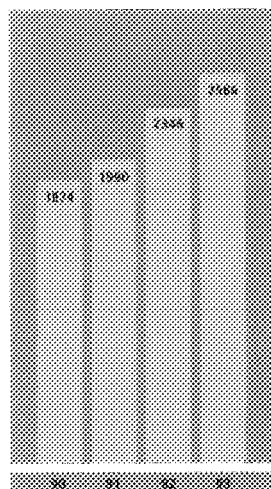


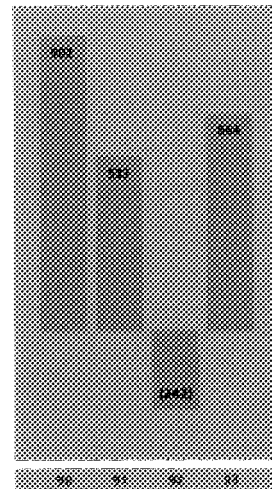
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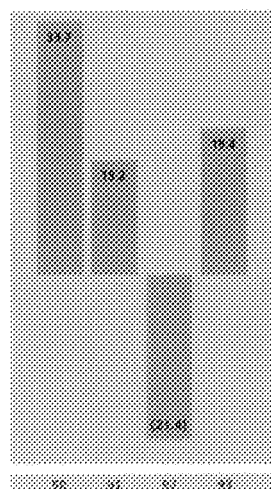
# Barclays PLC Performance graphs



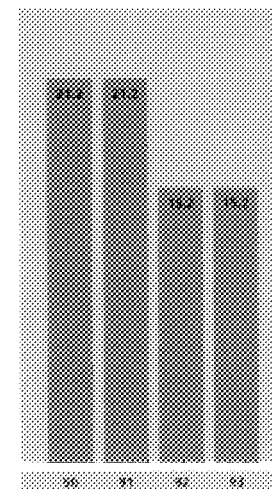
Operating profit before provisions £m



Profit/(loss) before tax £m



Earnings per share, pence



Dividends per share, pence

## Financial highlights Barclays PLC

	1993	1992	1991	1990	1989
<b>For the year</b>	<b>£m</b>	£m	£m	£m	£m
Operating profit/(loss)	648	(127)	486	699	600
Profit/(loss) before taxation	664	(242)	533	902	692
Profit/(loss) attributable to shareholders	313	(343)	242	533	452
Profit/(deficit) retained	67	(586)	(96)	198	144

### At the year end

Shareholders' funds and minority interests	5,989	5,962	6,305	6,580	6,673
Undated and dated loan capital	4,183	3,765	3,146	2,600	2,867
Total assets	166,008	159,857	144,453	140,387	132,559
Weighted risk assets	102,384	105,670	105,039	107,270	101,174

### Per Ordinary Share

	p	p	p	p	p
Earnings/(loss)	19.4	(21.4)	15.2	33.7	28.9
Dividends	15.2	15.2	21.2	21.2	19.6
Net asset value	327	328	359	385	396

### Return on average equity

	%	%	%	%	%
Before taxation	11	(4)	8	13	11
After taxation	6	(5)	5	8	7

### Capital ratios

	%	%	%	%	%
Tier 1	6.0	5.5	5.9	5.8	5.7
Risk asset ratio	9.8	9.1	8.7	8.3	9.0

The financial information above is extracted from the published accounts for the last five years, restated where appropriate to accord with the current accounting policies of the Group.

## Barclays PLC **Strategy**

**We are committed to** ■ Customer focus ■ Quality staff ■ Quality service ■ Social responsibility and integrity

**For our shareholders** ■ A post-tax return on equity of 15 per cent is our target ■ We will raise new equity capital only if it would enhance shareholder value ■ We will use profits to provide real increases in dividend and to maintain a strong capital base, taking into account future prospects ■ We will focus on markets where we can make the most efficient use of our capital resources, people and technology

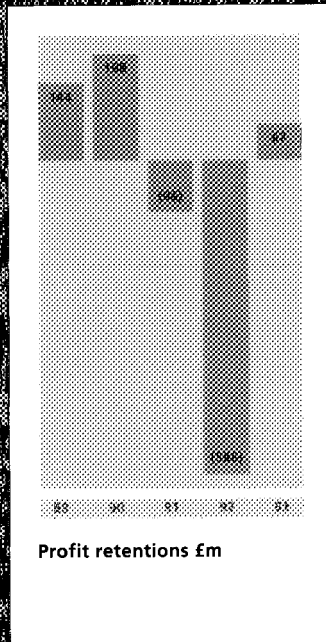
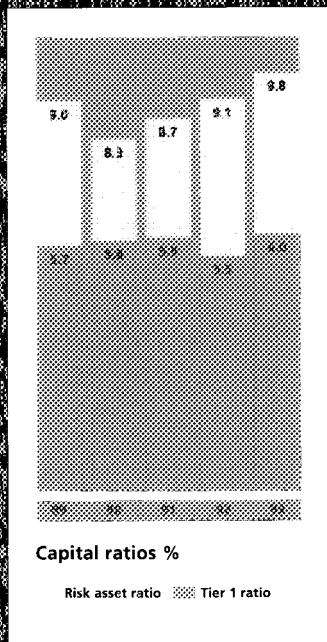
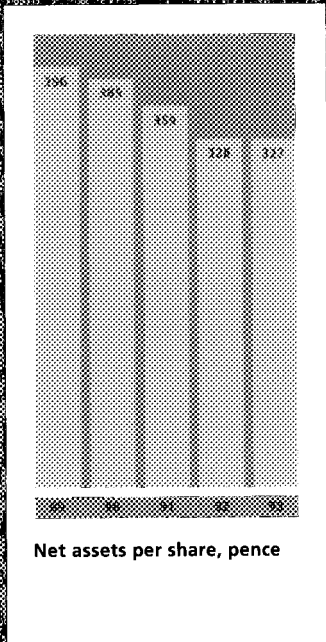
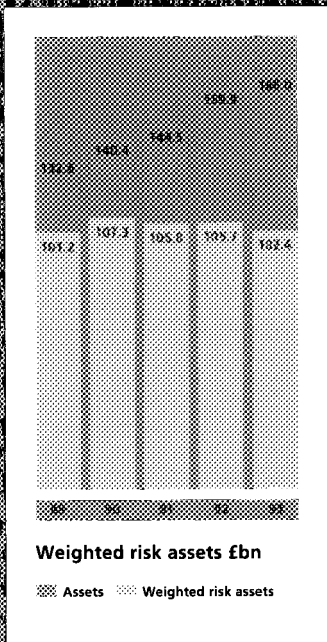
**Banking division focuses on** ■ Developing and investing in our core franchise in the UK personal and business markets, leveraging off a wide base of financial service products and delivery channels, including our strong branch network, and our market leadership in plastic cards ■ Becoming the bank of first choice with targeted financial institutions and meeting the banking needs of selected large corporate customers as part of their overall relationship with the Group ■ Utilising our branch networks in France, Portugal and Spain, to develop financial services to meet the needs of retail customers in Europe ■ Achieving a significant and sustainable return on capital in Africa and the Caribbean through the provision of retail financial services with increasing investment in IT ■ Global private banking, meeting the distinctive needs of private clients around the world, delivering quality investment management, trust and banking services

**BZW division focuses on** ■ Operating as a leading intermediary and adviser to selected major corporations, institutional investors, governments and public sector bodies around the world ■ Capitalising on its strong risk management product and transactional capabilities to strengthen client relationships ■ Utilising its international underwriting, trading and distribution in equities and bonds for its issuer and investor clients ■ Providing clients with merger and acquisition and related advisory services ■ Further developing its leading position in global asset management

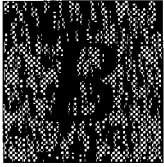
**Service Businesses division focuses on** ■ Extracting value from our own operations by maximising efficiency ■ Providing settlement and processing infrastructure and services for the cash, fixed income, equities and derivatives markets ■ Generating profitable new income streams

**We will continue** ■ Improvement of service to customers ■ Better risk management ■ Closer relations between reward and risk ■ Managing balance sheet growth ■ Increasing non-interest income ■ Better cost management ■ Disposal of non-core businesses

# Performance graphs Barclays PLC







Barclays has had a challenging year in 1993. We have moved from a loss in 1992 to a profit of £664 million. We have invested substantial amounts in modernising our businesses; we have improved the capital ratios of the Group; and we have strengthened the management through the recruitment of Martin Taylor as Chief Executive.

**These are stimulating changes** which will enable Barclays to meet the challenges of the market by having the people, the capital strength and the flexibility to profit from the period ahead.

We believe that all our efforts must be driven by the needs of our customers and, in that way, we can best satisfy the requirements of our shareholders. Customers must be offered a speedy response, flexibility, innovation, value for money and, above all, improved quality of service. We know that we have some way to go before we meet our own aspirations.

**As the expectations of our customers change,** so the nature of the Barclays Group is also changing. Fewer than half our people are now employed in the UK Domestic Bank. The Group is concentrating its efforts and resources on core businesses in areas where our greatest strengths lie and on businesses which yield an appropriate return on capital. Banking division is focusing on its core UK franchise, on private banking internationally, and on the retail and commercial banking operations in countries in Africa, the Caribbean and selected parts of continental Europe. BZW division is our international investment bank, which is trading global products through a number of centres across the world, and meeting the needs of our major corporate clients. Service Businesses division ensures that we make the best use of technology and provides various operational services for a global customer base. Outside the United Kingdom, country managers ensure that the skills of all three divisions are also used appropriately in their territories. Meeting changing demand is a carefully-judged process. The process continued in 1993 and it is against this background that our results are to be seen.

**In the autumn of 1992,** I initiated a thorough review of our businesses in North America. This followed the decision to dispose of our remaining retail banking business in the United States and to concentrate predominantly on BZW division activities, as we have done in parts of Asia and the Pacific region.

**We believe that all our efforts must be driven by the needs of our customers**

**The Group is concentrating its efforts and resources in areas where our strengths lie and which yield an appropriate return on capital**

**Photograph: Andrew Buxton,  
Chairman**

**We will focus on markets where our capital, human and technological skills can be used to best effect**

The purpose of the review was to isolate those assets and activities that did not come within our new strategy for the United States. A significant proportion related to the property sector which, in the United States, as elsewhere, had suffered during the recession. Other assets were lendings at very fine margins, producing a poor return on capital. These activities together with our mortgage servicing business are grouped together for reporting purposes under the heading of United States Transition.

In the first half of 1993, we made substantial provisions against many of these assets and accelerated asset disposals, warning at the time that further provisions would be necessary in the second half as the management continued with disposals and asset write-downs. The position was further aggravated by substantial losses in our US business which purchased mortgage servicing rights. A combination of mortgage rates falling to historically low levels and high pre-payments of fixed interest rate mortgages has reduced the value of the underlying assets, again with substantial loss.

**There is a positive swing of over £1,000 million in the profitability of Banking division**

The overall United States Transition loss of £675 million also includes a provision for winding down our business in the US Virgin Islands and costs related to reorganising premises. While one management team concentrates on United States Transition, another develops the on-going US businesses. These on-going businesses, including trading, investment banking and asset-based finance businesses, made a pre-tax profit of £168 million in 1993. Including United States Transition, we are budgeting to make an overall profit in the United States in 1994.

**All product areas in BZW** division performed well in 1993, especially where they were able to take advantage of favourable market conditions. The pre-tax profit of £501 million represents an excellent return on our investment.

**The turnaround in profitability** of over £1 billion in Banking division owes much to the efforts of the UK Domestic Bank, while the situation in other countries was mixed. We are making a considerable investment in the Domestic Bank with the dual aims of improving customer service and reducing costs. This programme will continue throughout 1994 and beyond.

**We are making a considerable investment in the UK Domestic Bank**

The Group's results in 1994 will continue to be adversely affected by bad debt provisions and the loss of interest income on non-accrual lendings.



**Last year, our total investment in information technology** throughout the Group was some £800 million. This has had a major effect in both domestic and global banking, with a consequential reduction in staff numbers whilst service levels have improved. During 1993, the number of people employed in the Group reduced by 7,200 to 97,800. In 1988 the Group employed 118,400 people, so there has been a steady reduction over the last few years. This has been accompanied by a reduction in the number of branches in the United Kingdom. I still believe that branches perform a valuable function at the interface between the bank and its customers, but technology and changing shopping habits mean that there will be fewer branches in the future. As the technology of computer information and telecommunications converge it is possible to envisage a future when many banking services will be delivered direct to the home or business place via television screens. However, a branch network is still an important delivery channel and will remain so for many years.

**A branch network is still an important delivery channel and will remain so for many years**

**While total provisions** for bad and doubtful debts have fallen by about a quarter from the record levels of 1992, they are still at an unacceptably high level. Specific provisions raised in the United Kingdom have fallen by about a third but those in continental Europe increased from 1992 levels. In the United Kingdom receiverships have dropped in 1993, but the number of small enterprises going out of business in 1993 was still at a level double that of the peak of the recession at the beginning of the eighties, so we are still seeing a vicious tail to the last recession. However, the business climate both in the United Kingdom and the United States has generally improved and I believe that we will continue to see a steady drop in the bad debts of the Group. Whilst lower interest rates in the United Kingdom will put pressure on the spread between deposit rates and lending rates, I hope that a better quality portfolio of lending will bring an improved quality of earnings which can off-set the negative impact on spreads.

**A higher quality of earnings should come from a low inflationary environment**

As a result of the control of assets and the retention of profit, we have achieved our target of a 6 per cent Tier 1 ratio. A major international bank operating in seventy-eight countries and trading global products across the world needs strong capital ratios to guard against unforeseen threats to its depositors. We continued our sale of non-core businesses and have sold our factoring business in the USA and our retail banking operation in Australia.

**A major international bank needs strong capital ratios**



**The second interim dividend** of 8.65p brings the total payment for 1993 to 15.15p, the same as in 1992. Growth in the annual dividend from this level will reflect a balance between the wish to reward shareholders now and in the future, and the need to maintain a strong capital base, taking into account future prospects.

On 1st January 1994, we welcomed Martin Taylor as Chief Executive of the Group and therefore I have been able to split my previous responsibilities of Chairman and Chief Executive. I am sure that the recruitment of a proven and successful executive from outside banking will bring benefits to Barclays.

Over the last year, Oliver Stocken has joined the Board as Finance Director replacing Peter Wood, and four Directors have left the Board, all of whom have given valuable service to the Barclays Group. Sir James Spooner has served ten years on the Board and is not seeking re-election at the Annual General Meeting. Humphrey Norrington retired at the beginning of December 1993 as Vice-Chairman, having served 33 years with the Group. Sir Martin Jacomb retired as Deputy Chairman at the end of December and, at the end of March, Lord Camoys will leave to become Deputy Chairman of Sotheby's. Sir Martin Jacomb and Lord Camoys were the original management team who formed BZW in 1986 and the Group owes a great debt to them. Following the AGM the Board will have a membership of fourteen; eight non-executive and six executive Directors.

**I would like to thank staff** at all levels for their support for the Group during the year. At the beginning of 1993, the Barclays Group faced a low point in its history having declared its first loss, but substantially better results have been achieved in 1993 and I am pleased that the core business in the United Kingdom has improved sufficiently for qualifying staff to benefit from a small profit sharing distribution.

**The results show** that we are well on the way to realising the real potential of the Group, although we cannot be satisfied with the return on shareholders' funds. We can, however, approach 1994 with confidence. The 1993 results show that the steps we have taken to concentrate on our core businesses, to control costs, to improve service levels and to manage risk more effectively are all beginning to bear fruit.

**Increased capital strength must come primarily from generation of profits**

**We are committed to**

- customer focus
- quality service
- quality staff
- social responsibility
- integrity

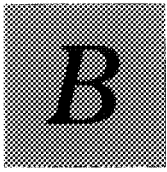
**We will continue improvement of service to customers**

**Photograph: Martin Taylor, Chief Executive**



*sustaining quality*

As principal banker to  
Barbour, the world-  
famous country and  
leisure-wear specialists,  
Barclays shares the  
company's commitment  
to the highest standards  
of quality and service.



Banking division is the largest operating business in the Barclays Group. It includes the financial services, insurance and card businesses of the Group, but the division's principal activity is retail and commercial banking through the UK branch network and through extensive networks in countries in Africa, the Caribbean and some parts of continental Europe. The division also includes a growing international private bank, relationships in the UK with large corporations and world-wide relationships with institutional clients.

Banking division's market is changing and vibrant. We recognise that customers are not alike and we are becoming more focused in order to meet each customer's needs and desired level of service. There is continuing improvement in the product range, giving added value to Barclays customers and thus challenging new and existing competitors. Throughout, improving quality is paramount. We are progressively reducing embedded costs and changing traditional work-practices to improve flexibility and the price to our customers in the longer term, whilst bringing enhanced returns to our shareholders from a more successful business. The vast majority of our personal customers in the United Kingdom pay no bank charges, making cost effectiveness essential to profitability.

The operating performance of the division improved in 1993 by all measures: margins, fees, revenues, costs and return on equity.

The UK Domestic Bank has, over three years, reshaped its network in both size and approach. The pioneering of business centres and increased numbers of personal bankers are examples of ways in which we serve customers according to their needs. We are making good progress in introducing complementary delivery channels and a telephone banking scheme is currently being piloted. The introduction of Premier Banking for the professional and executive customer is progressing well, and we plan to have over 1,000 managers dedicated to this sector by the end of 1994. Branch opening hours are being extended and streamlined counter service for customers has been achieved through the introduction of new counter terminals, which will continue to be installed during 1994. Service performance and customer satisfaction are monitored regularly and the results show continuing improvement.

**Our market is changing  
and vibrant**

**We are reducing costs,  
but improving quality  
is paramount**

**Photograph: Mr Malcolm Sutherland, Managing Director of J Barbour & Sons Ltd. and Mr Tony Beckwith, Business Centre Manager Newcastle City Group of Branches, with Marie Clark in Barbour's factory in South Shields**

## Barclays PLC Banking division

**There are major investment programmes in the UK – 'Moving Forward'**

During 1993, we have continued our major investment programmes in the UK Domestic Bank which has successfully adopted new technology. Examples include imaging technology in cheque clearing procedures, the centralisation of processing of most aspects of taking security for loans, and central processing of standing order and direct debit payments. In all these programmes, and more, the customer is benefiting from faster turnaround times and lower error rates which we have achieved by re-thinking many processes. There are additionally substantial cost benefits, some of which come from the need for fewer processing jobs.

**The price of credit will become more accurately aligned to the underlying risk**

There has been good progress in the development of risk management techniques. A knowledge-based system – Lending Advisor – was piloted during 1993 and is now being implemented. Those managers dealing with middle-sized companies can compare an individual customer with a database of similar businesses and advise the customer on the standards of performance in their industry. Other risk management projects are in the development stage and will help to reduce the cost and risk of lending in the personal and small business sectors. These programmes will also help to ensure that the price of credit is more accurately aligned to the underlying risk. Implementation of these projects, named 'Moving Forward', will continue throughout 1994 and beyond.

The profit turnaround of the Domestic Bank has come from lower levels of provision for bad and doubtful debt and a strong operating performance. This was underpinned by rigorous cost management, which has allowed maintenance of the substantial investment programme.

Barclaycard has again performed very well. As the market leader in credit card issuing and merchant acquiring in the United Kingdom, Barclaycard continues its commitment to superior customer value and service. This was recognised by more BS5750 quality awards. Barclaycard is the first card issuer to tell unsuccessful applicants why their application has been declined and to encourage them to provide additional information to enable their application to be accepted. The Office of Fair Trading is encouraging others to follow this example. The cost of card fraud has again reduced. In December, Barclaycard announced a partnership with Ford to offer high value rebates on new Ford cars to Profiles customers and the launch of the Ford branded Barclaycard.

**Photograph: Counter automation at Barclays branches in Accra, Ghana and Chapel Ash, Wolverhampton**

The leasing companies experienced a lower level of provisions. Factoring has seen a growth in demand and performed well, as did the Dial group.

*customer service*

During 1993 the launch  
of our international  
programme of counter  
automation allowed  
customers to benefit  
from increasingly



## Barclays PLC Banking division

**The Financial Institutions Group exhibits the strength of Barclays working across divisions**

The large corporate area achieved a strong performance, aided by sharply reduced provision levels, and continued its success in the syndication of loans. The Financial Institutions Group (FIG) is an excellent example of the strengths of the Barclays Group co-ordinating technology driven services such as global securities handling, investment banking services such as fund management, and FIG's banking and relationship management skills.

For Barclays Financial Services (BFS) the speed of regulatory change and increasing competition were key features of the markets in which it operates, particularly in life and pensions business. However, low UK interest rates and a buoyant stock market assisted the investment side of the business, especially unit trusts. Furthermore, there was a strong performance in the creditor and general insurance business.

**Barclays Life undertook a major programme to improve the training and technical skills of its sales force**

Looking to the medium and longer term, Barclays Life undertook a major programme to improve the training and technical skills of its sales force. Barclays Bank Trust Company commenced implementation of a major re-engineering of its operations for executorship and trust, personal taxation and personal investment management services, which will both enhance customer service and provide greater efficiency.

Markets are expected to undergo further turbulence in 1994 as the effects of increasing competition and regulatory change continue to impact. However, 1993 has shown that BFS is well positioned and has the strength to succeed.

Outside the United Kingdom, 1993 saw improvements in most performances, the principal exceptions being in France, Germany and Italy, where a combination of bad debt provisions and restructuring of our business caused further losses.

**Outside the UK, most countries improved performance except France, Germany and Italy**

The continuing recession in France resulted in a second year of substantial provisions. We have continued the integration of the former Barclays Bank SA with L'Européenne de Banque and they have now substantially come together as a branch of Barclays Bank PLC. We were the first financial institution in France to take advantage of European legislation which allows such a fusion, and which has benefits for the Group management of capital. The expansion of the branch network in France continues and there are now 40 new-style retail branches in the Paris region as well as a revitalised product range throughout the French branch network.



Our Spanish business performed well again and has successfully avoided the impact of the dramatic decline in the Spanish economy. The branch opening programme in Portugal is virtually complete, with profits being recorded despite a highly competitive retail banking market. We now have over 380 retail branches in France and Iberia. In Germany, the results suffered through provisions, although Merck Finck's results improved. The German business is now much more clearly focused with a new management structure in place.

Barclays Private Banking operates internationally and provides high standards of service to high net worth individuals, with offices in Asia, the United Kingdom, Switzerland, the Americas and several other offshore centres. 1993 was another year of substantial progress with assets under management rising by 21 per cent and increased profits recorded.

The asset-backed finance business in the United States performed well, as did the Latin American trade finance business which is based in Miami. We have sold our US factoring company and our retail banking business in Australia. These are successful and profitable companies, but their sale underscores our commitment to sell non-core businesses.

Africa and the Caribbean have long been traditional Barclays strongholds. Our businesses in those countries performed exceptionally well in 1993 with a more than 50 per cent improvement over 1992, itself a good year. Many of these countries suffer economic difficulty, some high inflation and businesses in southern Africa are seeing increased competition from South African banks. One of the advantages of scale is that the types of technical and efficiency programmes that are being implemented in the UK Domestic Bank can equally be applied to our retail businesses in Africa and the Caribbean. Counter automation and some electronic trade finance systems are examples.

Banking division is showing that it has the determination to change the core UK business to meet the needs and expectations of a large and diverse customer base. These skills are also used in our world-wide businesses. We will continue to segment markets, re-engineer our businesses, focus on our core businesses, and above all meet customer needs with high quality service and products. We look forward to 1994 with confidence.

**We have over 380 retail branches in Iberia and France**

**Private Banking made substantial progress internationally**

**Africa and the Caribbean again performed exceptionally well**



*creating solutions*

BZW's swap and

Eurosterling bond

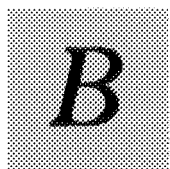
expertise enabled Osaka

Gas to structure the

funding of their latest

environmentally-sound

gas tanker



BZW division conducts the Group's world-wide investment banking business and its large corporate banking business in the United States. The division employs about 6,000 people, half located in the United Kingdom.

Investment banking is a round-the-world, round-the-clock business. BZW is an integrated global business. BZW values its reputation for skills and product specialisms, which can be applied by a multi-disciplinary team offering tailor-made packages to support a client's needs. Revenues, consisting of fees and commissions, dealing profits and net interest margin, are derived from securities underwriting, sales and trading; corporate finance advisory activities; risk management activities in both the cash and derivatives markets; asset management; structured financing advice and participation in corporate banking. Profit before tax for the full year 1993 increased by 65 per cent to £501 million, improving on the first half of £234 million, with the main increases in revenue over 1992 arising from client related sales and trading activities, growth in advisory, syndication and underwriting fees and from proprietary trading.

BZW operates in the primary and secondary international securities markets, and is one of the major participants in the market for sterling and other Eurobonds and for British government securities. BZW is a primary dealer in US Treasury securities and also makes markets in German, French, Dutch, Japanese and Australian government bonds. In equity markets, BZW is one of the strongest trading, distribution and research houses in Europe and Asia Pacific. Research covers over 2,000 companies world-wide, with over half of the employees being dedicated to non-UK equities. BZW is a member of thirteen of the world's stock exchanges. The expansion of international capability in underwriting, distribution, research and trading, both for clients and its own account, of both debt and equity securities is central to BZW's strategy.

The division's capacity for originality and innovation was highlighted by the launch of the enhanced scrip dividend scheme – a simple but radical solution to the problem of unrelieved Advance Corporation Tax for UK companies with substantial overseas earnings. BZW acted as underwriter to 19 schemes accounting for £2.1 billion of new shares.

