) for the year ended 31st December 2002 amounted to £30,475,000 (2001: £34,562,000). In addition, the aggregate amount set aside by the Bank and its subsidiary undertakings, for the year ended 31st December 2002, to provide pension benefits for the Directors and officers amounted to £1,357,000 (2001: £796,000).

Activities

Barclays PLC Group is an international financial services group engaged primarily in banking, investment banking and asset management. The Group operates through branches, offices and subsidiaries in the UK and overseas. The activities of the Group are described on pages 90 to 95 and developments in the Group's business during the year and an indication of likely future developments are analysed in the Risk management section on pages 54 to 85 and the Financial review on pages 96 to 122.

Community involvement

Community support totalled £32.3m (2001: £31.1m).

Barclays gave £30.0m in support of the community in the UK (2001: £23.9m) and £2.3m was given in international support (2001: £2.2m). UK community support includes £11.1m of charitable donations (2001: £9.6m).

Barclays is a member of the Percent Club – a group of companies that undertook to ensure that donations to the community in 2002 amounted to at least 1% of their UK pre-tax profit.

In line with the Group's policy, the Group made no political donations, as defined by the Companies Act 1985, in the UK during 2002.

Employee involvement

Barclays is committed to ensuring that employees share in the success of the company and have the opportunity to share their views and provide feedback on issues which are important to them.

Equality and diversity

Barclays is committed to giving full and fair consideration to applications for employment from people with disabilities and to continuing the employment of staff who become disabled and arranging any appropriate training to achieve this. More information can be found in the Corporate Social Responsibility section of the Annual Report.

Creditors' payment policy

Barclays policy follows the DTI's Better Payment Practice Code, copies of which can be obtained from the Better Payment Practice Group's website at www.payontime.co.uk. The Code states that a company should have a clear, consistent policy, adhered to by the finance and purchasing departments, that payment terms are agreed at the outset and payment procedures explained to suppliers, that bills are settled in accordance with payment terms agreed with suppliers, that complaints are dealt with quickly and that suppliers are advised of disputes. Barclays values its suppliers and acknowledges the importance of paying invoices, especially those of small businesses, promptly. Normal policy is to pay all small business purchases within 30 days.

Creditor payment days are carefully monitored in the Group, using the systems which record the actual purchases and payments. Barclays estimates that for all UK supplies to Barclays Bank PLC, average creditor payment days in 2002 were 31 days. Paragraph 12(3) of Schedule 7 to the Companies Act 1985 requires disclosure of trade creditor payment days. Disclosure is required by the Company, rather than the Group. The Group's principal trading subsidiary in the UK is Barclays Bank PLC, the accounts for which are prepared under Schedule 9 of the Companies Act 1985. The components for the trade creditor calculation are not easily identified in Schedule 9. However, by identifying as closely as possible the components required by the Schedule, the trade creditor payment days for Barclays Bank PLC for 2002 were 28 days (2001: 31 days). This is an arithmetical calculation which includes property rentals and payments, and does not necessarily reflect our practice, which is described above, nor the experience of any individual creditor.

The auditors

Following the conversion of PricewaterhouseCoopers to a Limited Liability Partnership (LLP), effective from 1st January 2003, PricewaterhouseCoopers resigned as auditors and the Board appointed PricewaterhouseCoopers LLP to fill the casual vacancy created by the resignation. PricewaterhouseCoopers LLP have signified their willingness to continue in office and an ordinary resolution, with special notice, re-appointing them as auditors and authorising the Directors to determine their remuneration will be proposed at the 2003 AGM. The Board Audit Committee approves and reviews the appointment of the external auditors, as well as their relationship with the Group, including monitoring the balance of audit and non-audit fees paid to the auditors.

The annual general meeting

The AGM will be held at The Queen Elizabeth II Conference Centre on 24th April 2003. The Notice of Annual General Meeting is included in the Annual Review and Summary Financial Statement 2002 sent to shareholders at the same time as this report.

By order of the Board

Lawrence Dickinson
Group Secretary
12th February 2003