BZW offers a large portfolio of risk management solutions to both issuers and investors as well as trading these instruments on its own account. The products

**A multi-disciplinary team offers tailor-made packages to support a client's needs**

**One of the strongest equity trading, distribution and research houses in Europe and Asia Pacific. Research covers over 2,000 companies**

**Photograph: Representatives of Osaka Gas and BZW Japan, in front of the tanker 'Flora'**

**BZW offers a wide range of risk management solutions to both issuers and investors**

cover a wide range of cash and derivative instruments in the securities, currency, interest rate and commodity markets including spot and forward foreign exchange, sterling and eurocurrency deposits, forward rate agreements, interest rate and currency swaps, options, precious metals, and equity stock and index related options and warrants. A 24-hour execution service is provided across all time zones to enable clients to manage their financial risks. BZW provides broking and clearing services for futures, interest rate, currency, equity index and petroleum related products, and is a member of the futures and options markets in London, Paris, Frankfurt, Chicago, Sydney, Tokyo, Osaka and Singapore.

**BZW provides merger, acquisition and other advisory services internationally**

1993 was a record year in the capital markets for BZW, which lead managed a number of major sovereign issues including £500 million for Finland, ECU475 million for the European Community, £350 million for Sweden and back-to-back issues for the European Investment Bank and the Province of Ontario. Other issues included ECU650 million for the European Investment Bank, £300 million Eurosterling issue for Kansai Power Co of Japan and £150 million issue for Osaka Gas of Japan which was making its debut in the sterling market. Both Japanese issues were swapped into yen.

In January 1993, BZW assumed strategic responsibility for the Group's US operations, including the day to day management of its large corporate lendings in the United States. The move will capitalise on the name and skills of BZW and build on the strong relationships which the Group has had for many years with large corporations and institutions in that part of the world. It is also a recognition of the increasing trend for large companies and institutions to raise funds from equity and bond markets rather than through bank borrowing.

BZW's asset management activity continues to experience considerable growth in its funds internationally in both its actively managed and index tracking funds. At the end of December 1993, funds under management were in excess of £50 billion.

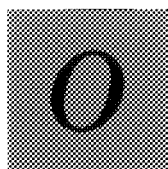
While 1994 may not present the same opportunities as 1993, the outlook is positive. BZW has achieved the level of international maturity across a wide range of client service and product specialisms which will allow it to continue to win an increasing share of market opportunities.

**Photograph: Mr Jean-Pierre Tirouflet, Rhône-Poulenc's Deputy General Manager conferring with Mr John Standen of BZW**



*global reach*

Placing power: BZW's  
selection as adviser,  
co-ordinator and syndicate  
leader for the sale of  
Rhône-Poulenc's 35%  
shareholding in Roussel  
Uclaf reflects the strength  
of our international  
distribution capacity.



rganisations which do not recognise the value and exploit the full potential of Information Technology (IT) will increasingly find themselves at a disadvantage both in terms of their cost base and their ability to meet customer expectations. Service Businesses division concentrates and enhances Barclays capabilities in IT and operations-related businesses as a strategic response to these challenges.

**Exploitation of information technology should lead to competitive advantage**

The division consists of three operating units: Barclays Global Services (BGS) offers high quality information and transaction support services and products, Barclays Computer Operations (BCO) acts as the principal computer services provider, whilst Barclays Network Services (BNS) provides the Group's network and communications infrastructure and is the vehicle for the promotion of new businesses and alliances based on the innovative use of the latest technologies.

Over the past two years, the division has worked intensively to develop a commercial culture within what had been a number of disparate back-office or business support functions. Prime concerns were the improvement of the quality of service and customer care, combined with a determined drive to reduce costs and extract better value from the Group's IT and operating infrastructure. Much has been achieved through re-thinking business processes, economies of scale and the introduction of new technology.

**Improved customer service resulted from major progress in operational efficiency**

Major improvements in operational efficiency during 1993 include the streamlining of functions in the payments, securities custody and registration businesses, resulting in improved customer service and substantial on-going cost savings. The custody business has also upgraded its sales and customer support areas and, since 1st January 1994, has full management responsibility for all the Group's major custody operations overseas, thereby improving the standard and range of products it will be able to offer to its customers.

Intermortgage, the Group's UK centralised mortgage processor, has recently introduced industry-leading imaging technology. This will result in substantial cost savings and improved levels of customer service.

1993 has also seen a focus on developing new income streams. The huge IT resources and technical skills within BCO and BNS in particular make them well equipped to seek to forge profitable partnerships, alliances, and joint ventures in the external market-place. BNS in particular, has been able to exploit

**Photograph: Mr Barry Streets from Global Electronic Banking visiting Mr Mike Keeble, Credit and Treasury Manager, Texas Instruments Limited**



*cash management*

Barclays BusinessMaster II

provides corporate  
treasury teams with  
electronic, round-the-  
clock access to their  
accounts and the ability  
to effect payments.

Launched in 1993, this

service meets our  
customers' need for

greater financial  
sophistication and

flexibility.

**Joint ventures are opening  
new markets**

developments in computing and networking technologies to create a joint venture opportunity with a leading firm of marine claims agents, which will be launched in 1994. BCO continues to increase its visibility in the external market, and has set up alliances with other companies to provide new services. These include the launch of Edotech, a joint venture print and presentation service between BCO and IBM, which has been well received.

A number of important new products were launched during 1993 enhancing the levels of service for customers in the cash management, payments and securities handling markets. The 'Global Custodian' magazine recently awarded our global custody team first place in the ancillary services category of its annual survey, for the development of its short-term investment fund product. During a year of significant achievements, another was the success of the global custody team in winning many mandates against stiff opposition; these included the United Kingdom and African custody business of Inter-settle, the Swiss banking system's securities settlement consortium.

**The division will continue to  
extract further value from  
the operational businesses of  
the Group and develop new  
income streams**

Looking to the future, the division will continue to seek ways, including joint ventures, to develop new markets for, and to extract further value from, the Group's existing operational businesses.





*motivating youth*

Young people from Spain,

Denmark, Germany, and

the Netherlands are looking to

improve neglected

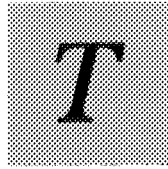
landscapes by the River

Don in northern

Spain in collaboration

with Youth Clubs UK.

with Youth Clubs UK.



he Chairman, in his statement, has paid tribute to the contribution all staff have made to the upturn in profitability, and to the major commitment which staff are making in this time of significant and far reaching change.

At the end of December 1993, the Group employed 97,800 people throughout the world, a considerable reduction from the peak of 118,400 staff in 1988. Personnel policies have to reflect the realities of the market place – competition, technology replacing manual processes, and the changing nature of many businesses. The number of people that Barclays employs in the future will depend upon the success of the Group. It is essential that our cost base is competitive and that is one of the driving factors behind the recent programmes of change which have led to job losses.

Staff numbers reduced by 7,100 in the United Kingdom during 1993, with over five thousand people taking voluntary redundancy. However, for the first time, we have had to introduce compulsory redundancy to some regions in the UK Domestic Bank. Previously, compulsory redundancies had been confined to specialist areas. We expect about 5,000 further job losses in the United Kingdom in 1994–5. We will continue to handle these with sensitivity, using voluntary schemes as far as possible.

Notwithstanding the difficulty of managing job losses, most of our attention must be devoted to those staff remaining in the business. Changes in work practices, particularly in the UK Domestic Bank, have meant significant extra resources being devoted to training. We also respect the changing nature of our workforce. We allow increased flexibility in working arrangements – job sharing, a career break scheme for child care, responsibility breaks to care for elderly or sick people, emergency carer's leave and parental leave all enable our staff to fit better with their family or other responsibilities.

Our commitment to equal opportunities goes well beyond statutory obligations. We continue to work in support of the 'Opportunity 2000' initiative, which aims to improve the quality and number of women in the workforce. Since 1982, we have more than doubled the number of women in senior non-managerial grades to 46 per cent, whilst 15 per cent of managers are now women, compared to fewer than 4 per cent in 1982.

**The number of people that Barclays employs will depend upon the future success of the Group**

**We seek to manage the impact of job losses with care and consideration for the employees affected**

**We allow increased flexibility in working arrangements**

Barclays actively supports the Department of Employment's 'two ticks' campaign and is a core sponsor and active member of the Employers' Forum on Disability which promotes, advises and shares information across industry and commerce on the best ways of providing equality of opportunity for people with disabilities.



We have always encouraged staff involvement in the company. Over one-fifth of our staff are also shareholders. There is a staff Save-As-You-Earn share option scheme. Consultation with staff is extremely important. There are regular exchanges through staff consultative committees, culminating in the annual staff meeting at which the Chairman presides. This allows staff at all levels to discuss key issues with senior management.

The Group continued to support the community world-wide through contributions totalling over £6.5 million in 1993. United Kingdom charitable donations totalled £1 million (1992 £1.4 million). UK charities and other organisations also benefited from a variety of sponsorships. Barclays is a founder member of the 'Per Cent Club', which includes many companies based in or operating in the UK, which commit to donate a minimum of 0.5 per cent of average pre-tax profits to support the community in which they operate.

Barclays Group operations outside the United Kingdom are encouraged to support their local communities, in accordance with the general Group aims and broadly along the Per Cent Club guidelines. Support is given to a small number of UK based charities to assist in overseas projects, particularly in those areas where the Group operates. Barclays staff are encouraged to participate in community affairs through a programme of matched cash giving.

Major beneficiaries during 1993 include 'Youth Action' with Youth Clubs UK; 'Age Resource' with Age Concern England; and 'Community Action' with the Community Development Foundation. In all three, local groups received cash grants to help specific projects for their community. Additional grants were awarded for schemes which could serve as national models. Other major beneficiaries include the Abbeyfield Society and St John Ambulance. We have continued our commitment to new theatre through the Barclays New Stages awards. The RSPB, Woodlands Trust and others continue to benefit from our environmental support.

**Barclays community policies are devoted to young people, elderly, disadvantaged and disabled people, education, the environment and the arts**

**We encourage staff involvement in the community**



*community help*

Working with Age  
Resource, the local  
community, and the  
assistance of a Barclays

Award, the Rowan  
Cottage Day Centre in  
Dorchester gives

information and support  
on health-related issues  
to the over 55s.

# Changes in Group structure and in accounting presentation

## Barclays PLC

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## Changes in Group structure

Since 1991, the Group has been organised into three main operating divisions, Banking division, BZW division and Service Businesses division. From 1st January 1993, BZW division assumed overall strategic responsibility for the Group's US operations and the day to day management of large corporate lending in the United States.

The results of BZW division, in respect of North America, include foreign exchange and money market activities, government securities trading, merger and acquisition activities, swaps and derivatives business, structured finance, private placements, asset securitisation, mezzanine finance and certain loans to large corporate clients and other related banking businesses.

Certain other assets and activities in the United States have been identified as unlikely to be of long-term interest to the Group. These, together with the mortgage servicing business, are being managed by BZW division and are placed for reporting purposes under the heading of United States Transition. The assets consist principally of non-performing and substandard loans, commercial real estate loans, activities in the US Virgin Islands and certain other loans and assets. The income and costs associated with all these assets, including credit risk provisions, are included in the results of United States Transition.

Within Banking division, UK Banking Services comprises the Domestic Bank, Corporate and Institutions Group, Barclaycard and leasing and factoring activities. Other businesses in the United States and Canada, retained within Banking division, are included in Rest of the world.

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## Changes in accounting presentation

Changes in presentation have arisen from the implementation in 1993 of the Companies Act 1985 (Bank Accounts) Regulations 1991 and the adoption of Financial Reporting Standard 3 'Reporting Financial Performance' (FRS 3) and the Statements of Recommended Accounting Practice of the British Bankers' Association (SORPs). Comparative figures have been restated where necessary. The main changes required to the profit and loss account and the balance sheet are set out below. They do not affect the measurement of profit or shareholders' funds, although total assets as reported at 31st December 1992 have been increased by £10,739m.

**The Companies Act 1985 (Bank Accounts) Regulations 1991** The legislation sets out prescribed formats for banks' profit and loss accounts and balance sheets which differ from those adopted in the past.

The assets and liabilities of the securities business of BZW division have been analysed across separate balance sheet headings rather than shown as single lines on the balance sheet and the net revenue from this business, which had been previously shown as a single line 'securities trading income', is now reported under separate profit and loss headings. Note 55 to the accounts summarises the presentation of these assets and liabilities.

Additionally, certain items in the course of collection with other banks, which were previously reported net, are now shown gross.

**FRS 3 'Reporting Financial Performance'** FRS 3 requires a new primary financial statement which presents all 'recognised gains and losses' attributable to shareholders in the period, by adjusting the profit for the period for gains or losses taken directly to reserves. It also requires disclosure of the historical cost profits and losses adjusted to show the results for the period as if no asset revaluations had taken place.

**SORP on Off-balance sheet instruments and other commitments and contingent liabilities** The amounts, both positive and negative, arising from marking to market 'off-balance sheet' financial instruments are included in the balance sheet as separate assets and liabilities, unless there is a legal right of set off. Previously some of these assets and liabilities were netted off in the balance sheet in accordance with UK industry practice.

**SORP on Advances** Previously, to the extent that it was accrued, doubtful interest was included in interest income and a provision raised. Such doubtful interest continues to be charged to the loan for collection purposes, but is now suspended and excluded from interest income in the profit and loss account. The practice of not accruing interest to profit, when its recovery is considered unlikely, remains unchanged. In the balance sheet, loans and advances are presented net of suspended interest.

# Barclays PLC Financial review

## Profit/(loss) before tax

	1993	1992	1991
	£m	£m	£m
Banking division	879	(195)	470
BZW division	501	304	281
Service Businesses division	18	(2)	(18)
United States Transition	(675)	(123)	(294)
Other operations	91	44	243
Central Group functions	(72)	(128)	(149)
	<b>742</b>	<b>(100)</b>	<b>533</b>
Write-down of surplus properties	(8)	(60)	-
Loss on disposal of Group undertakings	-	(82)	-
Provision for diminution in property value	(70)	-	-
	<b>664</b>	<b>(242)</b>	<b>533</b>

## Total assets

	1993	1992	1991
	£m	£m	£m
Banking division	87,125	91,353	88,920
BZW division	67,992	58,109	45,965
Service Businesses division	260	291	183
United States Transition	3,856	4,396	4,667
Other operations	708	766	624
Central Group functions	3,175	3,002	2,626
Long-term assurance fund assets attributable to policyholders	2,892	1,940	1,468
	<b>166,008</b>	<b>159,857</b>	<b>144,453</b>

## Weighted risk assets

	1993	1992	1991
	£m	£m	£m
Banking division	73,982	79,631	80,065
BZW division	18,976	18,370	16,680
Service Businesses division	173	221	161
United States Transition	3,799	4,790	5,729
Other operations	350	508	389
Central Group functions (including supervisory adjustments)	5,104	2,150	2,015
	<b>102,384</b>	<b>105,670</b>	<b>105,039</b>

## Capital resources

	1993	1992	1991
	£m	£m	£m
Shareholders' funds	5,312	5,279	5,740
Minority interests	677	683	565
Undated loan capital	2,053	1,390	1,164
Dated loan capital	2,130	2,375	1,982
	<b>10,172</b>	<b>9,727</b>	<b>9,451</b>
Other subordinated liabilities	131	170	225
	<b>10,303</b>	<b>9,897</b>	<b>9,676</b>
Tier 1 ratio	6.0%	5.5%	5.9%
Risk asset ratio	9.8%	9.1%	8.7%

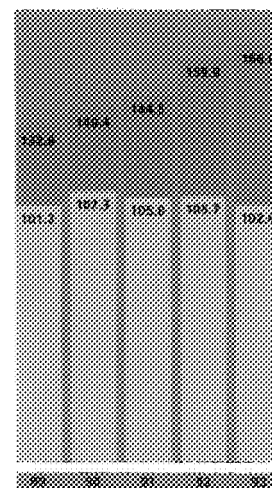
Summary profit and loss account

	1993	1992	1991
	£m	£m	£m
Operating profit before provisions	2,566	2,346	1,990
Credit risk provisions	(1,908)	(2,500)	(1,719)
Country risk provisions release	39	35	219
Provisions for contingent liabilities and commitments	(49)	(8)	(4)
Operating profit/(loss)	648	(127)	486
Write-down of surplus properties	(8)	(60)	-
Loss on disposal of Group undertakings	-	(82)	-
Income from associated undertakings	24	27	47
Profit/(loss) on ordinary activities before tax	664	(242)	533

**Introduction** The Barclays Group made a profit before tax in 1993 of £664m compared to a loss of £242m in 1992. Notwithstanding an increase in general provisions of £105m, the total charge for bad debt provisions fell by £592m or 24%, while operating profit before provisions increased by £220m on the back of a 10% improvement in operating income. The principal sources of the turnaround were in UK Banking Services, which made a profit of £632m compared to a loss of £444m a year earlier, and in BZW division, which contributed strongly with a £197m rise in pre-tax earnings. The overall improvement in performance continued to be tempered, however, by weak loan demand in the United Kingdom, additional provisions in continental Europe, a write-down in the value of the French head office and especially by a £675m loss in respect of United States Transition. Staff reduction and relocation costs totalled £195m, nearly double the charge in 1992.

Geographically, the Group's combined business operations in the United Kingdom made a profit of £1,229m against a loss of £200m in 1992, the on-going businesses in the United States (i.e. those outside the United States Transition) made a profit of £168m, a rise of £20m, and the profit made in the Rest of the world rose from £116m in 1992 to £170m. Against this, the operations of Other European Union, excluding the French property write-down, recorded a loss of £142m, £13m higher than that of a year earlier.

Group capital resources rose by £406m in sterling terms over the year, including £67m from profit retention and £323m from net issues of loan capital. With weighted risk assets falling by £3.3 billion, the Group's risk asset ratio rose to 9.8% (1992 9.1%) and the tier 1 ratio to 6.0% (1992 5.5%). The Group has announced a second interim dividend of 8.65p per share, making a total dividend for the year of 15.15p, the same level as in 1992.



Weighted risk assets £bn  
 Assets Weighted risk assets

## Barclays PLC Financial review

### Introduction (continued)

Although the rate of increase in non-performing lendings declined substantially in the United Kingdom during 1993, overall levels throughout the Group remain high, particularly in the property related and small business sectors. Consequently, the Group's results in 1994 will continue to be adversely affected by bad debt provisions and the loss of interest income on non-accrual lendings.

**Analysis of profit/(loss) before tax by division** The following section analyses the Group's performance within the divisions and other business operations.

### Banking division

	1993	1992	1991
	£m	£m	£m
<b>Profit/(loss) on ordinary activities before tax</b>			
UK Banking Services	<b>632</b>	(444)	145
Barclays Financial Services	<b>213</b>	201	214
Other European Union	<b>(135)</b>	(98)	29
Rest of the world	<b>169</b>	146	82
	<b>879</b>	(195)	470

1993	1992	1991
£m	£m	£m
<b>632</b>	(444)	145

**UK BANKING SERVICES** A significant profit turnaround was achieved, primarily as a result of lower provisions in the Domestic Bank and Corporate and Institutions Group, with an underlying 17% improvement in operating profit.

The Domestic Bank returned to profit in 1993, principally as a result of a 40% reduction in bad debt provisions and lower levels of interest lost on non-accrual debt. However, economic conditions remained weak, particularly in the hotels, property and construction and small business sectors, and, overall, both provisions and non-performing debt levels remained high by historical standards.

Operating profit in the Domestic Bank improved by 10%, with increases in both net interest income and commission income, notwithstanding weak loan demand, particularly in the corporate sector. However, there was buoyant demand for fixed rate mortgages. Costs have been held for the second successive year, despite further staff reduction costs, which were £31m higher than in 1992, and continuing high investment in technology and other re-engineering programmes to improve efficiency and customer service.

Corporate and Institutions Group achieved a 25% growth in operating income, despite a decline in its lending book, stemming from a deliberate policy not to seek fine margin business. Provisions for bad debts were substantially lower than in 1992. Both margins and fee and commission income improved and there was also a reduction in operating expenses.



Barclaycard achieved a strong income performance, underpinned by good business volume growth and tight cost management. Fraud losses were 28% lower than in 1992, reflecting a continuing improvement in control and fraud prevention initiatives. Bad debt provisions were also lower than in 1992, with a marked second half improvement. Profitability in 1994 is likely to be under pressure from less favourable market conditions and further planned development costs in the German card business.

**BARCLAYS FINANCIAL SERVICES** The increase in profit was restrained as a result of higher commission rates allocated to the Domestic Bank in respect of general insurance business conducted through the UK branch network. Underlying profits for 1993, however, rose by £37m (21%) over 1992.

<b>1993</b> £m	1992 £m	1991 £m
<b>213</b>	201	214

Barclays Unicorn had an excellent year with an increase in operating profit of 89% over 1992. UK unit trust sales rose by nearly 50% and those offshore by 110%. Sales of offshore unit trusts now exceed those in the United Kingdom.

In general insurance, which mainly consists of packaged creditor and household insurance policies, operating profit grew by 17%.

In common with the rest of the UK life assurance industry, Barclays Life was affected by the speed and cost of regulatory change during 1993. Sales fell by 10%, but despite this, Barclays Life sustained its profitability as a result of favourable mortality experience, pricing initiatives and investment gains.

Following a review by the Securities and Investments Board, the Department of Trade and Industry has suggested that life assurance companies which have conducted pension transfer business should make provision to compensate those customers, if any, who may have been disadvantaged as a result of inappropriate advice. Barclays Life was one of the first to withdraw from this market, which it did in early 1993, and, having issued fewer than 14,000 policies, had never been a major participant. At this time, the extent of any possible liability cannot be determined, but the company believes that adequate provision has been made to cover it.

In 1994, the regulatory environment will continue to have a significant influence on the operating costs and practices of retail financial services companies in the United Kingdom.

## Barclays PLC Financial review

1993 £m	1992 £m	1991 £m
(135)	(98)	29

**OTHER EUROPEAN UNION** The loss in 1993 was attributable to high levels of bad debt provisions in France, Germany and Italy, together with the effects of the continued general economic downturn throughout the region. These factors offset increased profits in Spain, the Netherlands, Greece and Belgium.

In 1992, the overall loss was mainly attributable to high levels of provisions in France and Germany.

In France, a further significant loss was recorded largely because of a 10% rise in provisions to £98m. They arose particularly in the property and middle market sectors of the loans portfolio, which were especially affected by the severity of the economic downturn. In addition, the 1993 results have borne further substantial restructuring and streamlining costs, as well as investment associated with extending the branch network.

In Germany, a loss was again recorded, despite a much improved performance from Merck Finck.

Spain achieved higher earnings, notwithstanding the adverse effects of an economic slowdown, while the operation in Portugal virtually completed its branch opening programme and moved into profit.

The economic outlook in these countries continues to reflect the effects of recession.

1993 £m	1992 £m	1991 £m
169	146	82

**REST OF THE WORLD** Almost half of the pre-tax profit in Rest of the world arose in countries in Africa and in the Caribbean, with strong contributions from Kenya, Zambia, Botswana, Zimbabwe and the Bahamas.

There were also good contributions from Australia, Latin America, predominantly arising from trade finance activities, and from the United States, where the factoring business, which has just been sold, contributed £18m and the asset-backed finance business also performed strongly. Private Banking performed well and has benefited from favourable market conditions which resulted in customers switching to investment based products. Canada, however, reported a loss, arising principally from higher provisions for bad and doubtful debts against lendings to the property and pulp and paper industries.

1993 £m	1992 £m	1991 £m
501	304	281

**BZW division** Profit before tax for the full year 1993 increased by 65% to £501m, improving on the first half of £234m, with the main increases in revenue over 1992 arising from client related sales and trading activities, growth in advisory, syndication and underwriting fees and from proprietary trading.

A high level of global corporate financing during the year resulted in a significant rise in revenue from advisory and securities underwriting activities.

Commissions and client related trading revenues from equity markets activities benefited from high volumes in most parts of the world. Dealing profits increased substantially as a result of both increased client related activity and successful proprietary trading; the latter particularly in the interest rate markets, where full advantage was taken of an active global environment. Revenues from derivatives and other risk management products also increased, with higher demand from both issuers and investors.

Revenue from asset management increased strongly from 1992, as a result of continuing growth in funds under management and with the benefit of rising markets. Funds under management at 31st December 1993 were in excess of £50 billion.

Cost increases for the division, including performance related payments, were broadly reflective of increased activity levels.

The favourable market conditions which contributed to the 1993 profit may not continue throughout 1994.

**Service Businesses division** The creation of discrete business units for computer operations and networks has brought benefits over the past two years in terms of greater efficiencies and cost control and has also helped other parts of the Group in the form of reduced tariffs. The improvement in Service Businesses division results for 1993 has mainly occurred within Barclays Network Services and arises from a combination of a better operating performance and the fact that a number of substantial one-off costs in 1992 relating to projects were not repeated.

Barclays Global Services continued to invest heavily in new products and technology and also undertook a restructuring of a number of its businesses. As a result, its profit was down on that of 1992.

1993 £m	1992 £m	1991 £m
18	(2)	(18)

### United States Transition

	1993 £m	1992 £m	1991 £m
Loan portfolios	(346)	(110)	(252)
BarclaysAmerican/Mortgage	(236)	(1)	6
Infrastructure costs	(93)	(12)	(48)
	(675)	(123)	(294)

United States Transition principally comprises portfolios of lendings and other assets unlikely to be of long-term interest to the Group, together with the mortgage servicing business.

## Barclays PLC Financial review

### United States Transition (continued)

The increased loss in the loan portfolios in the United States reflects substantially higher bad debt provisions, particularly in the property-related sector. The increased provisions follow a strategic review of the portfolio and a decision to shorten the time-frame for the disposal of certain of these assets. During the first half of 1993, this process resulted in provisions of £228m, while, in the second half of the year, a further £125m of provisions was raised. The lendings at 31st December 1993 amounted to £2.7 billion, of which £1.0 billion were non-performing, including £0.6 billion in the property-related sectors. At this date, a total of £441m of specific provisions and £141m of general provisions were held against these lendings. It is expected that additional specific provisions may still be required during 1994, particularly in respect of property-related lending. The trend in future provisioning levels is expected to be lower, however, but will depend, to a significant extent, on the conditions in the property sector. During the second half of 1993, a decision was taken to exit the US Virgin Islands business and the related assets and liabilities were thus transferred to United States Transition at the end of the year. Substantial provisions have been made against the loan portfolio.

Over the past four years, BarclaysAmerican/Mortgage (BAM) purchased mortgage servicing rights in respect of a number of portfolios of fixed-rate mortgages originated by other US financial institutions, which totalled £12.4 billion at the end of the year. These purchased mortgage servicing rights are carried at original cost, less accumulated amortisation which is based on the expected future income stream from the underlying servicing portfolio. Amortisation is reassessed regularly, taking into account actual and anticipated prepayment levels. At 31st December 1992, the outstanding rights were carried at £372m, part of which continues to be protected by a hedge. Unexpectedly higher levels of mortgage prepayments were subsequently experienced during 1993, however, as a result of mortgage rates falling to historically low levels. Largely as a consequence, the carrying value of BAM's mortgage servicing rights was reduced to £180m at 31st December 1993, giving rise to a charge of £265m. Provisions of £35m were also raised at the year end mainly to cover possible future losses associated with partially guaranteed loans.

Infrastructure costs include expected closure expenses in the US Virgin Islands and a provision of £33m to cover the cost of reorganising premises in the United States.

### Other operations

	1993 £m	1992 £m	1991 £m
Problem country debt management	80	36	210
UK associated undertakings	11	8	33
	91	44	243

**PROBLEM COUNTRY DEBT MANAGEMENT** The result for the year benefited from the release of bad debt provisions and interest in suspense totalling £34m, following the completion of the Argentinian Financing Plan. Other releases of provision, mainly as a result of asset sales and recoveries, totalled £26m.

1993 £m	1992 £m	1991 £m
80	36	210

**UK ASSOCIATED UNDERTAKINGS** The result for both 1993 and 1992 was primarily attributable to the Group's shareholding in 3i Group plc.

1993 £m	1992 £m	1991 £m
11	8	33

**Central Group functions** The key factors behind the reduction in costs were the continuing focus on reducing overheads and the lower cost of funding the Bank's own properties.

1993 £m	1992 £m	1991 £m
(72)	(128)	(149)

**Write-down of surplus properties** Properties in the United Kingdom which are surplus to current operational requirements have been written down to their current estimated market value.

1993 £m	1992 £m	1991 £m
(8)	(60)	-

**Loss on disposal of Group undertakings** The Group sold the business of Barclays Bank of New York and also the shareholding in Allied Trust Bank in 1992. The loss included £42m in respect of goodwill on acquisition, previously written off directly to reserves.

1993 £m	1992 £m	1991 £m
-	(82)	-

**Provision for diminution in property value** The provision, which forms part of the depreciation charge for the year, relates to a permanent reduction in the value of the Bank's head office in Paris, following a general decline in commercial property values in Paris.

1993 £m	1992 £m	1991 £m
(70)	-	-

**Results by nature of income and expense**

**NET INTEREST INCOME** In total, net interest income rose by £220m to £3,912m. That related to banking business increased by 6% to £3,884m, with the benefit of improved lending margins and a reduction in the cost of funding non-accrual debt being partially offset by decreased deposit margins.

The higher level of interest earning assets in the year reflected increased holdings of fixed interest government securities and placings with banks. The interest payable on loan capital is net of a gain of £22m arising from the repurchase of US\$299m of the Group's undated loan capital. The net interest income relating to the securities trading business was £28m, £5m lower than in 1992.

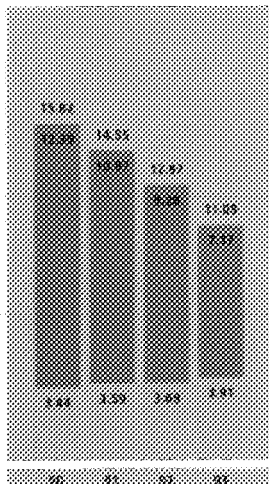
**NET FEES AND COMMISSIONS RECEIVABLE** There was a rise of £156m in net fees and commissions receivable notwithstanding the adverse effect of an increase in the amortisation of purchased mortgage servicing rights in BarclaysAmerican/Mortgage as a result of higher levels of mortgage prepayments. Excluding this cost, the increase was some £370m (16%) largely because of increased underwriting activity and sales volumes within BZW division. There were also rises in unit trust management and insurance brokerage fees in Barclays Financial Services and increased merchant servicing fees in Barclaycard. Lending and transaction fees within the Domestic Bank grew by 7%.

**DEALING PROFITS** This is a prescribed heading which arises from the UK implementation of the EC Bank Accounts Directive, in which 'profit' does not conform to the more usual definition followed elsewhere in this document. The disclosure reflects dealing trading income, not including net interest income or fees and commissions receivable and before charging associated staff and other administrative expenses.

Gross dealing profits arising from client related and proprietary trading rose by £290m to £781m, an increase of 59%. Although much of it is undertaken on behalf of Banking division customers, most of the Group's dealing activity is within BZW division, where there were particularly strong performances from interest rate, market and risk management activities, including swaps and metals operations. In 1993, 41% of foreign exchange dealing income arose in Banking division.

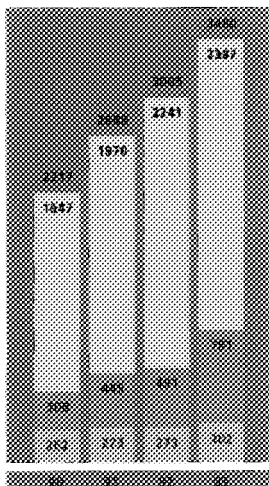
By their nature, dealing profits are dependent on market conditions and various other factors which give rise to volatility. These factors were particularly favourable during 1993 and thus similar levels of dealing profits may not be experienced in all product areas in 1994.

Further information on derivative financial instruments is given on page 56.



**Interest income and expense £bn**

- Interest income
- Interest expense
- Net interest income



**Non-interest income £m**

- Net fees and commissions
- Dealing profits
- Other income

**OTHER OPERATING INCOME** The rise in other operating income is primarily attributable to the increase in the value of long-term assurance policies. The assumptions used in calculating the value of these policies were reviewed during the year and the discount rate was reduced from 15% to 12½%. Other assumptions have been adjusted correspondingly to maintain conservatism.

**STAFF COSTS** Staff costs include the expense relating to staff reductions and relocations of £195m (1992 £102m). Excluding this, staff costs rose by 7%, of which approximately 2% was caused by exchange rate movements. Most of the increase in salaries, which include incentive payments, was attributable to BZW division, reflecting the improved levels of performance. Profit sharing, for qualifying UK based staff excluding BZW division, was also charged for the first time since 1990. The rise in the charge for post-retirement healthcare stemmed from the adoption of the Urgent Issues Task Force pronouncement no. 6 in 1993.

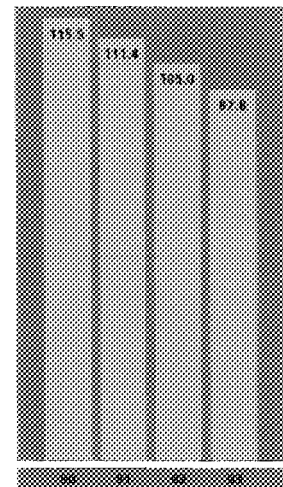
**OTHER ADMINISTRATIVE EXPENSES** Property and equipment expenses rose by 14% over 1992. In part, this was caused by movements in exchange rates, but, more particularly, by increased investment in information technology and a provision to cover the costs of reorganising the premises in the United States.

Other expenses rose by 7%. These include the cost of postage and telephones, sundry losses, advertising and legal and professional fees.

In total, property and equipment and other administrative expenses for Banking division were lower than in 1992, reflecting tight cost control in the United Kingdom and elsewhere.

**PROVISIONS FOR BAD AND DOUBTFUL DEBTS** Total credit risk provisions, including general provisions, were 24% lower than in 1992, with decreases in the United Kingdom more than offsetting increases in Other European Union countries and North America.

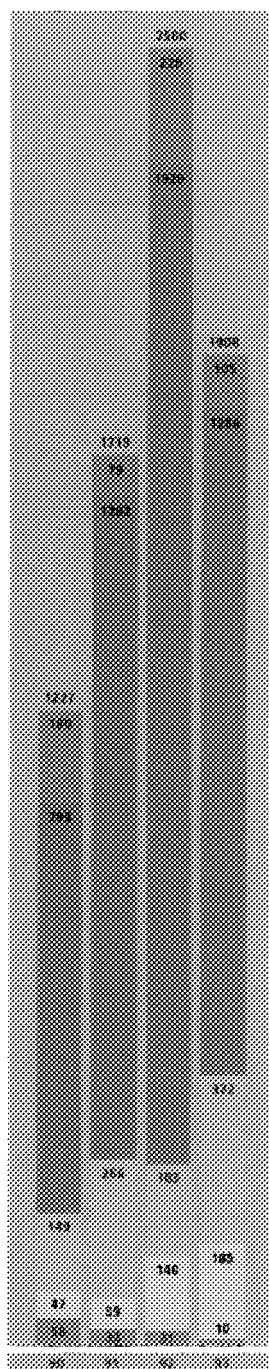
The level of provisions charged in the United Kingdom in 1993 was £1,286m, compared with £1,920m in 1992, a fall of 33%. Most of the reduction was attributable to fewer large value provisions being raised in respect of corporate borrowers, particularly in the property and construction sectors. Individual charges of £5m and over accounted for some £210m and related to 17 customers, compared with some £600m covering 27 customers in 1992, when £240m of the total provisions was in respect of one specific customer. Although provisions charged in respect of small corporate lendings were also lower than in 1992, they remained at high levels.



Staff numbers '000s

Excluding Barclays Life Assurance  
Company representatives

**Results by nature of income and expense (continued)**



**Provisions charge £m**

- ▨ General provisions
- ▨ United Kingdom
- ▨ North America
- ▨ Other European Union
- ▨ Rest of the world

The level of write-offs in the United Kingdom was £1,317m, compared with £1,627m in 1992. Total UK specific provisions amounted to 1.7% of UK loans and advances to banks and customers, the same level as in 1992. There was no charge for general provision during the year, as opposed to one of £213m in 1992, reflecting the improving quality of the portfolio and the level of general provision already held.

The charge for specific provisions in Other European Union countries was £185m, compared with £140m in 1992, with difficult economic conditions being experienced in many European countries. Specific provisions of £106m were raised in France, an increase of £23m over 1992, mainly in respect of property and middle market corporate loans. There were also significant increases in Italy and Germany which were concentrated on a small number of large corporate customers.

The charge for specific provisions in North America increased by 76% to £322m, with the majority continuing to be accounted for by the US property sector. There were also higher provisions in Canada, mainly reflecting difficulties in the property market and the pulp and paper industries. In addition, general provisions of £69m were raised in respect of North America. Total North American specific provisions amounted to 2.9% of North American loans and advances (1992 2.0%).

The reduction in Rest of the world specific provisions was spread across Africa, the Caribbean, Asia and Australia.

Although bad debt provision levels in the United Kingdom declined and the rate of increase in non-performing lendings slowed during 1993, the latter in absolute terms remained at a high level, particularly in the property related sectors. Both provision levels and non-performing lendings increased substantially overseas during the year. As with the United Kingdom, a significant proportion of the problem lendings overseas related to the property sector for which the immediate prospects of a recovery are moderate. Consequently, the Group's results in 1994 will continue to be adversely affected by bad debt provisions and the loss of interest income on non-accrual lendings.

**PROVISIONS FOR CONTINGENT LIABILITIES AND COMMITMENTS**

Most of the charge for the year arises from a provision of £35m raised by BarclaysAmerican/Mortgage mainly to cover potential future losses associated with partially guaranteed loans.



**TAXATION** The overall tax charge is explained in the following table:

	1993	1992	1991
	£m	£m	£m
Taxation at average UK corporation tax rate of 33.0% (33.0%, 33.3%)	219	(80)	177
Effect of non-allowable property write-downs and depreciation	42	14	6
Effect of change in non-allowable provisions	35	88	21
Net effect of differing tax rates overseas	7	17	15
Deferred tax not provided on leasing transactions	(33)	-	-
Goodwill on disposals previously written off	-	14	-
Unrelieved overseas losses	25	54	30
Release of prior year tax provision	-	(62)	-
Franked investment income	(8)	(9)	(3)
Other items	(5)	7	(9)
<b>Overall taxation charge</b>	<b>282</b>	<b>43</b>	<b>237</b>

The overall tax charge in all three periods reflects primarily the lack of tax relief on non-allowable provisions, property depreciation and certain overseas losses, partially offset, in 1993, by deferred tax not being fully provided on leasing transactions and, in 1992, by releases of tax provisions in respect of prior years.

**Reconciliation of UK and US GAAP** There are some significant differences between accounting practices in the United States (US GAAP) and those in the United Kingdom (UK GAAP). Key figures on a UK GAAP basis and as estimated on a US GAAP basis are:

	1993	1993	1992	1992	1991	1991
	£m	£m	£m	£m	£m	£m
	UK GAAP	US GAAP	UK GAAP	US GAAP	UK GAAP	US GAAP
Net income/(loss)	313	199	(343)	(250)	242	127
Shareholders' funds	5,312	4,974	5,279	4,919	5,740	5,407

**Capital resources** The increase in capital resources in 1993 reflects the raising by the Bank during the year of US\$500m (£318m) undated 8% Convertible Capital Notes Series E, £300m 9.875% Undated Subordinated Notes, £100m 9% Permanent Interest Bearing Capital Bonds and £100m 7.875% Undated Subordinated Notes. This was offset by the early redemption by Barclays Overseas Investment Company B.V. of US\$350m (£233m) Guaranteed Floating Rate Notes 2004, the redemption of £59m 8¼% Unsecured Capital Loan Stock 1986/93 and the repurchase by the Bank of US\$299m (£202m) of undated loan capital.

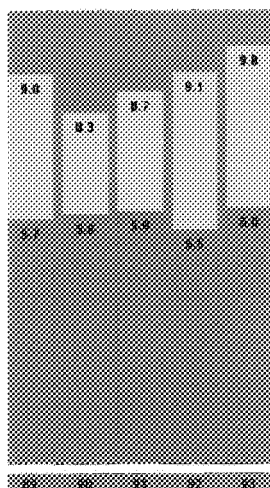
# Barclays PLC Financial review

## Capital resources (continued)

In total, but net of exchange movements, dated and undated loan capital increased by £323m. Retained profits increased capital resources by a further £67m. Movements in exchange rates had no significant effect on total capital resources in the year.

### Capital ratios

The Group's capital resources and risk assets, analysed in accordance with Bank of England supervisory requirements, were:



### Capital ratios %

● Risk asset ratio    ■ Tier 1 ratio

	1993 £m	1992 £m
<b>Tier 1</b>		
Shareholders' funds (as defined for regulatory purposes)	5,267	5,164
Minority interests in tier 1	846	677
<b>Total tier 1 capital</b>	<b>6,113</b>	5,841
<b>Tier 2</b>		
Fixed asset revaluation reserves	54	71
Qualifying undated and dated loan capital (a)	3,989	3,668
	4,043	3,739
General provisions for bad and doubtful debts	789	690
<b>Total tier 2 capital</b>	<b>4,832</b>	4,429
Gross capital resources	10,945	10,270
Less supervisory deductions (b)	931	703
<b>Total net capital resources</b>	<b>10,014</b>	9,567

### Weighted risk assets

On-balance sheet	79,981	84,918
Off-balance sheet – credit risk (c)	19,113	20,654
Off-balance sheet – other	208	98
Associated undertakings	3,082	–
<b>Total</b>	<b>102,384</b>	105,670

Tier 1 ratio	6.0%	5.5%
Risk asset ratio	9.8%	9.1%

(a) Term and perpetual debt are included in supplementary capital, subject to limits laid down in the supervisory requirements. Barclays retains capacity to raise additional capital within those limits.

(b) Including £361m of shareholders' interests in the long-term assurance fund.

(c) Off-balance sheet items are converted to credit risk equivalents by applying credit conversion factors laid down by the Basle Committee. The resultant amounts are then risk weighted according to the nature of the counterparty.

**Analysis of loans and advances to customers** The following tables analyse loans and advances to customers, by maturity and interest rate sensitivity, at 31st December 1993.

**Maturity analysis**

	On demand (a)	Not more than three months	Over three months but not more than one year	Over one year but not more than five years	Over five years	Total
	£m	£m	£m	£m	£m	£m
United Kingdom:						
Property and construction	2,154	615	746	1,502	1,365	6,382
Other corporate lending	8,346	12,263	2,404	5,648	4,165	32,826
Other lending from UK offices (b)	1,757	3,128	3,437	6,755	16,190	31,267
Total United Kingdom	12,257	16,006	6,587	13,905	21,720	70,475
Other European Union	1,092	1,894	1,573	2,338	1,453	8,350
North America	1,599	5,611	1,419	3,168	1,383	13,180
Rest of the world	949	1,809	1,035	1,125	639	5,557
Total loans and advances	15,897	25,320	10,614	20,536	25,195	97,562

(a) In the maturity analysis, overdrafts are included in the 'On demand' category.

(b) Other lending from UK offices includes finance lease receivables.

**Interest rate sensitivity**

	Fixed rate	Variable rate	Total
	£m	£m	£m
United Kingdom	23,053	47,422	70,475
Other European Union	4,028	4,322	8,350
North America	2,045	11,135	13,180
Rest of the world	2,217	3,340	5,557
Total loans and advances	31,343	66,219	97,562

Analysis of loans and advances  
to customers (continued)

Loans and advances to customers in offices in the United Kingdom

	1993 £m	1992 £m	1991 £m
Financial institutions	4,788	3,313	4,199
Agriculture, forestry and fishing	1,634	1,718	1,785
Manufacturing	5,592	6,315	6,775
Construction	2,084	2,702	3,124
Property	4,298	4,981	5,397
Energy and water	904	798	659
Wholesale and retail distribution and leisure	5,941	7,036	7,452
Transport	955	1,021	961
Postal and communication	153	170	203
Business and other services	6,160	6,529	6,480
Home loans	12,988	11,900	11,136
Other personal	9,687	9,518	9,482
Overseas customers	3,927	4,318	2,801
	<b>59,111</b>	60,319	60,454
Finance lease receivables	4,665	4,162	4,092
Loans and advances – banking business	63,776	64,481	64,546
Loans and advances – securities business	6,699	3,778	2,911
	<b>70,475</b>	68,259	67,457

Banking business loans and advances to customers in the United Kingdom declined by 1% in 1993, reflecting the continuing high level of write-offs and weak loan demand in the corporate sector. This offset an increase in short-term money at call with non-bank financial institutions and a rise in home loans, with fixed rate mortgages being the main area of growth in the personal sector. Overdrafts have continued to fall as a percentage of total lendings. The increase in securities trading assets classified as loans and advances reflects increased levels of activity in that area.

Loans and advances to customers in offices in Other European Union countries

	1993 £m	1992 £m	1991 £m
Financial institutions	746	1,071	1,155
Agriculture, forestry and fishing	84	86	81
Manufacturing	1,408	1,507	1,584
Construction	440	465	336
Property	316	344	259
Energy and water	216	202	145
Wholesale and retail distribution and leisure	735	807	821
Transport	486	538	392
Postal and communication	156	40	24
Business and other services	1,393	1,418	1,079
Home loans	762	733	668
Other personal	360	371	514
Overseas customers	575	871	351
	<b>7,677</b>	8,453	7,409
Finance lease receivables	482	596	596
Loans and advances – banking business	8,159	9,049	8,005
Loans and advances – securities business	191	98	69
	<b>8,350</b>	9,147	8,074

**Other European Union countries (continued)**

Loans and advances in France, Spain and Germany account for over half of the customer loans made by operations in Other European Union countries, with the balance being well spread over a number of countries.

The fall in loans and advances to customers in Other European Union countries in sterling terms is almost entirely attributable to the decline in value against sterling of many European currencies in the year and of the Spanish peseta in particular. This fall closely matches the rise in sterling terms in 1992 which followed the general devaluation of the pound in that year.

In local currency terms, overall loans and advances were flat, with growth in Portugal and Greece being offset by a fall in France.

**Loans and advances to customers in offices in North America**

	1993 £m	1992 £m	1991 £m
Financial institutions	744	1,804	1,257
Agriculture, forestry and fishing	27	42	33
Manufacturing	2,250	2,368	2,126
Construction	193	197	149
Property	1,898	2,125	2,134
Energy and water	507	622	635
Wholesale and retail distribution and leisure	728	740	615
Transport	300	306	259
Postal and communication	349	457	376
Business and other services	870	703	758
Home loans	564	218	475
Other personal	34	65	115
Overseas customers	54	18	130
	<b>8,518</b>	9,665	9,062
Finance lease receivables	265	313	282
Loans and advances – banking business	<b>8,783</b>	9,978	9,344
Loans and advances – securities business	<b>4,397</b>	4,050	2,441
	<b>13,180</b>	14,028	11,785

Banking business loans and advances to customers in North America fell by 12% in sterling terms, reflecting the changing nature of the Group's business.

The majority of home loans are mortgages originated by BarclaysAmerican/Mortgage for securitisation.

**Loans and advances to customers in offices in Rest of the world**

	1993 £m	1992 £m	1991 £m
Loans and advances	5,354	5,057	4,283
Finance lease receivables	78	98	105
Loans and advances – banking business	<b>5,432</b>	5,155	4,388
Loans and advances – securities business	<b>125</b>	45	–
	<b>5,557</b>	5,200	4,388

The increase in loans and advances in the year largely arose in Africa and in the Caribbean operations.

The net effect of exchange movements was not a significant component of the increase in sterling terms.

**Note**

Loans and advances for 1992 and 1991 have been restated to reflect changes in UK accounting practice and, inter alia, now include placings and money at call previously shown as part of short-term funds.

**Risk management** In the ordinary course of business, Barclays manages a variety of risks, with credit risk, market risk (primarily interest and exchange rate), liquidity risk and operational risk being the most significant. These risks are identified, measured and monitored through various control mechanisms across the Group and these continually evolve as business activities in the operating environment change. Credit risk and operational risk are discussed below and market and liquidity risks are discussed on pages 54 to 56.

The Group's credit risk management structure was changed during the first half of 1993. The revised structure comprises a Group Credit Policy Committee, chaired by the Executive Deputy Chairman or a nominated deputy, which determines overall portfolio policy, and a Group Credit Committee, chaired by the Chief Executive or a nominated deputy, which has discretion over the largest individual credit exposures.

The Group Credit Policy Committee is supported by the Group Credit Policy Unit which has day to day responsibility for portfolio management issues, including country exposure, sector exposure, product risk and credit grading. Country exposures are controlled by a grading structure according to the perception of risk and the Group's willingness to accept future exposure.

The Group is also implementing a new corporate grading structure which is being used to facilitate portfolio management decisions such as the desired aggregate exposure levels to individual sectors and pricing policy and to provide a guide to probable future provisions.

The Group Credit Committee is supported by Central Risk Management Departments (RMDs) in Banking division and BZW division, each headed by a senior executive. Each RMD analyses large lending exposures sanctioned by the Group Credit Committee, divisional executives or the RMD's own executives.

Banking division, which has the majority of the Group's corporate credit exposures, operates a hierarchy of credit exposure discretions, whereby regional offices, overseas country offices and specialist lending departments are allocated discretionary limits. Branch officials are sub-allocated varying levels of discretionary limits, according to their skills, experience and seniority, usually including higher limits for exposures covered by approved forms of security. Proposals above branch limits are referred to regional offices. In turn, such regional offices, overseas country offices and specialist lending departments refer to the divisional RMD if exposures above their discretionary limits are proposed. A similar hierarchy exists for monitoring and provisioning purposes.

The application of this structure results in a large proportion of the UK branch lending portfolio being sanctioned and controlled at branch and regional level.

BZW division has a lesser number of credit exposures than Banking division, but typically for larger individual amounts and with significant credit exposures arising from money market, foreign exchange, derivatives, securities dealing and other similar products.

BZW division's RMD was expanded during 1993 to take account of the transfer from Banking division of responsibility for large corporate lendings in the United States and for the management by BZW division of the assets reported under United States Transition. Since BZW division's credit exposures are typically for larger amounts, the majority of these are referred to Group Credit Committee or are sanctioned within the RMD itself in London or in its satellite office in New York. However, smaller credit exposures are sanctioned and controlled by specialist departments and individual BZW division units under a hierarchy of credit exposure discretionary limits similar to that for Banking division. Credit exposures on derivative and other trading products are measured on a replacement cost basis. To reduce the counterparty credit risks which arise from these exposures, master netting agreements are increasingly being used.

In terms of credit risk, Service Business division generally has short-term exposures and a large portion of its credit appraisal work is undertaken on its behalf by either the Banking division RMD or that of BZW division.

Operational risk is the potential for loss caused by the possibility of a breakdown in information, communication or internal control systems and impacts all the divisions in the Group, but particularly Service Businesses division which is concerned with the operational risk associated with its securities handling and money transmission activities on behalf of the Group. Barclays reduces operational risk by maintaining a comprehensive system of internal controls.

**Cross-border outstandings** The world-wide operations of the Group involve significant exposures in non-local currencies. These cross-border outstandings are controlled through a well-developed system of country limits, which are frequently reviewed to avoid concentrations of transfer, economic or political risks.

Cross-border outstandings, which exclude finance provided within the Group, are based on the country of domicile of the borrower or guarantor of ultimate risk and

**Cross-border outstandings (continued)** comprise loans and advances to customers and banks, finance lease receivables, interest bearing investments, acceptances and other monetary assets, denominated in currencies other than the borrower's local currency, but exclude balances arising from off-balance sheet financial instruments.

At 31st December 1993, the countries where the Group's cross-border outstandings exceeded 1% of assets were Japan and France and consisted substantially of placings with banks due within one year. In this context, assets comprise total assets, as presented in the consolidated balance sheet, excluding long-term assurance fund assets and balances arising from off-balance sheet financial instruments, but including acceptances. On this basis, total assets amounted to £158,285m at 31st December 1993 (1992 £151,685m, 1991 £142,611m).

Comparison between 1993 and 1992 is affected by the 13% appreciation of the yen against sterling and between 1992 and 1991 by a 23% rise in the yen and also a 24% rise in the value of the US dollar.

**Cross-border outstandings exceeding 1% of assets**

	As % of assets	Total	Banks and other financial institutions	Governments and official institutions	Commercial, industrial and other private sector
	%	£m	£m	£m	£m
<b>At 31st December 1993</b>					
Japan	2.8	4,451	4,222	75	154
France	1.6	2,548	2,209	109	230
At 31st December 1992					
Japan	2.0	3,046	2,856	9	181
France	1.3	1,981	1,827	7	147
At 31st December 1991					
Japan	2.1	3,073	2,870	38	165
France	1.4	1,991	1,821	68	102

**CROSS-BORDER OUTSTANDINGS BETWEEN 0.75% AND 1% OF ASSETS** At 31st December 1993, Switzerland was the only country with cross-border outstandings of between 0.75% and 1% of total Group assets, with aggregate outstandings of £1,199m. At 31st December 1992, the aggregate outstandings in this category were £2,410m and related to Italy and Sweden. At 31st December 1991, the corresponding aggregate outstandings were £3,654m and related to Italy, Switzerland and the United States.



**Country risk exposure and related provisions** Country risk exposure to borrowers in countries experiencing liquidity problems totalled £1,249m (1992 £1,472m). Of this £657m (1992 £762m) was to developing countries and £592m (1992 £710m) was to developed countries. These totals include exposure to Venezuela (£200m), Mexico (£144m), Argentina (£122m), Brazil (£84m) and South Africa (£419m).

Country risk exposure decreased by £223m in 1993, largely as a result of asset sales of £142m, repayments of £29m, the removal of restrictions on Philippines trade lines of £27m and the Argentinian Financing Plan, which became effective in April 1993.

Country risk provisions and suspended interest decreased by £111m, principally as a result of asset sales, write-offs and a release of interest in suspense, following the Argentinian Financing Plan.

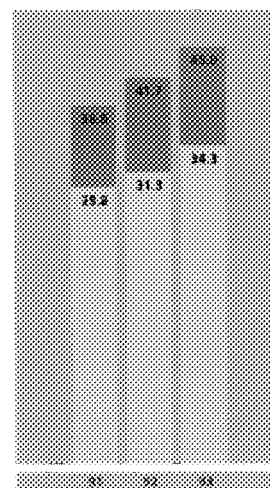
Provisions covered 49% of exposure to developing countries and 40% of exposure to developed countries. Net exposure to developing countries represented 0.2% of total assets and 6.3% of shareholders' funds.

**Potential credit risk elements in lendings** The Group is required to include in its annual filing with the United States Securities and Exchange Commission (SEC) information regarding potential credit risk elements in lendings in accordance with SEC guidelines. The Group's credit control procedures are not based upon the categories of credit risk elements used by the SEC, which reflect US lending and accounting practices. These differ to some extent from those employed in the United Kingdom.

Two differences which may result in the Group reporting amounts which would not necessarily be included by US banks are:

(a) in accordance with UK bank accounting practice, the Group may not always write off problem lendings as quickly as is the practice in the United States, and

(b) US banks typically stop accruing interest when loans become overdue by 90 days or more, or when recovery is doubtful. In accordance with the UK Statement on Recommended Practice (SORP) on Advances, Barclays continues to charge interest to a doubtful customer's account for collection purposes, but the interest is suspended and excluded from interest income in the profit and loss account. This addition of interest continues until such time as its recovery is considered to be unlikely. While such practice does not affect net income in comparison with that followed in the United States, it again has the effect of



**Provisions ratios %**

■ Total provisions/  
credit risk non-performing lendings  
▨ Total provisions/  
potential credit risk lendings

## Barclays PLC Financial review

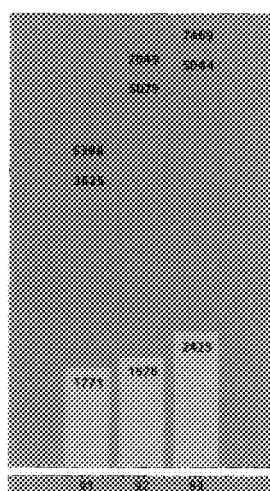
### Potential credit risk elements in lendings (continued)

increasing the reported level of potential credit risk elements in lendings. The amount of this difference at 31st December 1993 was £161m.

The amounts identified in the table are stated before deductions of the value of security held and the specific provisions made against lendings or interest suspended.

### Non-performing lendings

	1993 £m	1992 £m	1991 £m
Non-accrual lendings:			
United Kingdom	2,906	3,300	2,128
Foreign – credit risk	1,185	1,374	1,298
Accruing lendings where interest is being suspended:			
United Kingdom	388	426	269
Foreign – credit risk	435	233	230
Foreign – country risk	194	402	362
Other accruing lendings against which provisions have been made:			
United Kingdom	1,200	721	737
Foreign – credit risk	729	269	134
Sub totals:			
United Kingdom	4,494	4,447	3,134
Foreign – credit risk	2,349	1,876	1,662
Foreign – country risk	194	402	362
Accruing lendings 90 days overdue, against which no provisions have been made:			
United Kingdom	497	609	430
Foreign – credit risk	69	63	72
Reduced rate lendings:			
United Kingdom	53	23	61
Foreign – credit risk	7	31	37
Total non-performing lendings:			
United Kingdom	5,044	5,079	3,625
Foreign – credit risk	2,425	1,970	1,771
Foreign – country risk	194	402	362
	<b>7,663</b>	<b>7,451</b>	<b>5,758</b>



Credit risk  
Non-performing lendings £m

■ UK ■ Foreign

Excluding country risk, total provision coverage of:	%	%	%
credit risk non-performing lendings	45.0	41.7	38.6
total potential credit risk lendings	34.3	31.3	29.8

In addition to the analysis given in the foregoing table, the SEC also requires the disclosure of lendings which are current as to payment of principal and interest, but where there exists serious doubt as to the ability of the borrower to comply with repayment terms in the near future (potential problem lendings). Such lendings totalled approximately £2.3 billion at 31st December 1993, the same level as at 31st December 1992, of which £1.8 billion (1992 £1.9 billion) related to the United Kingdom and £0.5 billion (1992 £0.4 billion) to outside the United Kingdom.

Total credit risk non-performing lendings increased by a net £420m or 6% in 1993, compared to an increase in 1992 over 1991 of £1,653m or 31%. In the United Kingdom, non-performing lendings were £35m lower, with a small increase in those over £1m offsetting a decrease below that level. After adjusting for the effect of write-offs in the year of £1.3 billion, the rate of increase in total credit risk non-performing lendings in 1993 was substantially lower than the rate of increase for 1992. In 1993, such additional amounts totalled some £1.3 billion compared with some £3.1 billion in 1992.

The majority of UK non-performing lendings over £1m continue to be in respect of borrowers in the property, construction, wholesale and retail distribution, hotels and other leisure sectors and reflect ongoing difficulties in these areas of the economy. The same sectors account for a large part of UK non-performing lendings under £1m, which also include significant amounts in respect of personal customers and business and other services.

Outside the United Kingdom, credit risk non-performing lendings increased by £455m or 23%. Adjusting for the write-offs in the period of some £300m, new and increased non-performing lendings thus rose by some £750m, primarily in continental Europe and North America. The net increase in Europe from £646m to £893m was a reflection of the recessionary economic conditions that prevailed during the year in many countries. Approximately half of the European non-performing lendings were in France, with significant elements also arising in Germany and Italy. In North America, the majority of the increase arose in the United States Transition portfolio, where non-performing lendings increased from £883m to £1,082m. Canada also suffered continuing difficulties, with non-performing lendings increasing from £36m to £99m. In both the United States and Canada, troubled property lendings continued to account for over half of the total. The impact of exchange rate movements over the year on the amounts as expressed in sterling was immaterial.

In the year to 31st December 1993, interest income of £583m would have been recognised under the original terms of 'non-accrual lendings', 'accruing lendings where interest is being suspended', 'other accruing lendings against which provisions have been made' and 'reduced rate lendings', reported at 31st December 1993, but only £116m was actually included in net income. Of the interest foregone of £467m, £354m related to UK customers and £113m to foreign customers.

## Barclays PLC Financial review

### Average balance sheet and related interest

	1993 Average balance £m	1993 Interest £m	1993 Average rate %	1992 Average balance £m	1992 Interest £m	1992 Average rate %
<b>Assets</b>						
Treasury bills and other eligible bills:						
in offices in the UK	4,752	232	4.9	4,020	292	7.3
in offices outside the UK	2,774	246	8.9	2,677	287	10.7
Loans and advances to banks:						
in offices in the UK	12,915	801	6.2	11,146	955	8.6
in offices outside the UK	9,568	665	7.0	9,590	699	7.3
Loans and advances to customers:						
in offices in the UK	60,230	5,073	8.4	60,042	6,566	10.9
in offices outside the UK	22,250	1,809	8.1	21,618	1,937	9.0
Lease receivables:						
in offices in the UK	4,655	414	8.9	4,507	518	11.5
in offices outside the UK	912	124	13.6	973	137	14.1
Debt securities:						
in offices in the UK	7,768	560	7.2	5,407	549	10.2
in offices outside the UK	2,251	162	7.2	2,033	167	8.2
Average assets of banking business	128,075	10,086	7.9	122,013	12,107	9.9
Trading assets of securities business	19,203	999	5.2	10,902	861	7.9
Total average interest earning assets	147,278	11,085	7.5	132,915	12,968	9.8
Provisions	(3,356)			(2,814)		
Non-interest earning assets	23,034			21,823		
	166,956	11,085		151,924	12,968	
<b>Liabilities and shareholders' funds</b>						
Deposits by banks:						
in offices in the UK	15,851	863	5.4	11,359	877	7.7
in offices outside the UK	12,493	843	6.7	11,811	893	7.6
Customer demand accounts:						
in offices in the UK	5,326	79	1.5	6,022	288	4.8
in offices outside the UK	2,323	124	5.3	2,354	147	6.2
Customer savings accounts:						
in offices in the UK	21,615	818	3.8	21,750	1,487	6.8
in offices outside the UK	825	62	7.5	1,186	66	5.6
Customer – other time deposits retail:						
in offices in the UK	13,168	729	5.5	14,674	1,303	8.9
in offices outside the UK	6,193	479	7.7	5,447	465	8.5
Customer – other time deposits wholesale:						
in offices in the UK	14,777	871	5.9	13,931	1,298	9.3
in offices outside the UK	6,567	318	4.8	6,868	394	5.7
Debt securities in issue:						
in offices in the UK	7,654	454	5.9	6,843	578	8.4
in offices outside the UK	4,387	265	6.0	5,110	357	7.0
Dated and undated loan capital and other subordinated liabilities	4,259	297	7.0	3,521	295	8.4
Average liabilities of banking business	115,438	6,202	5.4	110,876	8,448	7.6
Trading liabilities of securities business	19,420	971	5.0	10,475	828	7.9
Total average interest bearing liabilities	134,858	7,173	5.3	121,351	9,276	7.6
Non-interest bearing liabilities:						
Customer demand deposits	8,363			7,839		
Other	17,759			16,526		
Shareholders' funds and minority interests	5,976			6,208		
	166,956	7,173		151,924	9,276	

**Average balance sheet and related interest (continued)**

Loans and advances to banks and customers include all doubtful lendings, including non-accrual lendings. The average balance sheet presented on page 43 does not include the long-term assurance fund assets attributable to policyholders or the related liabilities.

Net interest income now includes interest on securities trading assets and liabilities, which are held primarily for trading purposes and do not contribute significantly to net interest income.

**Prevailing average interest rates**

	1993	1992	1991
United Kingdom:	%	%	%
Barclays Bank PLC base rate	6.0	9.6	11.7
London Inter-Bank Offered Rate (LIBOR)			
three month sterling	5.9	9.6	11.5
three month eurodollar	3.2	3.8	5.9
United States prime rate	6.0	6.3	8.3

The average balance sheet is presented on the basis of the domicile of the booking office distinguishing between offices in and outside the United Kingdom. Offices in the United Kingdom conduct both domestic business (customers domiciled in the United Kingdom) and international business (customers domiciled outside the United Kingdom). Offices outside the United Kingdom are classified entirely as international business.

The yields, spreads and margins for domestic business (conducted primarily in sterling) and international business (conducted primarily in foreign currencies), shown below have been computed on this basis, which reflects the domicile of the borrower.

**Yields, spreads and margins – banking business**

	1993	1992	1991
<b>Gross yield (a)</b>	%	%	%
Group	7.9	9.9	11.4
Domestic	8.3	11.1	12.8
International	7.3	8.3	9.4
<b>Interest spread (b)</b>			
Group	2.5	2.3	2.0
Domestic	3.3	2.9	2.4
International	1.5	1.4	1.3
<b>Interest margin (c)</b>			
Group	3.0	3.0	2.9
Domestic	3.9	3.9	3.8
International	1.8	1.7	1.7

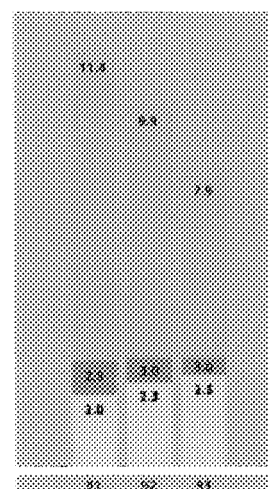
(a) Gross yield is the interest rate earned on average interest earning assets.

(b) Interest spread is the difference between the interest rate earned on average interest earning assets and the interest rate paid on average interest bearing liabilities.

(c) Interest margin is net interest income as a percentage of average interest earning assets.

**Average interest earning assets and liabilities – banking business**

	1993	1992	1991
Average interest earning assets:	£m	£m	£m
Group	128,075	122,013	122,104
Domestic	72,273	71,074	71,280
International	55,802	50,939	50,824
Average interest bearing liabilities:			
Group	115,438	110,876	110,351
Domestic	63,162	62,178	61,835
International	52,276	48,698	48,516

**Interest spread and margin %**

● Spread    ▨ Margin    ■ Yield

**Treasury asset/liability management** Asset/liability management involves interest and exchange rate risk management and liquidity management. The policies for Group asset/liability management are set by the Treasury Committee, which is chaired by the Chief Executive. On a regular basis, Group Treasury reports to the Treasury Committee on market risk limits together with the structural interest mismatch position of the Group and the maturity transformation of the Group's assets and liabilities. These are monitored within defined limits and corrective action is then taken where necessary.

**STRUCTURAL INTEREST RATE AND EXCHANGE RATE EXPOSURE**

Barclays policy is to limit the profit volatility due to the effects of movements in interest rates and exchange rates on the structural positions inherent in the balance sheet.

The interest rate risk attached to the positions of retail operations is assessed and monitored in Group Treasury. Particular attention is paid to the sterling element of the balance sheet, which accounted for just under 60% of the Group's assets and liabilities at 31st December 1993. There are substantial liabilities represented by interest free deposits as well as other interest free or fixed rate liabilities, including parts of the Group's loan capital and equity. The structural position arising from these balances is managed by the maintenance of a portfolio of assets with interest rates fixed for several years, including loans to customers and debt securities. Mismatches of fixed rate assets and liabilities are managed through the use of interest rate swaps and other derivatives. Care is taken to ensure that hedging is not inflexible, as market circumstances and customer requirements can rapidly change the desirable portfolio structure.

Interest rate risk is measured by the use of techniques such as the construction of mismatch ladders, in which assets and liabilities in each currency are classified into maturity bands according to their next re-pricing date. The aggregate risk is converted into a 'money at risk' figure using a calculation based on a proprietary risk point system. Other complementary techniques, such as simulation and duration analysis, are also used as a supplement to these approaches to assist in the quantification of risk.

Management of the funding of investments in overseas branches, subsidiaries and associated undertakings is located in Group Treasury, where the operation of the funding policy is regularly reviewed. Where appropriate, foreign currency investments are matched by borrowings in the same currency.

**LIQUIDITY** The management of liquidity in Barclays is primarily directed towards ensuring that local funding requirements can be met, both to replace existing funds as they mature or are withdrawn and to satisfy the demands of customers for additional borrowings.

The distribution of sources and maturities of deposits is managed actively in order to ensure access to funds and to avoid a concentration of funding needs at any one time or from any one source. Important factors in assuring liquidity are competitive rates and the maintenance of depositors' confidence. Such confidence is based on reputation, the strength of earnings and the Group's financial position.

A substantial portion of Barclays assets in the United Kingdom, and in certain other retail banking areas, is funded with 'core deposits'. These important sources of liquidity are mainly current accounts and savings deposits. Although current accounts are repayable on demand and savings accounts are repayable at short notice, the spread by number and type of depositor helps to ensure against unexpected fluctuations and such accounts form a stable deposit base for the Group's operations and liquidity needs.

Liquidity management also involves control over asset maturities and the volume and quality of holdings of cash and short-term funds. In addition, in evaluating its liquidity position, management has regard to undrawn loan commitments, the usage of overdraft facilities and the possible impact of certain outstanding contingent liabilities, such as standby letters of credit and guarantees.

The responsibility for liquidity rests with local management at each location, subject to control by and regular reporting to Group Treasury. In territories with treasury operations, the strategic control of liquidity and balance sheet management is vested in a local asset and liability committee comprised of senior managers, taking into account the size and nature of the operation.

Reporting takes the form of a cash flow measurement of liquidity based on principles agreed by the Bank of England. Each operation is required to maintain sufficient access to liquid funds, in terms of maturing assets and proven capacity to borrow in the money markets, to ensure that maturing liabilities can be repaid and commitments to lend honoured. Special attention is paid to projections of cash flow for the next day, the next week and the next month and a sufficient reserve of marketable assets is maintained to protect against unforeseen cash flow volatility. The positions are scrutinised daily to prevent future problems, with particular emphasis being placed on the need to monitor unmatched medium-term loans and commitments.

**Treasury asset/liability  
management (continued)**

**CONTROL OF TRADING RISKS** Barclays is an active participant in many financial markets, trading on behalf of its customers and for its own account. These activities include the trading of derivative instruments, such as interest rate swaps, forward foreign exchange contracts and equity derivatives, as well as on-balance sheet financial instruments. Asset/liability management aims to monitor and control the risks which are associated with these businesses.

For further information on derivatives see Derivatives below and note 45 to the financial statements.

Trading risks are controlled by the Management Committee of BZW division, chaired by its Chief Executive, subject to overall product group limits established by the Group Treasurer within constraints determined by the Treasury Committee. In general, the limits also use a 'money at risk' concept based on Barclays risk point system. These techniques are similar to those specified for the management of the structural risks within the Group.

The businesses which are allocated market risk limits are subject to daily monitoring by divisional management to confirm their adherence to the limits and report regularly to Group Treasury, with excesses being reported immediately. There is a regular report back to the Treasury Committee on the use of these limits.

**Derivatives** The Group is a party to various types of derivative financial instruments in the normal course of business. These instruments are primarily used to meet the financial needs of the Group's customers, as part of the Group's proprietary trading activities and, to a limited extent, to reduce its own exposure to fluctuations in interest and exchange rates in conjunction with its asset/liability management activities.

Derivative instruments are contracts or agreements whose value is derived from one or more underlying indices inherent in the contract or agreement. They include swaps, forwards, futures, options and combinations thereof and primarily affect the Group's net interest income, dealing profits and commissions received.

Credit exposure or replacement cost on derivative instruments represents the cost to replace contracts with a positive value and is usually a fraction of the notional amount of the contracts. Derivatives are also exposed to market risk in respect of future changes in value over the remaining life of the contract.



Details of the nominal and risk weighted amounts and replacement costs of derivatives are given in note 45 to the accounts. The total notional amount of the Group's outstanding interest rate contracts, at 31st December 1993, was £358.9 billion (1992 £248.7 billion). The replacement cost of the contracts was £3.7 billion (1992 £5.8 billion). The total notional amount of the Group's outstanding exchange rate related contracts was approximately £249.5 billion (1992 £236.2 billion). The replacement cost of the foreign exchange contracts was approximately £4.0 billion (1992 £7.2 billion).

**TRADING ACTIVITIES** The majority of the Group's derivative activities are carried out to meet the risk management needs of its customers, or as part of the Group's proprietary trading activities within BZW division. Revenues arise from the spreads which are achieved through trading with customers and also from changes in market value caused by movements in interest and exchange rates, equity prices and other market variables.

**ASSET/LIABILITY MANAGEMENT ACTIVITIES** As discussed in Treasury asset/liability management, the Group also makes use of derivatives in its asset/liability management activities. Where derivatives are used to hedge an underlying position, these are accounted for on the same basis as that position. Where an accruals basis is used, the net interest received or paid is included in net interest income.

The following table summarises the nominal amounts of derivatives held for asset/liability management purposes.

	31st December 1993			31st December 1992
	Nominal amounts £m	Book value £m	replacement cost Net* £m	Nominal amounts £m
Exchange rate related instruments	10,252	37	17	13,777
Interest rate related instruments	35,367	64	137	15,487
	<b>45,619</b>	<b>101</b>	<b>154</b>	29,264

\*replacement cost net of contracts with a negative value.

The effect of derivative transactions carried out for asset/liability management purposes in the year ended 31st December 1993 was to increase net interest income by some £50m (1%).

## Barclays PLC Directors

<b>Chairman</b>	<b>Andrew Robert Fowell Buxton</b> (age 54) was appointed Chairman on 1st January 1993. He joined Barclays in 1963 and was appointed to the Board in 1984. He became Vice-Chairman in 1985, Deputy Managing Director in 1987, Managing Director in 1988, Deputy Chairman in 1991 and Chief Executive in May 1992. He is a non-executive director of SmithKline Beecham p.l.c.
<b>Deputy Chairman and Chairman, BZW division</b>	<b>Sir Peter Middleton GCB</b> (age 59) joined the Board in 1991 as a Deputy Chairman and Chairman of the Group's BZW division. Prior to joining Barclays he was Permanent Secretary to HM Treasury, a position held since 1983. He is a non-executive director of Bass PLC, General Accident plc and North West Water Group PLC.
<b>Chief Executive</b>	<b>John Martin Taylor</b> (age 41) was appointed to the Board on 1st November 1993 and became Chief Executive on 1st January 1994. Prior to joining Barclays he was Chairman and Chief Executive of Courtaulds Textiles plc and he is a non-executive director of WH Smith Group plc.
<b>Vice-Chairman and Chief Executive, Banking division</b>	<b>Francis Alastair Lavie Robinson</b> (age 56) held a number of senior positions before joining the Board in 1990. He was appointed a Vice-Chairman in May 1992 and is a non-executive director of London House for Overseas Graduates.
<b>Chief Executive, BZW division</b>	<b>David Band</b> (age 51) joined the Board in 1988 on becoming Chief Executive of the BZW group. He was previously Head of JPMorgan's operations in the UK and Europe and a Deputy Chairman of The Securities and Futures Authority Limited.
<b>Deputy Chairman, BZW division</b>	<b>The Lord Camoys DL</b> (age 53) joined Barclays Merchant Bank in 1978 as Managing Director. He was formerly Managing Director of Rothschild Intercontinental Bank and Chairman of Amex Bank. He joined the Board in 1984 and was Chief Executive of the BZW group until 1987, when he became its Deputy Chairman. He is a non-executive director and Deputy Chairman elect of Sotheby's Holdings, Inc., Deputy Chairman of the National Provident Institution and a non-executive director of 3i Group PLC.
<b>Finance Director</b>	<b>Oliver Henry James Stocken</b> (age 52) joined Barclays Merchant Bank in 1979 and held a number of senior positions in BZW division before joining the Board in 1993 as Finance Director. He is a non-executive director of Steel Burrill Jones Group plc.
<b>Non-executive Directors</b>	<b>Mary Elizabeth Baker</b> (age 57) joined the Board in 1988, having served on the Board of Barclays Bank U.K. Limited since 1983. She is President of Women in Management and a non-executive director of Prudential Corporation plc, Avon Cosmetics Ltd, MFI Furniture Group Plc and Camelot Group PLC. <b>Sir Derek Birkin TD</b> (age 64) is Chairman of The RTZ Corporation PLC. He joined the Board in January 1990 and is a non-executive director of Merck & Co, Inc., CRA Ltd and Carlton Communications Plc and an advisory director of Unilever. <b>Sir Denys Henderson</b> (age 61) joined the Board in 1983. He is Chairman of Imperial Chemical Industries PLC and of Zeneca Group PLC and a non-executive director of The RTZ Corporation PLC and Rank Organisation PLC. <b>The Lord Lawson of Blaby PC</b> (age 61) was Chancellor of the Exchequer from 1983 to 1989 and previously Secretary of State for Energy. He joined the Board in February 1990 and is Chairman of Central Europe Trust Company Ltd.

## Directors Barclays PLC

**Sir Nigel Mobbs DL** (age 56) is Chairman and Chief Executive of Slough Estates plc and his other directorships include Kingfisher plc, Aims of Industry, Charterhouse Holdings Ltd (USA) and Howard de Walden Estates. He is also a member of the Commonwealth War Graves Commission and Chairman of the Council of The University of Buckingham. He joined the Board in 1979 and has been Chairman of the Audit Committee since 1987.

**Shijuro Ogata** (age 66) joined the Board in 1991, having served as Deputy Governor of the Japan Development Bank and as Deputy Governor for International Relations of the Bank of Japan. Based in Tokyo, he is a non-executive director of Fuji Xerox Company Ltd and non-executive Chairman of Barclays Trust & Banking Co (Japan) Ltd.

**Jan Peelen** (age 54) joined the Board in 1991. He is a director of Unilever, a former Chairman of Van den Bergh en Jurgens in Holland and a former President of Industrias Gessy Lever in Brazil.

**Sir James Spooner** (age 61) joined the Board in 1983. He is a director of John Swire and Sons Limited and Chairman of The Morgan Crucible Company plc. He holds a number of other directorships including J Sainsbury plc and is Chairman of the Trustees of the British Telecom Pension Scheme.

**The Lord Wright of Richmond GCMG** (age 62) joined the Board in 1991 having retired as Head of the Diplomatic Service earlier that year. He is a non-executive director of BAA plc, The British Petroleum Company p.l.c. and De La Rue plc and an advisory director of Unilever.

**Secretary** JMD Atterbury

**Chief Accountant** NJ Brittain

**The Audit Committee** of non-executive Directors of the company meets regularly with the Group's senior financial management, the external auditors and the internal inspection department to consider, inter alia, the nature and scope of the audit and the reporting accountants' reviews (performed under the Companies Act 1985 and the Banking Act 1987), compliance reports and the effectiveness of the Group's systems of internal control.

**The Remuneration and Nominations Committee** of non-executive Directors is a committee of Barclays Bank PLC which makes recommendations on the remuneration of executive Directors and other senior Group employees. When meeting to consider the nomination of prospective Directors, the Chairman of Barclays PLC and one other executive Director may attend as ex-officio members.

### Audit Committee

**Sir Nigel Mobbs DL, Chairman**

**The Lord Lawson of Blaby PC**

**Shijuro Ogata**

**Sir James Spooner**

**The Lord Wright of Richmond GCMG**

### Remuneration and Nominations Committee

**Sir Denys Henderson, Chairman**

**Mary Baker**

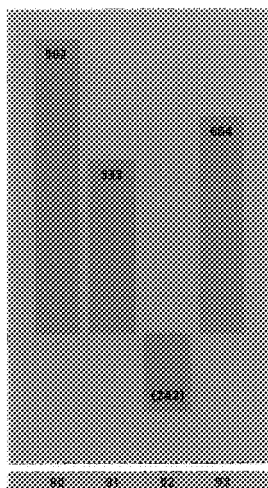
**Sir Derek Birkin TD**

**Sir Nigel Mobbs DL**

**Jan Peelen**

**Sir James Spooner**

## Barclays PLC Directors' report



Profit/(loss) before tax £m

The profit attributable to shareholders for the year amounted to £313 million compared to the 1992 loss of £343 million.

**Second interim dividends** for the year ended 31st December 1993 of 8.65p per Ordinary Share and of 7p per Staff Share have been declared by the Directors. The second interim dividends will be paid on 13th May 1994 in respect of the Ordinary Shares registered at the close of business on 24th March 1994 and of the Staff Shares so registered on 31st December 1993. Those shareholders whose dividends are paid direct to a bank or building society account are reminded that they will receive, in late October 1994, a single tax voucher relating to the second interim dividend(s) payable on 13th May and to the first interim dividend(s) for 1994, which are payable on 13th October.

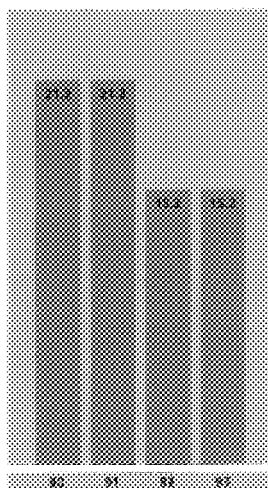
With the first interim dividends of 6.50p per Ordinary Share and of 7p per Staff Share that were paid on 11th October 1993, the total distribution for the year 1993 was 15.15p per Ordinary Share (1992 15.15p) and 14p (1992 14p) per Staff Share. The dividends for the year absorb a total of £246 million (1992 £243 million), leaving a retained profit of £67 million (1992 deficit £586 million).

**Ordinary Share Capital** was increased by 11,538,131 shares during the year as a result of the exercise of options under the SAYE and executive share option schemes and by the issue of 2,494,486 shares in lieu of cash dividends.

Notes 39 and 40 to the accounts contain details of the issue and redemption of loan capital by the Bank and other wholly-owned subsidiary undertakings.

The net proceeds of those issues are being used for the development and expansion of the business of the Group and further to strengthen its capital base.

**Cadbury code of best practice** The Group complies, and has complied throughout the accounting period, with the Code of Best Practice issued by the Committee on the Financial Aspects of Corporate Governance (Cadbury Committee). This Report and Accounts includes all the disclosures currently required by the Code, except for two items (paragraphs 4.5 and 4.6 of the Code) for which official guidance is still awaited. The auditors, Price Waterhouse, have reviewed the Group's compliance with certain specific matters in the Code as required by the London Stock Exchange. They have reported that they are of the opinion that it is appropriate for the Directors to make the statement that the Group complied with those aspects of the Code.



Dividends per share, pence

**Barclays PLC** is a non-trading investment holding company which owns the entire issued Ordinary share capital of Barclays Bank PLC, the main operating company of the Group. During 1993, the company acquired 13,500,000 new £1 Ordinary Shares in Barclays Bank PLC at a cost of £43.5 million.

The Group has three divisions – Banking, BZW and Service Businesses – and a number of central support functions. An extensive range of commercial and investment banking, insurance, financial and related services is provided in the name of Barclays Bank PLC and subsidiary undertakings. The Group operates through over 2,400 branches and offices in the United Kingdom and, overseas, through a further 1,000 offices in 77 countries.

**UK Properties** Freehold and long-leasehold properties of the Group in the United Kingdom have been reviewed by professionally qualified staff on the basis of open market value for existing use, or depreciated replacement cost in the case of specialised properties (in accordance with the guidelines of the Royal Institution of Chartered Surveyors).

The major part of that portfolio, 92% by market value, is required for the continuing business. The open market value of these properties is not substantially different from their book value. The remaining 8% is surplus to the Group's requirements and the fall in their value of £8 million (1992 £60 million) has been charged to the profit and loss account.

**International Properties** The Directors are of the opinion that the head office property in Paris recorded at cost has suffered a permanent diminution in value of £70 million which has been charged to the profit and loss account for the year. A fall in value of £7 million for a property in Spain, surplus to requirements, has been charged to revaluation reserves.

Barclays Property Holdings has been given responsibility for undertaking the review of international properties in 1994.

**Substantial shareholdings** notified to the company comprise the Prudential Corporation group's interests in 64,359,453 Ordinary Shares (3.98%) and Barclays Pension Funds Trustees Limited non-beneficial interest, as Trustee of the Group's main pension fund, in 735,155 Staff Shares (84.0%).

**Board membership** Mr JM Taylor was appointed to the Board on 1st November 1993 and succeeded Mr ARF Buxton as Chief Executive on 1st January 1994. Mr OHJ Stocken joined the Board on 1st May 1993. In accordance with the Articles of Association, Mr Taylor and Mr Stocken will retire, and offer themselves for re-election, at the annual general meeting.

Sir Timothy Bevan and Sir Michael Franklin retired from the Board at the annual general meeting on 29th April 1993. Mr PA Wood, Mr HT Norrington and Sir Martin Jacomb retired from the Board on 30th April, 3rd December and 31st December 1993 respectively. The Lord Camoys DL will retire from the Board on 1st April 1994.

Sir James Spooner will retire from the Board at the conclusion of the annual general meeting in 1994. Sir Derek Birkin, The Lord Lawson of Blaby PC and Mr FAL Robinson retire by rotation at the annual general meeting and offer themselves for re-election. Mr Taylor has a service agreement with the Bank terminable at one year's notice no earlier than 31st December 1995 and Mr Robinson and Mr Stocken have service agreements terminable at one year's notice.

**Directors' interests** in the shares of the Group on 31st December 1993 (as defined by the Companies Act 1985 and according to the register maintained thereunder) are shown on page 64. The register will be available for inspection at the annual general meeting. At no time during the year did any Director of the company have an interest in a contract entered into by a Group company which was of significance in relation to the Group's business.

**Directors' and officers' liability insurance** cover is maintained for the benefit of the Group and the Directors and officers of the company and its subsidiary companies in the UK and overseas.

**Donations** for charitable purposes and details of the Group's community and sponsorship support are shown on page 27. The Group made no political donations in the UK during 1993.

**Personnel** The average number of persons employed by the Group in 1993, including part-time personnel but excluding persons working wholly or mainly outside the United Kingdom, was 70,160 and their aggregate remuneration in the year, including profit sharing, was £1,486 million. These figures exclude 1,472 representatives of Barclays Life Assurance Company Limited, whose total remuneration was £35 million. Policy in relation to the employment of disabled persons and to the involvement of employees in the business is set out on pages 26 and 27.

**Close company provisions** of the Income and Corporation Taxes Act 1988 do not apply to the company and there has been no change in this respect since 31st December 1993.

**The auditors,** Price Waterhouse, have signified their willingness to continue in office and a resolution re-appointing them as auditors and authorising the Directors to determine their remuneration will be proposed at the annual general meeting.

**The notice convening the annual general meeting** at The Queen Elizabeth II Conference Centre is on pages 106 and 107. In addition to the ordinary business, shareholder consent will be sought for the renewal of the Board's authority to allot shares. The relevant resolution is explained in the notice of meeting.

Shareholders are invited to complete and return the form of proxy which is enclosed. Completion of the form of proxy will not prevent shareholders from attending and voting at the annual general meeting if subsequently they find they are able to do so.

By order of the Board  
**JMD Atterbury**, Secretary  
9th March 1994

## Barclays PLC Directors' interests in shares

### Ordinary Shares of Barclays PLC

	**At 1st January 1993		At 31st December 1993	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Mrs Mary Baker	3,120	-	3,120	-
D Band	813	-	834	-
Sir Derek Birkin	1,400	-	1,418	-
ARF Buxton	15,419	6,625*	16,222	6,625*
Lord Camoys	20,735	-	20,810	-
Sir Denys Henderson	10,500	-	15,400	-
Sir Martin Jacomb	10,358	4,000*	15,845	4,000*
Lord Lawson	1,001	-	2,012	-
Sir Peter Middleton	500	4,000*	500	4,000*
Sir Nigel Mobbs	9,391	10,281	10,391	10,281
S Ogata	540	-	554	-
J Peelen	540	-	554	-
FAL Robinson	16,847	4,000*	16,847	4,000*
Sir James Spooner	2,100	-	2,100	-
OHJ Stocken	637	-	654	-
JM Taylor	2,000	-	2,000	-
Lord Wright	1,200	-	1,206	-

\*These holdings include a joint interest, held ex-officio as trustees of a trust, in 4,000 Barclays PLC Ordinary Shares.

\*\*Or date appointed to Board, if later.

Following the retirement of Sir Martin Jacomb from the Board on 31st December 1993, his interests in shares are no longer recorded in the register.

### Options to acquire Ordinary Shares of Barclays PLC

		**1st	Granted during		Exercised during		31st
		January	Number	Price	Number	Price	December
		1993					1993
D Band	ESOS	104,216	59,900	501p	-	-	164,116
ARF Buxton	ESOS	200,071	-	-	-	-	200,071
	SAYE	4,338	438	445p	803	219p	3,973
Lord Camoys	ESOS	32,400	-	-	-	-	32,400
	SAYE	7,867	-	-	4,018	219p	3,849
Sir Martin Jacomb	ESOS	204,420	-	-	102,000	299p	102,420
	SAYE	7,027	-	-	4,018	219p	3,009
Sir Peter Middleton	ESOS	234,300	-	-	-	-	234,300
FAL Robinson	ESOS	127,587	39,900	501p	-	-	167,487
	SAYE	3,221	-	-	-	-	3,221
OHJ Stocken	ESOS	39,022	85,800	501p	-	-	124,822
	SAYE	3,222	227	445p	-	-	3,449

ESOS – Options granted under the Company's Executive Share Option Schemes, exercisable at prices between 288p and 501p from 1994 to 2003.

SAYE – Options granted under the Company's SAYE Share Option Schemes, exercisable at prices between 272p and 445p after 5 or 7 years from the date of the grant of the option.

There were no changes between 31st December 1993 and 9th March 1994 in any of the interests shown above. (See also notes 52 and 53 to the accounts.)



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## Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Auditors' report set out below, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the auditors in relation to the accounts.

The Directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Group as at the end of the financial year and of the profit or loss for the financial year.

The Directors consider that, in preparing the accounts on pages 66 to 99, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and which enable them to ensure that the accounts comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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## Auditors' report to the members of Barclays PLC

We have audited the accounts on pages 66 to 99 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 66 and 67.

**Respective responsibilities of Directors and auditors** As described above, the company's Directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion** We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion** In our opinion the accounts give a true and fair view of the state of affairs of the company and the Group as at 31st December 1993 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Price Waterhouse**  
Chartered Accountants and Registered Auditors  
London, 9th March 1994



## Barclays PLC Accounting policies

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### (a) Accounting convention

The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain properties and investments. They are prepared in accordance with applicable accounting standards of the Accounting Standards Board (ASB) and pronouncements of its Urgent Issues Task Force (UITF) and with the Statements of Recommended Accounting Practice (SORPs) issued by the British Bankers' Association (BBA).

### (b) Consolidation and format

The consolidated accounts have been prepared in compliance with Sections 230, 255, 255A and 255B of, and Schedule 9 to, the Companies Act 1985 (the Act). The profit and loss account has been prepared on a consolidated basis, advantage being taken of Section 230(3) of the Act. The balance sheet of Barclays PLC has been prepared in compliance with Section 226 of, and Schedule 4 to, the Act.

The consolidated accounts include the accounts of Barclays PLC and its subsidiary undertakings made up to 31st December, except in the case of Barclays Bank of Canada, whose accounts are made up to 31st October, and the securities business in the United Kingdom, whose accounts are made up to the last Stock Exchange account-end day of the financial year. Details of the principal subsidiary and associated undertakings are given in note 54.

Extensive changes in the layout of the accounts have arisen from the implementation of the EC Bank Accounts Directive in the United Kingdom (new Schedule 9 to the Act) and the adoption of Financial Reporting Standard 3 'Reporting Financial Performance' (FRS 3) and the SORPs of the BBA.

### (c) Goodwill

Goodwill arising on the acquisition of subsidiary and associated undertakings, being the excess of cost over fair value of the Group share of net tangible assets acquired, is charged against reserves in the year of acquisition. In the event of a subsequent disposal, any goodwill previously charged directly against reserves is written back and is reflected in the profit or loss on disposal.

### (d) Interests in associated undertakings

Consolidated profit includes income from interests in associated undertakings based on accounts made up to dates not earlier than six months before the balance sheet date. Interests in associated undertakings are included in the consolidated balance sheet at the Group share of the book value of the net tangible assets of the undertakings concerned.

### (e) Value of long-term life assurance and pensions policies

A value is placed on the shareholders' interest in the in-force policies of the long-term assurance fund of Barclays Life Assurance Company Limited. This value is a prudent estimate, based on the advice of a qualified actuary, of the net present value of the profits inherent in such policies, using a discount rate of 12½% per annum. Changes in the value are included in the profit and loss account, grossed up for notional taxation.

### (f) Bad and doubtful debts

Specific provisions are made against advances when, in the opinion of the Directors, credit risks or economic and political factors make recovery doubtful. In addition, general provisions are raised, based on an evaluation of the portfolios of advances and other exposures, in respect of losses which, although not specifically identified, are known from experience to be present in any such portfolio. The aggregate provisions which are made during the year (less amounts released and recoveries of bad debts previously written off) are charged against operating profit. If the collection of interest is considered to be doubtful, it is suspended and excluded from interest income in the profit and loss account. Bad debts are written off in part, or in whole, when a loss has been confirmed.

### (g) Purchased mortgage servicing rights (PMSRs)

PMSRs are stated at cost less provision for amortisation. The rate of amortisation is determined by the expected life of the mortgages and is reassessed periodically to reflect actual and anticipated prepayment experience. The amount of the amortisation is deducted from the fees and commissions receivable in the profit and loss account.

### (h) Debt securities and equity shares

Debt securities and equity shares are stated at market value, apart from investment debt securities and equity shares, which are stated at cost less any provision for diminution in value. Investment securities are intended for use on a continuing basis by the Group and have been identified as such. The cost of dated investment securities is adjusted for the amortisation of premiums or discounts on purchase over periods to redemption.

## Accounting policies Barclays PLC

### **(i) Depreciation**

Depreciation is provided on equipment on a straight line basis over five years. The cost of adapting freehold and long-leasehold properties to the Group's needs, together with fixed plant included in those properties, is depreciated over 10 years. It is the opinion of the Directors that, after deducting both of these items and the value of the land element, and having regard to the residual value of the buildings based on values prevailing at the time of acquisition or subsequent valuation, any depreciation attributable to the remainder of the book values of such properties would be immaterial in the context of the Group accounts. Accordingly, no depreciation is provided. Leasehold properties with less than fifty years to run are depreciated on a straight line basis over the remaining period of the lease.

### **(j) Off-balance sheet instruments**

Transactions in off-balance sheet instruments are marked to market and the resultant profits and losses are included in operating profit, except those in respect of specifically designated hedging transactions which are taken to profit in accordance with the accounting treatment of the underlying transaction.

### **(k) Pensions and other post-retirement benefits**

The Group's main pension scheme covers some 70% of the Group's employees and is a funded defined benefit scheme. Staff do not make contributions for basic pensions. The pension cost relating to this scheme is assessed in accordance with the advice of a qualified actuary, using the projected unit method. Variations from the regular cost are allocated over the average remaining service lives of current employees.

The cost of providing post-retirement healthcare is now being accrued in the accounts. The method adopted is to spread the previously unprovided liability forward over the expected service lives of the relevant current employees.

### **(l) Finance lease receivables**

Finance lease receivables are included in loans and advances to customers at the cost of the equipment less amounts charged against rentals to date. Net leasing income under finance leases is taken to profit using an actuarial method which gives a constant periodic return on the net cash investment.

### **(m) Deferred taxation**

Deferred taxation is provided at the estimated rates at which future taxation will become payable on all timing differences between the accounting and taxation treatment of income and expense where, in the opinion of the Directors, it is probable that a liability to taxation will crystallise.

### **(n) Foreign currencies**

Assets and liabilities in foreign currencies are expressed in sterling at rates of exchange ruling on the balance sheet date. Overseas profits and losses are expressed in sterling at average rates of exchange for the year. Profits arising in areas experiencing hyper-inflation are adjusted to recognise its effect on the worth of the working capital employed.

Translation differences, arising from the application of closing rates of exchange to the opening net assets held overseas and to related foreign currency borrowings, are taken directly to reserves. All other exchange profits and losses, which arise from normal trading activities, are included in operating profit.

### **Analyses of operations by segment**

The analyses by geographical segment in note 15 are generally based on the location of the office recording the transaction. The UK segment includes activities in the United Kingdom with overseas customers, including sovereign lendings, the main foreign exchange trading business arising in the United Kingdom and the global swaps business. North America includes business conducted through the Bahamas, the Cayman Islands and the Virgin Islands.

Note 16 presents an analysis of the results by classes of business representing the main groups of products and services supplied by the Group.

The results of each geographic segment and class of business reflect the benefit of earnings on an appropriate proportion of shareholders' funds, allocated generally by reference to weighted risk assets.

### **Disposals and acquisitions**

There have been no significant disposals or acquisitions during the year.

In November 1993, the Group announced that it had agreed to sell Barclays Commercial Corporation, the Group's United States factoring operation, to The CIT Group Holdings, Inc. The sale was completed on 28th February 1994. In February 1994, the Group sold its retail banking business in Australia to St. George Bank.

**Barclays PLC**      **Consolidated profit and loss account**  
for the year ended 31st December 1993

	Note	1993 £m	1992 £m
Interest receivable:	1		
Interest receivable and similar income arising from debt securities		722	716
Other interest receivable and similar income		10,363	12,252
		11,085	12,968
Interest payable	2	7,173	9,276
Net interest income		3,912	3,692
Dividend income from equity shares		25	22
Fees and commissions receivable		2,620	2,412
Less: fees and commissions payable		(223)	(171)
Dealing profits	3	781	491
Other operating income	4	277	251
Operating income		7,392	6,697
Administrative expenses – staff costs	5	2,728	2,472
Administrative expenses – other	6	1,787	1,628
Depreciation and amortisation	7	311	251
Operating expenses		4,826	4,351
<b>Operating profit before provisions</b>		<b>2,566</b>	<b>2,346</b>
Provisions for bad and doubtful debts	21	1,869	2,465
Provisions for contingent liabilities and commitments	38	49	8
Provisions		1,918	2,473
<b>Operating profit/(loss)</b>		<b>648</b>	<b>(127)</b>
Write-down of surplus properties	8	(8)	(60)
Loss on disposal of Group undertakings	9	–	(82)
Income from associated undertakings		24	27
<b>Profit/(loss) on ordinary activities before tax</b>		<b>664</b>	<b>(242)</b>
Tax on profit/(loss) on ordinary activities	10	282	43
<b>Profit/(loss) on ordinary activities after tax</b>		<b>382</b>	<b>(285)</b>
Profit attributable to minority interests		69	58
<b>Profit/(loss) for the financial year attributable to the members of Barclays PLC</b>		<b>313</b>	<b>(343)</b>
Dividends	12	246	243
<b>Profit/(loss) retained for the financial year</b>	13	<b>67</b>	<b>(586)</b>
<b>Earnings/(loss) per Ordinary Share</b>	14	<b>19.4p</b>	<b>(21.4)p</b>

Movements in profit and loss account reserves are shown in note 43.

The Board of Directors approved the accounts set out on pages 66 to 99 on 9th March 1994.

Statement of total recognised gains and losses  
for the year ended 31st December 1993

Barclays PLC

	1993 £m	1992 £m
Profit/(loss) attributable to the members of Barclays PLC	313	(343)
Exchange rate translation differences	(76)	56
Write-down of properties against revaluation surplus	(7)	–
Other items	5	2
<b>Total recognised gains/(losses) relating to the year</b>	<b>235</b>	<b>(285)</b>

Historical cost profits and losses  
for the year ended 31st December 1993

	1993 £m	1992 £m
Reported profit/(loss) on ordinary activities before tax	664	(242)
Write-down of surplus properties	8	60
Realisation of property revaluation gains of previous years	14	53
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	(2)	(3)
<b>Historical cost profit/(loss) on ordinary activities before tax</b>	<b>684</b>	<b>(132)</b>
<b>Historical cost profit/(loss) retained after tax, minority interests and dividends</b>	<b>87</b>	<b>(476)</b>

**Barclays PLC Consolidated balance sheet**  
as at 31st December 1993

	Note	1993 £m	1992 £m
<b>Assets</b>			
Cash and balances at central banks		910	692
Items in course of collection from other banks		2,824	2,677
Treasury bills and other eligible bills	17	5,953	8,896
Loans and advances to banks	18	23,253	21,298
Loans and advances to customers	19	93,828	93,281
Debt securities	23	19,598	12,429
Equity shares	24	2,368	1,268
Interests in associated undertakings	25	207	188
Tangible fixed assets	26	2,037	2,210
Other assets	28	10,560	12,923
Prepayments and accrued income	29	1,578	2,055
		<b>163,116</b>	157,917
Long-term assurance fund assets attributable to policyholders	31	2,892	1,940
<b>Total assets</b>		<b>166,008</b>	159,857

**Andrew Buxton** Chairman  
**Oliver Stocken** Finance Director

**Consolidated balance sheet**      **Barclays PLC**  
as at 31st December 1993

	Note	1993 £m	1993 £m	1992 £m	1992 £m
<b>Liabilities</b>					
Deposits by banks	32		<b>30,980</b>		26,775
Customer accounts	33		<b>89,905</b>		87,240
Debt securities in issue	34		<b>12,403</b>		12,378
Items in course of collection due to other banks			<b>1,587</b>		1,240
Other liabilities	35		<b>15,438</b>		17,726
Accruals and deferred income	36		<b>1,791</b>		1,979
Provisions for liabilities and charges – deferred taxation	37		<b>415</b>		508
Provisions for liabilities and charges – other	38		<b>153</b>		78
Dividend			<b>141</b>		96
			<b>152,813</b>		148,020
<b>Capital resources</b>					
Undated loan capital	39		<b>2,053</b>		1,390
Dated loan capital	40		<b>2,130</b>		2,375
Other subordinated liabilities	41		<b>131</b>		170
Minority interests			<b>677</b>		683
Called up share capital	42	<b>1,624</b>		1,610	
Share premium account	43	<b>1,063</b>		1,033	
Revaluation reserve	43	<b>51</b>		65	
Profit and loss account	43	<b>2,574</b>		2,571	
Shareholders' funds	44		<b>5,312</b>		5,279
			<b>10,303</b>		9,897
			<b>163,116</b>		157,917
Long-term assurance fund liabilities to policyholders			<b>2,892</b>		1,940
<b>Total liabilities and shareholders' funds</b>			<b>166,008</b>		159,857
<b>Memorandum items</b>					
	45				
Contingent liabilities:					
Acceptances and endorsements			<b>3,696</b>		3,796
Guarantees and assets pledged as collateral security			<b>7,459</b>		7,864
Other contingent liabilities			<b>5,680</b>		6,174
			<b>16,835</b>		17,834
Commitments – sale and option to resell transactions			<b>5</b>		158
Commitments – standby facilities, credit lines and other			<b>41,871</b>		43,439
			<b>41,876</b>		43,597

**Barclays PLC    Balance sheet**  
as at 31st December 1993

	Note	1993 £m	1992 £m
<b>Fixed assets</b>			
Investment in Barclays Bank PLC	46	<b>5,312</b>	5,195
<b>Current assets</b>			
Amounts falling due within one year:			
Due from subsidiary undertaking		<b>4</b>	–
Cash at bank and in hand:			
Balance with subsidiary undertaking		<b>137</b>	180
		<b>141</b>	180
<b>Current liabilities</b>			
Amounts falling due within one year:			
Dividend		<b>141</b>	96
<b>Net current assets</b>		–	84
<b>Assets less current liabilities</b>		<b>5,312</b>	5,279
<b>Capital and reserves</b>			
Called up share capital	42	<b>1,624</b>	1,610
Share premium account	44	<b>1,063</b>	1,033
Revaluation reserve	44	<b>1,744</b>	1,671
Profit and loss account	44	<b>881</b>	965
<b>Shareholders' funds</b>	44	<b>5,312</b>	5,279

**Andrew Buxton** Chairman  
**Oliver Stocken** Finance Director



**Consolidated cash flow statement**      **Barclays PLC**  
for the year ended 31st December 1993

	Note	1993 £m	1993 £m	1992 £m	1992 £m
<b>Net cash inflow/(outflow) from operating activities</b>	47		<b>6,745</b>		(2,114)
Returns on investments and servicing of finance:					
Interest paid on loan capital and other subordinated liabilities		<b>(309)</b>		(296)	
Dividends received from associated undertakings		<b>9</b>		12	
Ordinary dividends paid		<b>(201)</b>		(339)	
Preference dividends paid by subsidiary undertaking		<b>(55)</b>		(45)	
Dividends paid to minority shareholders		<b>(7)</b>		(15)	
<b>Net cash outflows from returns on investment and servicing of finance</b>			<b>(563)</b>		(683)
<b>Taxation paid</b>			<b>(92)</b>		(59)
Investing activities:					
Capital expenditure		<b>(261)</b>		(308)	
Acquisition of minority interests		<b>(23)</b>		-	
Sale of property and equipment		<b>68</b>		149	
Purchase of investment securities		<b>(4,406)</b>		(1,349)	
Redemption and sale of investment securities		<b>2,003</b>		1,355	
Purchase of associated undertakings		<b>(1)</b>		(3)	
Sale of subsidiary undertakings	48	<b>9</b>		25	
Sale of associated undertakings		<b>5</b>		48	
<b>Net cash outflow from investing activities</b>			<b>(2,606)</b>		(83)
<b>Net cash inflow/(outflow) before financing</b>			<b>3,484</b>		(2,939)
Financing:	49				
Issue of loan capital and other subordinated liabilities		<b>819</b>		16	
Repayment of loan capital and other subordinated liabilities		<b>(515)</b>		(8)	
Issue of Ordinary Shares		<b>44</b>		29	
<b>Net cash inflow from financing</b>			<b>348</b>		37
<b>Increase/(decrease) in cash and cash equivalents</b>	50		<b>3,832</b>		(2,902)

# Barclays PLC Notes to the accounts

## 1 Interest receivable

	1993	1992
	£m	£m
Treasury bills and other eligible bills	478	579
Loans and advances to banks	1,466	1,654
Loans and advances to customers	6,882	8,503
Lease receivables	538	655
Interest receivable and similar income arising from debt securities		
listed	596	534
unlisted	126	182
	10,086	12,107
Securities trading assets	999	861
	11,085	12,968

## 2 Interest payable

	1993	1992
	£m	£m
Deposits by banks	1,706	1,770
Customer accounts		
current and demand accounts	203	435
savings accounts	880	1,553
other time deposits – retail	1,208	1,768
other time deposits – wholesale	1,189	1,692
Debt securities in issue	719	935
Loan capital and other subordinated liabilities	297	295
	6,202	8,448
Securities trading liabilities	971	828
	7,173	9,276

Interest payable on loan capital is net of a gain of £22m on the repurchase of US\$299m of undated loan capital.

## 3 Dealing profits\*

	1993	1992
	£m	£m
Foreign exchange income	302	288
Securities	249	123
Other	230	80
	781	491

\* This is a prescribed heading which arises from the UK implementation of the EC Bank Accounts Directive, in which 'profit' does not conform to the more usual definition followed elsewhere in this document. The disclosure reflects dealing trading income, not including net interest income or fees and commissions receivable and before charging associated staff and other administrative expenses.

## 4 Other operating income

	1993	1992
	£m	£m
Profits on disposal of investment securities	17	18
Increase in value of long-term assurance policies	107	67
Other income	153	166
	277	251

## Notes to the accounts Barclays PLC

### 5 Administrative expenses – staff costs

	1993	1992
	£m	£m
Salaries	2,071	1,934
Social security costs	195	182
Pension costs	113	117
Post-retirement healthcare	18	5
Profit sharing	26	–
Other staff costs	305	234
	<b>2,728</b>	<b>2,472</b>

Staff costs include £195m (1992 £102m) of costs relating to staff reductions and relocations.

#### Pension cost

The total pension cost for the Group was £113m (1992 £117m), of which £76m (1992 £77m) related to the Group's main UK pension scheme, £20m (1992 £20m) to other UK schemes and £17m (1992 £20m) to overseas schemes. Formal actuarial valuations of the main scheme are carried out triennially, the latest completed being as at 30th September 1992, with the main assumptions being reviewed annually. The principal actuarial assumptions adopted at that valuation were that, over the long term, the annual rate of return on new investments would be 2½% higher than the annual increase in total pensionable remuneration, 4½% higher than the annual increase in present and future pensions in payment, and 4½% higher than the annual increase in dividends receivable. The market value of the scheme at the date of the valuation was £5,315m and the actuarial value of the assets was sufficient to cover 119% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The employer's contribution rate over the average remaining service lives of the members of the scheme takes account of the surplus disclosed by the valuation.

#### Post-retirement benefits

Certain pensioners, mainly in the United Kingdom and the United States, are covered against the cost of private healthcare on similar terms to staff. In addition, certain members of staff may also become eligible for this benefit on retirement. Members of staff in the United Kingdom who had not satisfied the relevant criteria before 1st January 1991 are not eligible to receive this benefit upon retirement.

There are some 6,800 pensioners currently covered under this scheme. In addition, there are some 14,300 members of staff who may become eligible if they remain with the Group until retirement.

The scheme has been reviewed during the year and, in order to control future cost rises, it has been agreed for the present to limit the increase in costs incurred by Barclays Bank PLC in the United Kingdom each year to the movements in the Retail Price Index with members meeting any additional costs.

Although the Group is not required by UITF no. 6 to account for this benefit until 1994, it has been decided to commence accruing the additional cost in this year's accounts. The method adopted is to spread the previously unprovided liability forward over the expected service lives of the relevant current employees. In prior years, this benefit was accounted for on a cash basis and an amount of £5m was charged in the accounts for the year ended 31st December 1992.

#### Profit sharing

A profit sharing scheme, based on Group earnings, has been operated since 1974. Participants in the 1974 scheme (as renewed in 1984) are employees of the Bank, including executive Directors, but excluding staff employed in BZW division, and employees of most of its UK subsidiary companies. Participants can elect to take their entitlement either in cash after deduction of income tax or in Ordinary Shares of Barclays PLC of the equivalent current market value.

#### Average number of employees

The average number of persons employed by the Group world wide during the year was made up as follows:

	1993	1992
Managers	17,800	18,800
Clerical staff	75,700	81,600
Others	5,500	6,500
	<b>99,000</b>	<b>106,900</b>

In addition, the average number of representatives of Barclays Life Assurance Company, whose remuneration is reflected in the valuation of long-term assurance policies, was:

	1,500	1,500
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## Barclays PLC Notes to the accounts

### 6 Administrative expenses – other

	1993	1992
	£m	£m
<b>Property and equipment expenses</b>		
Hire of equipment	42	36
Property rentals	226	204
Other property and equipment expenses	554	482
	<b>822</b>	<b>722</b>
<b>Other administrative expenses</b>		
Stationery, postage and telephones	236	237
Advertising	111	102
Travel	98	88
Legal, professional and consultancy	167	141
Other	353	338
	<b>1,787</b>	<b>1,628</b>

Legal, professional and consultancy fees include auditors' remuneration and expenses amounting to £4.7m (1992 £4.1m). Also included are fees and expenses paid to the Group's main auditors for non-audit work amounting to £7.2m (1992 £8.1m), of which £5.3m (1992 £6.0m) related to the United Kingdom. The fees for non-audit work include £2.1m (1992 £2.3m) in respect of regulatory and accounting related work, £0.4m (1992 £0.5m) for tax advice, £3.8m (1992 £4.5m) in regard to consultancy assignments and £0.9m (1992 £0.8m) for insolvency related activities.

### 7 Depreciation and amortisation

	1993	1992
	£m	£m
Property depreciation	55	52
Equipment depreciation	180	186
Loss on sale of equipment	6	13
	<b>241</b>	<b>251</b>
Provision for diminution in the value of the Bank's head office in Paris	70	–
	<b>311</b>	<b>251</b>

### 8 Write-down of surplus properties

UK properties which are surplus to current operational requirements have been written down to their current estimated market value.

### 9 Loss on disposal of Group undertakings

In 1992, the Group sold the business of Barclays Bank of New York and also the shareholding in Allied Trust Bank. The loss included £42m in respect of goodwill on acquisition, previously written off directly to reserves.

## Notes to the accounts Barclays PLC

### 10 Taxation

	1993	1992
	£m	£m
The taxation charge assumes a United Kingdom corporation tax rate of 33% (1992 33%), and comprises:		
United Kingdom corporation tax, including deferred taxation credit of £42m (1992 charge £16m)	<b>259</b>	(13)
Relief for overseas taxation	<b>(47)</b>	(37)
	<b>212</b>	(50)
Overseas taxation	<b>69</b>	81
	<b>281</b>	31
Associated undertakings, including overseas taxation of £4m (1992 £9m)	<b>1</b>	12
Charge for the year	<b>282</b>	43

In 1993, the overall tax charge of 42% reflects primarily the lack of tax relief on non-allowable provisions and certain overseas losses which was partially offset by deferred tax not provided on leasing transactions.

The United Kingdom tax charge includes £53m (1992 £35m) in respect of notional taxation on franked investment income and on the shareholders' interest in the increase in value of the long-term assurance fund.

The total deferred taxation credit included above is £89m (1992 charge £23m).

### 11 Profit/(loss) attributable to members of Barclays PLC

Of the profit attributable to the members, a profit of £162m (1992 £327m), being dividends received from Barclays Bank PLC, is dealt with in the accounts of Barclays PLC.

### 12 Dividends

	1993	1993	1992	1992
	pence	£m	pence	£m
<b>On Ordinary Shares</b>	<b>per share</b>		<b>per share</b>	
First interim dividend	<b>6.50</b>	<b>105</b>	9.15	147
Second interim dividend	<b>8.65</b>	<b>141</b>	6.00	96
	<b>15.15</b>	<b>246</b>	15.15	243

Dividends amounting to £0.1m are payable on the Staff Shares, which carry a fixed dividend of 14% per annum unless no dividend is paid for the year on the Ordinary Shares.

### 13 Profit/(loss) retained

	1993	1992
	£m	£m
Profit/(loss) retained is dealt with by:		
Barclays PLC	<b>(84)</b>	84
Subsidiary undertakings	<b>136</b>	(672)
	<b>52</b>	(588)
Associated undertakings	<b>15</b>	2
	<b>67</b>	(586)

### 14 Earnings/(loss) per Ordinary Share

Earnings/(loss) per Ordinary Share is based upon the results after deducting taxation, profit attributable to minority interests and dividends on Staff Shares.

Earnings amount to £313m (1992 loss £343m) and are related to the weighted average of Ordinary Shares in issue during the year of 1,616 million (1992 1,603 million). The exercise of existing options granted under the Executive and SAYE Share Option Schemes would not have a material effect on earnings per Ordinary Share.

## Barclays PLC Notes to the accounts

### 15 Operations by geographical segment

	United Kingdom	Other European Union	North America	Rest of the world	Group
1993	£m	£m	£m	£m	£m
Interest receivable	7,528	1,604	1,192	761	11,085
Dividend income	22	3	–	–	25
Fees and commissions receivable	2,093	200	14	313	2,620
Dealing profits/(losses)	612	74	(2)	97	781
Other income	192	22	55	8	277
<b>Gross income</b>	<b>10,447</b>	<b>1,903</b>	<b>1,259</b>	<b>1,179</b>	<b>14,788</b>
Profit/(loss) on ordinary activities before tax	1,229	(212)	(523)	170	664
Total assets	116,362	17,005	20,735	11,906	166,008
Net assets	4,186	584	826	393	5,989
<b>1992</b>					
Interest receivable	9,217	1,745	1,242	764	12,968
Dividend income	22	–	–	–	22
Fees and commissions receivable	1,853	179	195	185	2,412
Dealing profits	372	39	5	75	491
Other income	171	36	26	18	251
<b>Gross income</b>	<b>11,635</b>	<b>1,999</b>	<b>1,468</b>	<b>1,042</b>	<b>16,144</b>
Profit/(loss) on ordinary activities before tax	(200)	(129)	(29)	116	(242)
Total assets	109,487	17,759	22,285	10,326	159,857
Net assets	4,183	538	770	471	5,962

The United Kingdom and the United States are the only countries which account for more than 10% of total assets.

### 16 Operations by class of business segment

	Commercial banking activities	Investment banking activities	Central Group functions	Group
1993	£m	£m	£m	£m
Gross income	10,393	4,201	194	14,788
Profit/(loss) on ordinary activities before tax	288	456	(80)	664
Total assets	97,037	65,796	3,175	166,008
Net assets	4,847	920	222	5,989
<b>1992</b>				
Gross income	11,990	3,976	178	16,144
Profit/(loss) on ordinary activities before tax	(270)	246	(218)	(242)
Total assets	101,936	54,919	3,002	159,857
Net assets	5,025	787	150	5,962

In respect of the Group's leasing activities, the aggregate rentals received and receivable during the year under finance leases are £1,386m (1992 £1,525m).

## Notes to the accounts    Barclays PLC

### 17 Treasury bills and other eligible bills

	1993 £m	1992 £m
Treasury bills	4,775	6,107
Other eligible bills	1,178	2,789
	<b>5,953</b>	<b>8,896</b>

Treasury bills and other eligible bills comprise:

Banking business	5,767	8,223
Securities business	186	673
	<b>5,953</b>	<b>8,896</b>

The total amount of treasury bills and other eligible bills included above, which are subject to sale and repurchase agreements, was £421m at 31st December 1993 (1992 £977m).

### 18 Loans and advances to banks

	1993 £m	1993 £m	1992 £m	1992 £m
<b>Repayable</b>				
on demand		2,686		2,649
not more than three months		13,451		11,907
over three months but not more than one year		5,918		5,504
over one year but not more than five years		823		741
over five years		566		757
		<b>23,444</b>		<b>21,558</b>
Less:				
Provisions (mainly country risk)	187		230	
Interest in suspense	4		30	
		<b>191</b>		<b>260</b>
		<b>23,253</b>		<b>21,298</b>

Loans and advances to banks comprise:

Banking business	21,364	20,606
Securities business	2,080	952
	<b>23,444</b>	<b>21,558</b>

#### By geographical area

United Kingdom	12,240	11,448
Other European Union	3,843	3,882
North America	4,329	3,199
Rest of the world	3,032	3,029
	<b>23,444</b>	<b>21,558</b>

At 31st December 1993 and 31st December 1992 there are loans and advances to banks outstanding from associated undertakings of £1m.

The Group is required to maintain balances with central banks and other regulatory authorities and these amount to £571m at 31st December 1993 (1992 £597m).

## Barclays PLC Notes to the accounts

### 19 Loans and advances to customers

	1993	1993	1992	1992
	£m	£m	£m	£m
<b>Repayable</b>				
on demand		15,897		14,490
not more than three months		25,320		20,128
over three months but not more than one year		10,614		13,248
over one year but not more than five years		20,536		21,374
over five years		25,195		27,394
		<b>97,562</b>		<b>96,634</b>
Less:				
Provisions	3,577		3,215	
Interest in suspense	157		138	
		<b>3,734</b>		<b>3,353</b>
		<b>93,828</b>		<b>93,281</b>

Loans and advances to customers comprise:

Loans and advances:				
Banking business		80,660		83,494
Securities business		11,412		7,971
Finance lease receivables		5,490		5,169
		<b>97,562</b>		<b>96,634</b>

### By geographical area

United Kingdom		70,475		68,259
Other European Union		8,350		9,147
North America		13,180		14,028
Rest of the world		5,557		5,200
		<b>97,562</b>		<b>96,634</b>

At 31st December 1993 and 31st December 1992, there are no loans and advances to customers outstanding from associated undertakings.

Assets acquired in the year for letting under finance leases amount to £1,140m (1992 £1,321m).

No one concentration of lendings, other than home mortgages in the United Kingdom, accounts for more than 10% of Group lendings, and no individual country, other than the United Kingdom and the United States, accounts for more than 5% of Group lendings.

### 20 Exposures to countries experiencing liquidity problems

	Developing countries		Developed countries	
	1993	1992	1993	1992
	£m	£m	£m	£m
Country risk exposure (a)(b)	657	762	592	710
Country risk provision including suspended interest (c)(d)	(324)	(440)	(234)	(222)
Country risk exposure, net of provision	<b>333</b>	<b>322</b>	<b>358</b>	<b>488</b>
	%	%	%	%
Provision as a % of exposure	49	58	40	31
Net exposure as a % of total assets	0.2	0.2	0.2	0.3
Net exposure as a % of Ordinary shareholders' funds	6.3	6.1	6.7	9.2

(a) Excluding £1,118m (1992 £997m) of trade debts that are current and not affected by restrictions on payment.

(b) Country risk exposure includes £11m (1992 £11m) acquired through exchanges of debts of different countries. The cost of these debts is £9m (1992 £9m).

(c) Suspended interest amounts to £31m (1992 £71m).

(d) In addition, a provision of £7m (1992 £14m) is held in respect of the Group's share of similar lendings by other companies in which the Group has an interest.



## Notes to the accounts    Barclays PLC

### 21 Provisions for bad and doubtful debts

	1993 Specific £m	1993 General £m	1993 Total £m	1992 Specific £m	1992 General £m	1992 Total £m
<b>Movements in provisions for bad and doubtful debts</b>						
Provisions at beginning of year	2,755	690	3,445	2,084	468	2,552
Changes in Group structure	(11)	–	(11)	8	(22)	(14)
Exchange and other adjustments	32	(6)	26	237	18	255
	<b>2,776</b>	<b>684</b>	<b>3,460</b>	<b>2,329</b>	<b>464</b>	<b>2,793</b>
Charge for the year, net of recoveries of £123m (1992 £60m)	1,764	105	1,869	2,239	226	2,465
Amounts written off, net of recoveries	(1,565)	–	(1,565)	(1,813)	–	(1,813)
Provisions at end of year	<b>2,975</b>	<b>789</b>	<b>3,764</b>	<b>2,755</b>	<b>690</b>	<b>3,445</b>

#### Provisions at 31st December

	1993 £m	1992 £m
<b>Specific – credit risk:</b>		
United Kingdom	1,415	1,362
Other European Union	411	330
North America	506	344
Rest of the world	109	114
	<b>2,441</b>	<b>2,150</b>
<b>General – credit risk</b>	<b>789</b>	<b>690</b>
	<b>3,230</b>	<b>2,840</b>
<b>Specific – country risk</b>	<b>534</b>	<b>605</b>
	<b>3,764</b>	<b>3,445</b>

#### Charge for the year

<b>Specific provisions – credit risk:</b>		
United Kingdom	1,286	1,920
Other European Union	185	140
North America	322	183
Rest of the world	10	31
	<b>1,803</b>	<b>2,274</b>
Opening general provisions, net of exchange and other adjustments	(684)	(464)
	<b>1,119</b>	<b>1,810</b>
New general provisions – credit risk	789	690
	<b>1,908</b>	<b>2,500</b>
Specific provisions – country risk	(39)	(35)
	<b>1,869</b>	<b>2,465</b>

### 22 Interest in suspense

	1993 £m	1992 £m
<b>Movement in interest in suspense</b>		
At beginning of year	168	134
Net interest suspended during year	36	69
	<b>204</b>	<b>203</b>
Interest written off	(41)	(36)
Exchange and other adjustments	(2)	1
At end of year	<b>161</b>	<b>168</b>

#### Loans and advances where interest is being suspended at end of year

Before provisions	1,017	1,061
After provisions	551	445

Interest in suspense includes £4m in respect of loans and advances to banks (1992 £30m) with the remainder being in respect of loans and advances to customers.

## Barclays PLC Notes to the accounts

### 23 Debt securities

	1993 Balance sheet £m	1993 Valuation £m	1992 Balance sheet £m	1992 Valuation £m
<b>Investment securities:</b>				
British government	2,045	2,095	958	972
other government	2,100	2,135	706	708
other public sector bodies	67	69	69	69
other issuers	970	1,031	1,083	1,111
	<b>5,182</b>	<b>5,330</b>	2,816	2,860
<b>Other securities:</b>				
British government	1,617	1,617	663	663
other government	4,711	4,711	3,100	3,100
other public sector bodies	318	318	59	59
bank and building society certificates of deposit	5,344	5,344	4,176	4,176
other issuers	2,426	2,426	1,615	1,615
	<b>19,598</b>	<b>19,746</b>	12,429	12,473
<b>Debt securities comprise:</b>				
Banking business	12,861	13,009	7,355	7,399
Securities business	6,737	6,737	5,074	5,074
	<b>19,598</b>	<b>19,746</b>	12,429	12,473
Listed on a recognised UK stock exchange	4,265	4,353	2,121	2,150
Listed elsewhere	4,935	4,969	2,720	2,735
Unlisted:				
certificates of deposit	5,344	5,344	4,176	4,176
other	5,054	5,080	3,412	3,412
	<b>19,598</b>	<b>19,746</b>	12,429	12,473

	1993 Cost £m	1993 Provisions £m	1993 Balance sheet £m
<b>Movements in investment securities</b>			
At beginning of year	2,821	(5)	2,816
Exchange adjustments	(60)	-	(60)
Acquisitions	4,291	-	4,291
Disposals (net of profit/(loss) on sales and redemptions)	(1,909)	-	(1,909)
Transfers	102	(5)	97
Provisions made	-	(2)	(2)
Provisions written off	(1)	1	-
Amortisation of discounts and premiums	(51)	-	(51)
At end of year	<b>5,193</b>	<b>(11)</b>	<b>5,182</b>

The valuation of listed securities is at mid-market prices and that of unlisted securities is based on the Directors' estimate.

The total value of debt securities at 31st December 1993 includes securities which are subject to sale and repurchase agreements of £5,794m (1992 £3,877m), subordinated debt securities of £23m (1992 £3m) and unamortised net premium on investment securities of £23m (1992 £10m). The value of securities due within one year at 31st December 1993 was £5,947m (1992 £5,411m). The Group had no holdings of securities issued by associated undertakings at 31st December 1993 or 31st December 1992.

Barclays PLC holds, as an investment, British government stock with a book value of £0.1m (1992 £0.1m). As part of its normal market making activities, BZW holds positions in Barclays Bank PLC's loan capital and Barclays PLC's Ordinary Shares.

The cost of other securities is not available and would be unreasonably expensive to obtain.

## Notes to the accounts    Barclays PLC

### 24 Equity shares

	1993 Balance sheet £m	1993 Valuation £m	1992 Balance sheet £m	1992 Valuation £m
Investment securities	166	181	163	183
Other (principally securities business)	2,202	2,202	1,105	1,105
	<b>2,368</b>	<b>2,383</b>	1,268	1,288
Equity shares comprise:				
Banking business	202	217	183	203
Securities business	2,166	2,166	1,085	1,085
	<b>2,368</b>	<b>2,383</b>	1,268	1,288
Listed on a recognised UK stock exchange				
	941	944	733	736
Listed elsewhere	1,203	1,213	327	332
Unlisted	224	226	208	220
	<b>2,368</b>	<b>2,383</b>	1,268	1,288

	1993 Cost £m	1993 Provisions £m	1993 Balance sheet £m
<b>Movements in investment securities</b>			
At beginning of year	185	(22)	163
Exchange adjustments	16	-	16
Acquisitions	115	-	115
Disposals (net of profit/(loss) on sale)	(77)	-	(77)
Transfers	(54)	15	(39)
Provisions made	-	(12)	(12)
Provisions written off	(11)	11	-
At end of year	<b>174</b>	<b>(8)</b>	<b>166</b>

The total value of equity shares included above, and transferred under sale and repurchase agreements, was £7m at 31st December 1993 (1992 £1m).

The cost of other securities is not available and would be unreasonably expensive to obtain.

### 25 Interests in associated undertakings

Additional information regarding associated undertakings is given in note 54.

	1993 £m	1992 £m
<b>Share of net assets</b>		
At beginning of year	188	211
Exchange and other adjustments	(2)	10
Acquisitions	1	3
Disposals (net of profit/(loss) on sale)	(5)	(38)
Transfers	10	-
Profit retained	15	2
At end of year	<b>207</b>	<b>188</b>

Associated undertakings, all of which are unlisted, include £41m in respect of banks (1992 £30m).

Dividends receivable from associated undertakings amount to £9m (1992 £13m).

On an historical cost basis, the Group's interest in associated undertakings at 31st December 1993 amounts to £63m (1992 £53m).

## Barclays PLC    Notes to the accounts

### 26 Tangible fixed assets

<b>Cost or valuation</b>	<b>Property £m</b>	<b>Equipment £m</b>
At beginning of year	1,905	1,378
Changes in Group structure	7	(2)
Exchange and other adjustments	(42)	(39)
Additions at cost	97	164
Disposals	(46)	(101)
Write-down of surplus properties	(15)	-
<b>At end of year</b>	<b>1,906</b>	<b>1,400</b>

<b>Cost or valuation</b>		
At valuation		
1979 to 1993	1,096	-
At cost	810	1,400
<b>At end of year</b>	<b>1,906</b>	<b>1,400</b>

<b>Accumulated depreciation and diminution in value</b>		
At beginning of year	240	833
Changes in Group structure	-	(3)
Exchange and other adjustments	(5)	(26)
Provisions for year	125	180
Disposals	(7)	(68)
<b>At end of year</b>	<b>353</b>	<b>916</b>

<b>Net book value</b>		
31st December 1993	1,553	484
31st December 1992	1,665	545

<b>Balance sheet value of property</b>	<b>1993 £m</b>	<b>1992 £m</b>
Freehold	1,120	1,236
Leasehold over 50 years unexpired	120	124
Leasehold up to 50 years unexpired	193	201
Assets in the course of construction	120	104
	<b>1,553</b>	<b>1,665</b>

<b>Historical cost of property</b>		
At cost	1,575	1,548
Accumulated depreciation and diminution in value	384	251
<b>Net book value</b>	<b>1,191</b>	<b>1,297</b>

All equipment is valued at depreciated cost. The net book value of property occupied by the Group for its own use was £1,523m at 31st December 1993 (1992 £1,540m). The net book value includes £4m (1992 £4m) in respect of equipment held under finance leases, on which the depreciation charge is £2m (1992 £2m). The book value of property at 31st December 1993 includes £424m (1992 £443m) in respect of land.

The write-down of surplus properties in the year comprises £7m in respect of overseas property charged against the revaluation reserve and £8m in respect of UK properties charged to the profit and loss account.

The depreciation provision for the year includes £70m in respect of the permanent diminution in the value of the Bank's head office in Paris.

## Notes to the accounts    Barclays PLC

### 27 Commitments for capital expenditure not provided in these accounts

Commitments for capital expenditure under contract amount to £51m (1992 £81m). Capital expenditure authorised, but not yet contracted, totals £26m (1992 £31m).

### 28 Other assets

	1993	1992
	£m	£m
Balances arising from off-balance sheet financial instruments	6,725	9,645
Items in transit	435	379
Purchased mortgage servicing rights	180	372
Shareholders' interest in the long-term assurance fund	361	289
London Metal Exchange warrants and other metals trading positions	1,649	537
Sundry debtors	1,210	1,701
	<b>10,560</b>	<b>12,923</b>

### 29 Prepayments and accrued income

	1993	1992
	£m	£m
Accrued interest and commission	1,422	1,860
Prepayments	156	195
	<b>1,578</b>	<b>2,055</b>

### 30 Future rental commitments under operating leases

	1993		1992	
	Property £m	Equipment £m	Property £m	Equipment £m
Annual commitments under non-cancellable operating leases expiring:				
not more than one year	5	11	4	11
over one year but not more than five years	23	5	23	13
over five years	145	1	152	1
	<b>173</b>	<b>17</b>	<b>179</b>	<b>25</b>

### 31 Long-term assurance fund

The long-term assurance fund assets attributable to policyholders comprise:

	1993	1992
	£m	£m
Assets		
Investments	2,861	1,922
Group undertakings	32	9
Other debtors	41	26
	<b>2,934</b>	<b>1,957</b>
Current liabilities	42	17
	<b>2,892</b>	<b>1,940</b>

## Barclays PLC    Notes to the accounts

### 32 Deposits by banks

	1993	1992
	£m	£m
<b>Repayable</b>		
on demand	1,796	4,055
not more than three months	25,234	18,618
over three months but not more than six months	2,074	1,959
over six months but not more than one year	1,118	1,545
over one year but not more than five years	529	583
over five years	229	15
	<b>30,980</b>	26,775

#### By geographical area

United Kingdom	15,699	11,381
Other European Union	6,107	5,771
North America	6,789	6,872
Rest of the world	2,385	2,751
	<b>30,980</b>	26,775

Deposits by banks comprise:

Banking business	28,005	24,179
Securities business	2,975	2,596
	<b>30,980</b>	26,775

Deposits by banks at 31st December 1993 include £1m due to associated undertakings (1992 £6m).

### 33 Customer accounts

	1993	1992
	£m	£m
<b>Repayable</b>		
on demand	36,836	33,041
not more than three months	48,216	48,217
over three months but not more than six months	1,720	2,002
over six months but not more than one year	1,576	1,780
over one year but not more than five years	760	1,442
over five years	797	758
	<b>89,905</b>	87,240

#### By geographical area

United Kingdom	69,085	66,782
Other European Union	7,964	7,626
North America	6,454	6,727
Rest of the world	6,402	6,105
	<b>89,905</b>	87,240

Customer accounts comprise:

Banking business	80,096	80,238
Securities business	9,809	7,002
	<b>89,905</b>	87,240

## Notes to the accounts    Barclays PLC

### 33 Customer accounts (continued)

By type	1993 £m	1992 £m
In offices in the United Kingdom		
Current and demand accounts – interest free	10,734	8,336
Current and demand accounts – interest bearing	8,477	7,482
Savings accounts	21,791	22,681
Other time deposits – retail	12,372	13,069
Other time deposits – wholesale	15,807	15,213
In offices outside the United Kingdom		
Current and demand accounts – interest free	3,264	2,202
Current and demand accounts – interest bearing	4,995	5,041
Savings accounts	871	837
Other time deposits	11,594	12,379
	<b>89,905</b>	<b>87,240</b>

There were no customer accounts payable to associated undertakings at 31st December 1993 or 31st December 1992.

### 34 Debt securities in issue

	1993 £m	1992 £m
Bonds and medium term notes repayable:		
within one year	24	121
one year and over	753	964
	<b>777</b>	<b>1,085</b>
Other debt securities in issue repayable:		
not more than three months	9,293	8,268
over three months but not more than one year	1,292	2,246
over one year but not more than five years	597	513
over five years	444	266
	<b>12,403</b>	<b>12,378</b>

Debt securities at 31st December 1993 include certificates of deposit of £9,322m (1992 £8,997m) and commercial paper of £2,050m (1992 £2,251m). There were no balances due to associated undertakings at 31st December 1993 or 31st December 1992.

### 35 Other liabilities

	1993 £m	1992 £m
Obligations under finance leases payable:		
not more than one year	63	54
over one year, but not more than five years	98	72
over five years	3	12
	<b>164</b>	<b>138</b>
Less: future finance charges	22	8
	<b>142</b>	<b>130</b>
Balances arising from off-balance sheet financial instruments	5,241	9,418
Short positions in securities	5,834	4,666
Current taxation	444	202
Sundry creditors	3,438	2,801
Items in transit	339	509
	<b>15,438</b>	<b>17,726</b>

## Barclays PLC    Notes to the accounts

### 35 Other liabilities (continued)

	1993	1992
	£m	£m
Short positions in securities comprise:		
Treasury bills and other eligible bills	292	445
Debt securities – government	3,240	3,187
Debt securities – other public sector	674	73
Debt securities – other	509	205
Equity shares	1,119	756
	<b>5,834</b>	<b>4,666</b>

### 36 Accruals and deferred income

	1993	1992
	£m	£m
Accrued interest and commission	848	1,118
Other accruals and deferred income	943	861
	<b>1,791</b>	<b>1,979</b>

### 37 Deferred taxation

	1993	1992
	£m	£m
At beginning of year	508	524
Exchange and other adjustments	(4)	(39)
(Credit)/charge to profit and loss account	(89)	23
At end of year	<b>415</b>	<b>508</b>
Deferred taxation at 31st December:		
Leasing transactions	729	702
Other timing differences	(314)	(194)
	<b>415</b>	<b>508</b>

Potential taxation liabilities not provided in the accounts in respect of leasing transactions are computed at estimated future tax rates and amount to £201m (1992 £169m).

No taxation is provided on capital gains which might arise on the disposal of Group subsidiary or associated undertakings at their balance sheet amounts. Furthermore, no provision is made for taxation on capital gains which might arise on the disposal of properties at their balance sheet amounts, as the Directors are of the opinion that, in view of the substantial number of properties involved and the law relating to rollover relief, the likelihood of any such material taxation liability arising is remote and no useful purpose would be served by attempting to quantify it.

### 38 Other provisions for liabilities and charges

	Contingent liabilities and commitments	Other	Total
	£m	£m	£m
At beginning of year	30	48	78
Exchange and other adjustments	1	1	2
Charge to profit and loss account	49	46	95
Amounts utilised or written off	(1)	(21)	(22)
At end of year	<b>79</b>	<b>74</b>	<b>153</b>

Other provisions and charges include post-retirement healthcare liabilities accrued of £12m.



## Notes to the accounts Barclays PLC

### 39 Undated loan capital

Undated loan capital, issued by Barclays Bank PLC (the Bank) for the development and expansion of the Group's business and to strengthen its capital base, comprises:

	1993	1992
	£m	£m
Junior Undated Floating Rate Notes (US\$247m)	167	219
Undated Floating Rate Primary Capital Notes Series 1 (US\$511m)	346	397
Undated Floating Rate Primary Capital Notes Series 2 (US\$743m)	502	574
Undated Floating Rate Primary Capital Notes Series 3	200	200
8% Convertible Capital Notes, Series E (US\$500m)	338	–
9.875% Undated Subordinated Notes	300	–
9% Permanent Interest Bearing Capital Bonds	100	–
7.875% Undated Subordinated Notes	100	–
	<b>2,053</b>	<b>1,390</b>

### Security and subordination

None of the Bank's undated loan capital is secured.

The Junior Undated Floating Rate Notes (the Junior Notes) rank behind the claims against the Bank of depositors and other unsecured unsubordinated creditors and holders of dated loan capital. All other issues of undated loan capital rank pari passu with each other and behind the claims of the holders of the Junior Notes.

### Interest

The Junior Notes, the Undated Floating Rate Primary Capital Notes Series 1 (the Series 1 Notes) and the Undated Floating Rate Primary Capital Notes Series 2 (the Series 2 Notes) bear interest fixed in advance for periods of six months. At 31st December 1993, the rates were  $3^{13/16}\%$  (1992  $3^{7/8}\%$ ) on the Junior Notes,  $3^{5/8}\%$  (1992  $3^{15/16}\%$ ) on the Series 1 Notes and  $3^{9/16}\%$  (1992  $3^{5/8}\%$ ) on the Series 2 Notes. The Undated Floating Rate Primary Capital Notes Series 3 (the Series 3 Notes) bear interest at rates fixed in advance for periods of three months and, at 31st December 1993, the rate was  $6^{5/16}\%$  (1992  $8^{9/16}\%$ ). In each case, interest is fixed at  $1/4\%$  or  $1/2\%$  above rates determined by reference to the London inter-bank market for each interest period. In the case of the Series 3 Notes, the rate will rise to 0.7% above the London Inter-Bank Offered Rate (LIBOR) in 1999 and 1% above LIBOR in 2009.

The interest rates on the 9.875% Undated Subordinated Notes (the 9.875% Notes) and the 7.875% Undated Subordinated Notes (the 7.875% Notes) are fixed until May 2008 and October 2003 respectively. The interest rates on the 8% Convertible Capital Notes, Series E (the Series E Notes) and the 9% Permanent Interest Bearing Capital Bonds (the 9% Bonds) are fixed for the life of those issues.

The Bank is not obliged to make a payment of interest on its undated loan capital (other than the Junior Notes) if, in the preceding six months, a dividend has not been declared or paid on any class of shares of Barclays PLC or, in certain cases, any class of preference shares of the Bank. Interest not so paid becomes payable if such a dividend is subsequently paid or in certain other circumstances. No payment of principal or any interest may be made unless the Bank satisfies a specified solvency test.

Interest on undated loan capital amounts to £97m (1992 £68m).

### Repayment and conversion

The Junior Notes are repayable, at the option of the Bank, in whole or in part on any interest payment date. The Series 1 Notes, the Series 2 Notes and the Series 3 Notes are repayable in each case, at the option of the Bank, in whole on any interest payment date (in the case of the Series 3 Notes, falling in or after October 1994). The 9.875% Notes are repayable, at the option of the Bank, in whole in May 2008 or any fifth anniversary thereafter. The 9% Bonds are repayable, at the option of the Bank, in whole at any time and the 7.875% Notes are so repayable at any time up to and including October 2003 or on any tenth anniversary thereafter.

The Series E Notes are repayable, at the option of the Bank, in whole on any interest payment date falling in or after April 2003 and are convertible, at the option of the Bank, into Non-cumulative Dollar-denominated Preference Shares of the Bank.

In addition, each issue of the Bank's undated loan capital is repayable, at the Bank's option, at any time for certain tax reasons. There are no events of default except non-payment of principal or mandatory interest.

During the year, the Bank repurchased US\$299m of Junior Notes, Series 1 Notes and Series 2 Notes at a discount of US\$34m (£22m).

## Barclays PLC Notes to the accounts

### 40 Dated loan capital

Dated loan capital, which is raised by the Bank and its finance subsidiaries for the development and expansion of the Group's business, comprises:

	Repayment terms	1993 £m	1992 £m
<b>The Bank</b>			
8¼% Unsecured Capital Loan Stock 1986/93		–	59
10¼% Senior Subordinated Bonds 1997		250	250
12¾% Senior Subordinated Bonds 1997		200	200
8.8% Subordinated Redeemable Bonds 1998 (FFr 600m)		69	–
9.5% Subordinated Redeemable Bonds 2001 (FFr 350m)		40	–
Floating Rate Senior Subordinated Bonds 2001	(a)	50	50
Floating Rate Unsecured Capital Loan Stock 2006	(a) (b)	6	7
16% Unsecured Capital Loan Stock 2002/07	(a)	100	100
12% Unsecured Capital Loan Stock 2010		25	25
Floating Rate Unsecured Capital Loan Stock 2010	(a) (d)	1	1
<b>Barclays Overseas Investment Company B.V. (BOIC)</b>			
6% Guaranteed Bonds 1996 (Yen 40,000m)		242	212
8½% Unsecured Bearer Bonds 1983/98 (DM250m)	(a) (c)	97	102
Guaranteed Floating Rate Notes 2001 (Ecu 105m)	(a)	79	84
Guaranteed Floating Rate Notes 2004 (US\$350m)		–	231
Guaranteed Notes 2007 (Yen 15,000m)	(a)	91	79
<b>Barclays North American Capital Corporation (BNACC)</b>			
11½% Guaranteed Capital Notes 2003 (US\$400m)	(a)	271	265
10½% Guaranteed Capital Notes 2017 (US\$400m)	(a)	271	265
9¾% Guaranteed Capital Notes 2021 (US\$500m)	(a)	338	331
<b>Barclays Bank SA (France)</b>			
8.8% Subordinated Redeemable Bonds 1998 (FFr 600m)		–	72
9.5% Subordinated Redeemable Bonds 2001 (FFr 350m)		–	42
		<b>2,130</b>	<b>2,375</b>
<b>Repayable</b>			
not more than one year		19	59
over one year but not more than two years		19	20
over two years but not more than five years		820	724
over five years		1,272	1,572
		<b>2,130</b>	<b>2,375</b>

None of the Group's dated loan capital is secured. The debt obligations of the Bank, BOIC and BNACC rank ahead of the interests of holders of their equity.

Dated loan capital of the Bank has been issued on the basis that the claims thereunder are subordinated to the claims of depositors and other unsecured unsubordinated creditors. Loan capital issued by BOIC and BNACC carries the guarantee of the Bank, which is subordinated on a similar basis.

Floating rate loan capital issues (other than the Guaranteed Notes 2007 and the Floating Rate Unsecured Capital Loan Stock 2010) bear interest at rates fixed in advance for periods of six months. At 31st December 1993, the rates were 5.8625% (1992 7.65156%) on the Floating Rate Senior Subordinated Bonds 2001, 5¾% (1992 6¾%) on the Floating Rate Unsecured Capital Loan Stock 2006 and 7.7075% (1992 12.02%) on the Guaranteed Floating Rate Notes 2001. The coupons of the Guaranteed Notes 2007 have been swapped until March 2002, resulting in an interest rate payable until then of LIBOR plus 40 basis points (2.5875% at 31st December 1993, 4.2125% at 31st December 1992). After that date, the coupon will be LIBOR plus 115 basis points. Both rates are fixed in advance for periods of three months. The Floating Rate Unsecured Capital Loan Stock 2010 bears interest at rates fixed in advance for periods of three months and, at 31st December 1993, the rate was 5½% (1992 7%).

Interest on loan capital with a final maturity within five years amounts to £75m (1992 £67m).

In 1993, the Bank was substituted in the place of Barclays Bank SA, France, as the principal debtor in respect of both issues of French Franc Subordinated Redeemable Bonds. In September 1993, BOIC exercised its option to redeem the entire issue of US\$350m Guaranteed Floating Rate Notes 2004.

## Notes to the accounts    Barclays PLC

### 40 Dated loan capital (continued)

#### Repayment terms

Unless otherwise indicated, the Group's dated loan capital is redeemable only on maturity, subject, in particular cases, to provisions allowing an early redemption in the event of certain changes in tax law.

- (a) Repayable at the option of the issuer, prior to maturity, on conditions governing the respective debt obligations, some in whole or in part, and some only in whole.
- (b) Holders of the Floating Rate Unsecured Capital Loan Stock 2006 have certain cumulative rights to call for redemption of their holdings.
- (c) The DM250m 8<sup>1</sup>/<sub>8</sub>% Unsecured Bearer Bonds 1983/98 are repayable in five instalments of DM50m each, payable on 1st December of each of the years 1994 to 1998.
- (d) Holders of the Floating Rate Unsecured Capital Loan Stock 2010 have certain rights to call for the redemption of their holdings.

### 41 Other subordinated liabilities

	1993	1992
	£m	£m
Repayable:		
not more than one year	–	106
over one year but not more than two years	34	–
over two years but not more than five years	65	33
over five years	32	31
	<b>131</b>	<b>170</b>

Other subordinated liabilities comprise long-term borrowings of subsidiary undertakings, which are subordinated in respect of the claims of depositors and others against those subsidiary undertakings.

### 42 Called up share capital

The authorised share capital of Barclays PLC is £2,000m (1992 £2,000m), comprising 1,999 million (1992 1,999 million) Ordinary Shares of £1 each and 1 million (1992 1 million) Staff Shares of £1 each.

	1993	1992
	£m	£m
<b>Called up share capital, allotted and fully paid</b>		
Ordinary Shares:		
At beginning of year	1,609	1,598
Issued under profit sharing, share option and share dividend schemes	14	11
At end of year	<b>1,623</b>	<b>1,609</b>
Staff Shares	1	1
	<b>1,624</b>	<b>1,610</b>

It is not yet possible to quantify the amount which will be issued in 1994 under the UK Profit Sharing Schemes in respect of allocations of Ordinary Shares arising from the profit made in 1993, nor under the Share Dividend Scheme in respect of the second interim dividend for the year.

59.6 million (1992 65.2 million) options are outstanding under the terms of the SAYE Share Option Scheme and 2.9 million (1992 3.4 million) options are outstanding under the terms of the Executive Share Option Scheme, enabling certain Directors and members of staff to subscribe for Ordinary Shares between 1994 and 2003, at prices ranging from 256p to 501p per share.

## Barclays PLC Notes to the accounts

### 43 Reconciliation of movements in reserves

	Share premium account	Revaluation reserve	Profit and loss account	Total
	£m	£m	£m	£m
At 1st January 1992	1,015	84	3,042	4,141
Premium arising on shares issued	18	–	–	18
Exchange rate translation differences	–	6	50	56
Goodwill arising on acquisitions	–	–	(4)	(4)
Goodwill written back on disposals	–	–	42	42
Realisation of property revaluation surplus	–	(25)	25	–
Other items	–	–	2	2
Deficit absorbed	–	–	(586)	(586)
At 31st December 1992	1,033	65	2,571	3,669
Premium arising on shares issued	30	–	–	30
Exchange rate translation differences	–	(8)	(68)	(76)
Goodwill arising on acquisitions	–	–	(3)	(3)
Goodwill written back on disposals	–	–	3	3
Write-down of property against revaluation surplus	–	(7)	–	(7)
Realisation of property revaluation surplus	–	(7)	7	–
Other items	–	8	(3)	5
Profit retained	–	–	67	67
At 31st December 1993	1,063	51	2,574	3,688

The amount included in consolidated reserves in respect of overseas subsidiary and associated undertakings is £41m (1992 £214m), a substantial part of which is required to be retained by the undertakings concerned in order to comply with local banking requirements. If such overseas reserves were to be remitted, further taxation liabilities, which have not been provided for in these accounts, might arise.

Goodwill amounting to £513m (1992 £513m) has been charged against reserves in the current and prior years in respect of acquisitions. This amount is net of any goodwill attributable to subsidiary undertakings disposed of prior to the balance sheet date.

### 44 Shareholders' funds

	Consolidated	Barclays PLC	Associated undertakings
	£m	£m	£m
At beginning of year	5,279	5,279	135
Proceeds of shares issued (net of expenses)	44	44	–
Exchange rate translation differences	(76)	–	(3)
Goodwill arising on acquisitions	(3)	–	–
Goodwill written back on disposals	3	–	–
Write-down of property against revaluation surplus	(7)	–	–
Other items	5	–	(3)
Revaluation of investment in subsidiary undertakings	–	73	–
Profit/(loss) retained	67	(84)	15
At end of year	5,312	5,312	144

The shareholders' funds of Barclays PLC include share premium account of £1,063m (1992 £1,033m), profit and loss account of £881m (1992 £965m) and a revaluation reserve of £1,744m (1992 £1,671m). The revaluation reserve arises from the revaluation of the investment in Barclays Bank PLC.

## Notes to the accounts Barclays PLC

### 45 Financial instruments, contingent liabilities and commitments

In common with other banks, the Group conducts business involving acceptances, guarantees, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. In addition, there are other off-balance sheet financial instruments, including interest rate and currency swaps, financial futures contracts, forward contracts for the purchase and sale of foreign currencies and option contracts (all commonly known as derivatives), which are not reflected in the consolidated balance sheet.

Under internationally accepted banking supervision practice for the calculation of the risk associated with such off-balance sheet items, the contract or underlying principal amounts are initially converted to credit risk equivalents by applying specified conversion factors. In the case of interest and exchange rate related contracts, an assessment of the amounts at risk is arrived at by calculating the replacement cost at current market rates of all contracts where counterparty failure would result in loss. A further factor is then required to be added, representing potential increases in the amounts at risk arising from future movements in interest and exchange rates during the remaining lives of the contracts, and the resultant amounts are then risk weighted according to the nature of the counterparty and comprise:

	1993 Contract or underlying principal amount £m	1993 Risk weighted amount £m	1992 Contract or underlying principal amount £m	1992 Risk weighted amount £m
<b>Contingent liabilities</b>				
Acceptances and endorsements	3,696		3,796	
Guarantees and assets pledged as collateral security	7,459		7,864	
Other contingent liabilities	5,680		6,174	
	<b>16,835</b>	<b>9,153</b>	17,834	11,126
<b>Commitments</b>				
Commitments arising out of sale and option to resell transactions	5		158	
Other commitments:				
documentary credits and other short-term trade-related transactions	772		869	
forward asset purchases and forward deposits placed	266		170	
undrawn note issuance and revolving underwriting facilities	523		653	
undrawn formal standby facilities, credit lines and other commitments to lend				
over one year	11,129		9,958	
in one year or less	29,181		31,789	
	<b>41,876</b>	<b>5,714</b>	43,597	5,293
<b>Exchange rate contracts</b>	<b>249,545</b>	<b>1,828</b>	236,167	2,480
Replacement cost	3,999	-	7,204	-
<b>Interest rate contracts</b>	<b>358,942</b>	<b>2,418</b>	248,654	1,755
Replacement cost	3,742	-	5,797	-

There are £10,252m contract amount (1992 £13,777m) of exchange rate contracts and £35,367m contract amount (1992 £15,487m) of interest rate contracts which were made for asset/liability management purposes. The balance of exchange and interest rate contracts were made for trading purposes.

As an active participant in the world's international banking markets, the Group has a significant concentration of off-balance sheet items with the banking industry.

### Legal proceedings

The Group is also party to various legal proceedings, the ultimate resolution of which is not expected to have a material adverse effect on the financial position of the Group, or the results of its operations.

## Barclays PLC Notes to the accounts

### 46 Investment in Barclays Bank PLC

The investment in Barclays Bank PLC is stated in the balance sheet at Barclays PLC's share of the book value of the net tangible assets of Barclays Bank PLC, as the Directors are of the opinion that this fairly represents the value of the investment. The net increase of £117m during the year comprises the cost of additional shares of £44m and an increase of £73m in other net tangible assets of Barclays Bank PLC. The cost of the investment is £3,119m (1992 £3,075m).

In the consolidated balance sheet, Preference Shares issued by Barclays Bank PLC (US\$937m) are included in minority interests at their sterling equivalent of £633m (1992 £619m). In the consolidated profit and loss account, dividends on the Preference Shares of £55m (1992 £45m) are included in profit attributable to minority interests.

Details of the principal subsidiary and associated undertakings, held through Barclays Bank PLC, are shown in note 54.

### 47 Reconciliation of operating profit to net cash flow from operating activities

	1993	1992
	£m	£m
Operating profit/(loss)	648	(127)
Provisions for bad and doubtful debts	1,869	2,465
Decrease in interest and commission receivable	400	384
Decrease in interest and commission payable	(262)	(560)
Depreciation and amortisation	305	238
Profits on sale of debt and equity securities	(17)	(18)
Profits on sale of subsidiary and associated undertakings	(1)	(10)
Losses/(profits) on sale of property and equipment	4	(4)
Gain on repurchase of undated loan capital	(22)	–
Increase in value of long-term assurance policies	(107)	(67)
Interest on dated and undated loan capital and other subordinated liabilities	319	295
Net cash flow from trading activities	3,136	2,596
Net increase in deposits by banks	4,380	4,181
Net increase/(decrease) in customer demand and time deposits and savings accounts	3,224	(2,968)
Net increase in debt securities in issue	43	539
Net (decrease)/increase in accrued expenses and other credit balances	(2,155)	7,653
Net decrease/(increase) in loans and advances to banks	985	(1,044)
Net increase in loans and advances to customers	(1,202)	(3,896)
Net decrease/(increase) in other assets and prepayments	1,947	(6,548)
Net increase in other debt securities and equity shares	(5,753)	(1,358)
Net change in items in transit	(5)	440
Net decrease/(increase) in treasury and other eligible bills	2,032	(2,026)
Other non-cash movements	113	317
Net cash inflow/(outflow) from operating activities	6,745	(2,114)

### 48 Sale of subsidiary undertakings during the year

	1993	1992
	£m	£m
Net assets disposed of:		
Goodwill written back	3	42
Advances and other accounts	96	1,259
	99	1,301
Deposits and other borrowings	(91)	(1,194)
	8	107
Net profit/(loss) on disposal	1	(82)
Settled by net cash received	9	25

## Notes to the accounts Barclays PLC

### 49 Changes in financing during the year

	Undated loan capital	Dated loan capital	Other subordinated liabilities	Ordinary Shares	Barclays Bank PLC Preference Shares	Share premium
	£m	£m	£m	£m	£m	£m
At beginning of year	1,390	2,375	170	1,610	619	1,033
Exchange rate and other movements	47	48	2	–	14	–
Gain on repurchase of loan capital	(22)	–	–	–	–	–
Net cash inflow/(outflow) from financing	638	(293)	(41)	14	–	30
At end of year	2,053	2,130	131	1,624	633	1,063

### 50 Cash and cash equivalents

For the purposes of the cash flow statement, cash equivalents are short-term highly liquid investments, which are readily convertible into known amounts of cash without notice and which were within three months of maturity when acquired.

	1993 £m	1992 £m	Change £m
Cash and balances at central bank	910	692	218
Treasury bills and other eligible bills	1,869	2,575	(706)
Loans and advances to banks	10,123	7,149	2,974
Loans and advances to customers	3,504	2,354	1,150
Certificates of deposit	790	573	217
	<b>17,196</b>	<b>13,343</b>	<b>3,853</b>

	1993 £m	1993 £m	1992 £m	1992 £m
Balance at beginning of year		13,343		15,084
Net increase/(decrease) in cash and cash equivalents before the effect of exchange rate movements	3,832		(2,902)	
Effect of exchange rate movements	21		1,161	
		<b>3,853</b>		<b>(1,741)</b>
Balance at end of year		<b>17,196</b>		<b>13,343</b>

### 51 Assets and liabilities denominated in sterling and foreign currencies

	1993 £m	1992 £m
Denominated in sterling	95,500	86,968
Denominated in currencies other than sterling	70,508	72,889
Total assets	<b>166,008</b>	<b>159,857</b>
Denominated in sterling	95,197	90,947
Denominated in currencies other than sterling	70,811	68,910
Total liabilities	<b>166,008</b>	<b>159,857</b>

## Barclays PLC Notes to the accounts

### 52 Directors' emoluments

The aggregate emoluments of the Directors of Barclays PLC set out below are disclosed in accordance with Part I of Schedule 6 to the Companies Act 1985 and the Cadbury Code of Best Practice.

	1993 £000	1992 £000
Salaries	1,638	1,704
Pension contributions	346	372
Fees	309	327
Bonuses payable in respect of 1993	1,189	401
Payments to deferred compensation plans	984	–
Benefits	56	73
Amounts payable to third parties for Directors' services	24	–
Other	4	4
	<b>4,550</b>	<b>2,881</b>

In addition, pensions in respect of management services of former Directors amount to £126,301 (1992 £122,315).

Emoluments of executive Directors are set by the Remuneration and Nominations Committee which is made up entirely of non-executive Directors. In addition to salary, emoluments may include a cash bonus and, under the terms of a deferred compensation plan, a provisional allocation of Barclays PLC Ordinary Shares under an employee share scheme, both assessed in relation to a combination of team and individual performance. For Directors on Barclays Bank PLC service contracts, team performance was, in 1993, linked to the Group's level of achievement over a range of measures including return on equity, earnings per Ordinary Share, cost-income ratio and gross non-interest income. Individual performance was determined through regular appraisal. The level of the cash bonus and the value of any provisional allocation which may be granted under the deferred compensation plan is subject to an overall maximum, expressed as a percentage of annual salary.

Directors on BZW service contracts (Mr Band, Lord Camoys and Mr Stocken) are awarded incentive payments based on their individual performance, market considerations and results and which are split between the bonus scheme and the deferred compensation plan.

The introduction of a deferred compensation plan will ensure that the medium term incentive is related closely to the overall performance of the Barclays Group. Ordinary Shares in Barclays PLC will be purchased in the market by the independent trustee of a discretionary trust. The trustee may make provisional allocations of such shares to eligible executives which may normally be released, subject to certain conditions, in equal numbers at the end of three, four and five years. At the end of the fifth year a share bonus equal to 20% of the number of shares provisionally allocated may, in normal circumstances, be released to an executive.

Also, in May 1993, payments were made to the independent trustee of the BZW long-term compensation plan and, in June 1993, two sums of £100,000 and one of £50,000 were provisionally allocated by the trustee under the rules of the plan to three Directors. The trustee invested the funds received and, provided certain conditions are satisfied, may in normal circumstances allocate them, with income earned, in three equal tranches on 30th April 1997, 1998 and 1999.

The emoluments of the Chairman (in 1993, Mr Andrew Buxton; in 1992, Sir John Quinton) and the highest paid Director (Mr David Band in 1993 and 1992) amount to:

	Chairman		Highest paid Director	
	1993 £000	1992 £000	1993 £000	1992 £000
Salary	300	250	225	217
Bonus payable in respect of 1993	75	–	600	275
Payments to deferred compensation plans	54	–	580	–
Pension contributions	22	9	23	21
Benefits	12	6	8	7
Other	–	–	2	4
	<b>463</b>	<b>265</b>	<b>1,438</b>	<b>524</b>



## Notes to the accounts    Barclays PLC

### 52 Directors' emoluments (continued)

The numbers of Directors, including the Chairman, whose emoluments, excluding pension contributions and including provisional allocations under the deferred compensation plans, fall within the undermentioned limits are:

	1993	1992		1993	1992
£5,001 – £10,000	2	1	£200,001 – £205,000	1	–
£15,001 – £20,000	3	6	£225,001 – £230,000	1	1
£20,001 – £25,000	3	4	£230,001 – £235,000	–	1
£25,001 – £30,000	2	–	£255,001 – £260,000	–	1
£40,001 – £45,000	1	1	£270,001 – £275,000	1	–
£55,001 – £60,000	1	–	£285,001 – £290,000	–	1
£80,001 – £85,000	1	1	£345,001 – £350,000	1	–
£110,001 – £115,000	–	1	£435,001 – £440,000	1	–
£175,001 – £180,000	–	1	£440,001 – £445,000	1	–
£185,001 – £190,000	–	1	£480,001 – £485,000	1	–
£190,001 – £195,000	–	1	£500,001 – £505,000	–	1
			£1,415,001 – £1,420,000	1	–

During 1993, options over 0.6 million Ordinary Shares at 413p and 501p were granted under the Executive Share Option Scheme. These options expire in 2003. There are currently 37 past and present executive Directors and employees who hold options in the Executive Share Option Scheme. Further details of Directors' options are given on page 64.

In January 1994, in lieu of part of an entitlement to participate in the Executive Share Option Scheme, it was agreed that Mr JM Taylor would be paid a bonus at a date between 1997 and 2004 related to the excess over 619p of the market price of 150,000 Barclays PLC Ordinary Shares.

### 53 Contracts with Directors and connected persons and with senior executives

The aggregate amounts outstanding at 31st December 1993 under transactions, arrangements and agreements made by authorised institutions within the Group for persons who are, or were during the year, Directors of Barclays PLC and persons connected with them and for senior executives, within the meaning of the Banking Act 1987, of Barclays Bank PLC are:

	Number of Directors or senior executives	Number of connected persons	Amount £000
<b>Directors</b>			
Loans	8	–	462
Quasi-loans and credit card accounts	11	9	166
<b>Senior executives</b>			
Loans	24	–	1,482
Quasi-loans and credit card accounts	22	–	99

There are no transactions, arrangements or agreements with Barclays PLC or its subsidiary undertakings in which Directors or persons connected with them or senior executives of Barclays Bank PLC had a material interest and which are disclosable under the relevant provisions of the Companies Act 1985, other than options to subscribe for Ordinary Shares under the Barclays PLC Executive and SAYE Share Option Schemes. Directors' options are reported on page 64.

## Barclays PLC Notes to the accounts

### 54 Subsidiary and associated undertakings

Country of registration or incorporation	Principal subsidiary undertakings	Percentage of equity capital held
England	Barclays Bank PLC – ordinary shares	100 *
England	Barclays de Zoete Wedd Holdings Limited	100
England	Barclays Financial Services Limited	100
England	Barclays Mercantile Business Finance Limited	100
Guernsey	Barclays Finance Company (Guernsey) Limited	100
Jersey	Barclays Bank Finance Company (Jersey) Limited	100
Jersey	Barclays Private Bank and Trust Limited	100 *
Italy	Barclays Financial Services Italia SpA	100
Spain	Barclays Bank SA	99.6
Botswana	Barclays Bank of Botswana Limited	74.9
Kenya	Barclays Bank of Kenya Limited	68.5
Zimbabwe	Barclays Bank of Zimbabwe Limited	66.2 *
USA	Barclays American Corporation	100 *
Canada	Barclays Bank of Canada (year end: 31st October)	100
Australia	Barclays Bank Australia Limited	100
Switzerland	Barclays Bank (Suisse) SA	100 *
Japan	Barclays Trust and Banking Company (Japan) Limited	100

The principal associated undertaking, 3i Group plc, which has an issued share capital of £238m and an issued loan capital of £848m, is owned by a consortium of UK clearing banks and the Bank of England. The Group holds 18.19% of the equity capital. The consolidated accounts include interim accounts to 30th September in respect of 3i Group plc, which has a year end of 31st March and is registered in England.

The country of registration or incorporation is also the principal area of operation for each of the above undertakings. Investments in these undertakings are held directly by Barclays Bank PLC except where marked \*.

Certain subsidiaries not consolidated in previous years are now included in these accounts because, in the opinion of the Directors, the long-term restrictions which hindered the exercise of the rights of the Group over their assets or management have ceased. After allowing for dividends received and foreign exchange adjustments, there were no unrecognised profits or losses accruing during the period of restriction. Revaluation reserves of £5m arising in those subsidiaries during the period of restriction have been included in Group revaluation reserves.

During the year, the business of Barclays Bank SA in France was absorbed into the existing operation of Barclays Bank PLC in France.

Barclays Bank PLC also has in issue 54,920,000 Non-cumulative Dollar-denominated Preference Shares of US\$0.01 each, none of which are held by Barclays PLC.

During 1992, the Group acquired a 100% interest in Imry Holdings Limited (Imry), a company registered in England, as a result of enforcing security against a loan to Chester Holdings (UK) Limited, the parent company of Imry. The interest is held exclusively with a view to subsequent resale and therefore has not been consolidated. The Group holds all the issued shares of Imry and all of the £100m zero coupon preference shares in its subsidiary, Imry Jersey Limited. The shareholdings were valued at £56m at 31st December 1993 (1992 £56m). At 31st December 1993, the capital and reserves of Imry amounted to £79m (1992 £71m). The profit before taxation of Imry for the year ended 1993 was £8m. There were outstandings of £81m (1992 £85m) due to the Group, secured by a fixed and floating charge on the assets of Imry. During the year, Barclays Mercantile Limited paid £2,147,000 in rentals to Imry under a lease. Imry paid £675,000 to Barclays Bank PLC in exchange for the Bank providing a guarantee for the rental obligations of Barclays Mercantile Limited under its lease, and £385,000 to Barclays Property Holdings on behalf of Barclays Mercantile Limited to cover the cost of repair work required under the terms of the lease. There were no other material transactions between Imry and the Group during the year.

## Notes to the accounts    Barclays PLC

### 55 Trading assets and liabilities of securities business

The Companies Act 1985, as amended, requires that the trading assets and liabilities of the securities business of BZW division, which were previously combined in single balance sheet captions, are now analysed across the balance sheet captions used for the Group's banking businesses. These assets and liabilities comprise:

	1993 £m	1992 £m
<b>Assets</b>		
Long positions at market value	9,086	6,563
Securities purchased under agreements to resell	7,357	4,286
Deposits with Stock Exchange money brokers and others as collateral for stock borrowing	1,588	2,118
Market and client debtors	4,564	2,830
	<b>22,595</b>	<b>15,797</b>
Included in the balance sheet as:		
Treasury bills and other eligible bills	186	673
Loans and advances to banks	2,080	952
Loans and advances to customers	11,412	7,971
Debt securities	6,737	5,074
Equity shares	2,166	1,085
Other	14	42
	<b>22,595</b>	<b>15,797</b>
<b>Liabilities</b>		
Short positions at market value	5,834	4,666
Securities sold under agreements to repurchase	5,763	4,098
Secured loans from Stock Exchange money brokers and others	2,584	2,792
Market and client creditors	4,583	2,891
	<b>18,764</b>	<b>14,447</b>
Included in the balance sheet as:		
Deposits by banks	2,975	2,596
Customer accounts	9,809	7,002
Other liabilities		
short positions	5,834	4,666
other	146	183
	<b>18,764</b>	<b>14,447</b>

The above amounts do not include the assets and liabilities of other trading businesses, such as money market, metals and foreign exchange.

## Barclays PLC Financial summary

### Results by nature of income/expense

	1993 £m	1992 £m	1991 £m	1990 £m
Interest receivable	11,085	12,968	14,552	15,822
Interest payable	7,173	9,276	10,966	12,387
Net interest income	3,912	3,692	3,586	3,435
Dividend income from equity shares	25	22	12	7
Fees and commissions receivable	2,620	2,412	2,138	1,779
Less: fees and commissions payable	(223)	(171)	(168)	(132)
Dealing profits	781	491	445	308
Other operating income	277	251	261	255
Operating income	7,392	6,697	6,274	5,652
Administrative expenses - staff costs	2,728	2,472	2,379	2,132
Administrative expenses - other	1,787	1,628	1,674	1,438
Depreciation and amortisation	311	251	231	208
Operating expenses	4,826	4,351	4,284	3,778
<b>Operating profit before provisions</b>	<b>2,566</b>	<b>2,346</b>	<b>1,990</b>	<b>1,874</b>
Provisions for bad and doubtful debts	1,869	2,465	1,500	1,175
Provisions for contingent liabilities and commitments	49	8	4	-
Provisions	1,918	2,473	1,504	1,175
<b>Operating profit/(loss)</b>	<b>648</b>	<b>(127)</b>	<b>486</b>	<b>699</b>
Write-down of surplus properties	(8)	(60)	-	-
(Loss)/profit on disposal of Group undertakings	-	(82)	-	174
Income from associated undertakings	24	27	47	29
<b>Profit/(loss) on ordinary activities before tax</b>	<b>664</b>	<b>(242)</b>	<b>533</b>	<b>902</b>
Tax on profit/(loss) on ordinary activities	282	43	237	332
<b>Profit/(loss) on ordinary activities after tax</b>	<b>382</b>	<b>(285)</b>	<b>296</b>	<b>570</b>
Profit attributable to minority interests	69	58	54	37
<b>Profit/(loss) for the financial year attributable to the members of Barclays PLC</b>	<b>313</b>	<b>(343)</b>	<b>242</b>	<b>533</b>
Dividends	246	243	338	335
<b>Profit/(loss) retained for the financial year</b>	<b>67</b>	<b>(586)</b>	<b>(96)</b>	<b>198</b>
Earnings/(loss) per ordinary share	19.4p	(21.4)p	15.2p	33.7p
Dividends per Ordinary Share	15.2p	15.2p	21.2p	21.2p
Dividend cover (times)	1.3	-	0.7	1.6
Average US dollar exchange rate used in preparing the above	1.50	1.77	1.76	1.78

## Financial summary    Barclays PLC

### Consolidated balance sheet

	1993	1992	1991	1990
	£m	£m	£m	£m
<b>Assets</b>				
Loans and advances to banks and customers	<b>117,081</b>	114,579	108,066	108,302
Other assets	<b>43,791</b>	40,940	32,439	28,240
	<b>160,872</b>	155,519	140,505	136,542
Infrastructure	<b>2,244</b>	2,398	2,480	2,702
	<b>163,116</b>	157,917	142,985	139,244
Long-term assurance fund assets attributable to policyholders	<b>2,892</b>	1,940	1,468	1,143
<b>Total assets</b>	<b>166,008</b>	159,857	144,453	140,387
<b>Liabilities</b>				
Deposits by banks, customer accounts and debt securities in issue	<b>133,288</b>	126,393	118,965	115,369
Other liabilities	<b>19,525</b>	21,627	14,344	14,475
	<b>152,813</b>	148,020	133,309	129,844
<b>Capital resources</b>				
Undated loan capital	<b>2,053</b>	1,390	1,164	1,133
Dated loan capital	<b>2,130</b>	2,375	1,982	1,467
Other subordinated liabilities	<b>131</b>	170	225	220
Minority interests	<b>677</b>	683	565	475
Shareholders' funds	<b>5,312</b>	5,279	5,740	6,105
	<b>10,303</b>	9,897	9,676	9,400
	<b>163,116</b>	157,917	142,985	139,244
Long-term assurance fund liabilities to policyholders	<b>2,892</b>	1,940	1,468	1,143
<b>Total liabilities and shareholders' funds</b>	<b>166,008</b>	159,857	144,453	140,387
Year-end US dollar exchange rates used in preparing the above	<b>1.48</b>	1.51	1.87	1.93

### Note

The financial information on pages 100 and 101 is extracted from the published accounts for the last four years, restated where appropriate to accord with the current accounting policies of the Group.

## Barclays PLC Financial summary

### Profit/(loss) on ordinary activities before tax by division

	1993	1992	1991
	£m	£m	£m
Banking division			
UK Banking Services	632	(444)	145
Barclays Financial Services	213	201	214
Other European Union	(135)	(98)	29
Rest of the world	169	146	82
	879	(195)	470
BZW division	501	304	281
Service Businesses division	18	(2)	(18)
United States Transition	(675)	(123)	(294)
Other operations	91	44	243
Central Group functions	(72)	(128)	(149)
	742	(100)	533
Write-down of surplus properties	(8)	(60)	-
Loss on disposal of Group undertakings	-	(82)	-
Provision for diminution in property value	(70)	-	-
	664	(242)	533

### Total assets by division

	1993	1992	1991
	£m	£m	£m
Banking division			
UK Banking Services	60,532	63,360	65,853
Barclays Financial Services	547	423	381
Other European Union	14,938	16,919	15,125
Rest of the world	11,108	10,651	7,561
	87,125	91,353	88,920
Long-term assurance fund assets attributable to policyholders	2,892	1,940	1,468
	90,017	93,293	90,388
BZW division	67,992	58,109	45,965
Service Businesses division	260	291	183
United States Transition	3,856	4,396	4,667
Other operations	708	766	624
Central Group functions	3,175	3,002	2,626
	166,008	159,857	144,453

### Capital resources

	1993	1992	1991
	£m	£m	£m
Shareholders' funds	5,312	5,279	5,740
Minority interests	677	683	565
Undated loan capital	2,053	1,390	1,164
Dated loan capital	2,130	2,375	1,982
	10,172	9,727	9,451
Other subordinated liabilities	131	170	225
	10,303	9,897	9,676
Tier 1 ratio	6.0%	5.5%	5.9%
Risk asset ratio	9.8%	9.1%	8.7%

## Barclays Bank PLC

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Johnson Smirke Building, 4 Royal Mint Court, London EC3N 4HJ. Tel: 071 626 1567

**ARF Buxton** Chairman

**Sir Peter Middleton GCB** Deputy Chairman and Chairman, BZW division

**JM Taylor** Chief Executive\*

**FAL Robinson** Vice-Chairman and Chief Executive, Banking division\*

**D Band** Chief Executive, BZW division\*

**The Lord Camoys DL** Deputy Chairman, BZW division

**OHJ Stocken** Finance Director\*

**JMD Atterbury** Secretary

**NJ Brittain** Chief Accountant

**AE Brown** Director, Group Credit Policy

**JWG Cotton** Director, Personnel

**RJ Morrison** Chief Inspector

**PA Perry** Group Treasurer

**DJ Turner** Managing Director, Barclays Property Holdings Ltd

## Banking division

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Johnson Smirke Building, 4 Royal Mint Court, London EC3N 4HJ. Tel: 071 626 1567

**FAL Robinson** Chief Executive\*

**ARP Carden** Managing Director, large corporate, institutional and overseas banking

**WJ Gordon** Managing Director, Domestic Bank, Barclaycard and Leasing & Factoring Group\*

**KC Bignall** Vice-Chairman and Managing Director, Barclays Financial Services Ltd

**MPD Bullock** Director, Risk Management

**DH Casson** Risk Management Director, UK Banking

**S Furness** Managing Director, Barclays Life Assurance Company Ltd

**N Harland** Managing Director, Corporate Banking Group

**CP Haviland** Deputy Managing Director, Africa, Caribbean & Middle East

**CJ Lendrum** Deputy Managing Director, UK Branch Network and all customer delivery channels

**C Martinez de Campos** Director, European Retail Banking

**MA Pitcher** Deputy Managing Director, Information Technology, operations and marketing

**RPM Reay-Smith** Chief Executive, Barclaycard

**MH Tomalin OBE** Managing Director, Barclays Private Banking

\* Members of the Group Executive Committee

**BZW division**

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Ebbgate House, 2 Swan Lane, London EC4R 3TS. Tel: 071 623 2323

**Sir Peter Middleton GCB** Chairman

**The Lord Camoys DL** Deputy Chairman

**Management Committee:**

**D Band** Chief Executive\*

**JS Spencer** Deputy Chief Executive and Chief Executive, Markets division\*

**CJ Bennett** Deputy Chief Executive, Markets division

**RA Bruce** Head of Credit Risk Management

**DH Brydon OBE** Chairman and Chief Executive, Asset Management division

**JR Davie** Chief Executive, Equities division

**LDC Dukes** Chief Executive, Operations and Finance

**GF Pimlott** Chief Executive, Merchant Banking division

**Information Technology and Service Businesses division**

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Johnson Smirke Building, 4 Royal Mint Court, London EC3N 4HJ. Tel: 071 626 1567

**J De Feo** Chief Executive\*

**KJ Garrod** Deputy Chief Executive

**JB Grimmatt** Managing Director, Barclays Network Services

**BJ Hotter** Managing Director, Barclays Computer Operations

**AM Jablonowski** Managing Director, Barclays Global Services

**Barclays de Zoete Wedd, Australia**

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GPO Box 3357, Sydney, NSW 2001, Australia. Tel: (010 61) 2 259 5000

**T R Crammond** Chief Executive and Group Country Manager

**Barclays Bank of Botswana Limited, Botswana**

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PO Box 478, Gaborone, Botswana. Tel: (010 267) 31 352041

**CJ Middleton** Managing Director

**Barclays Bank PLC, Caribbean**

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PO Box 180, Rendezvous, Christchurch, Barbados, W.I. Tel: (010 1 809) 431 5300

**JG Bennett** Senior Caribbean Director

**Barclays Bank PLC, France**

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75315 Paris Cedex 09, France. Tel: (010 33) 1 44 79 79 79

**C Menard** Chief Executive and Group Country Manager

**Barclays de Zoete Wedd, Germany and Merck Finck & Co.**

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PO Box 170125, 6000 Frankfurt am Main 17. Tel: (010 49) 69 71408 0

**AE Teeuw** Chief Executive, BZW

**P Dolff** Chief Executive, Merck Finck



## **Barclays Bank PLC, Hong Kong**

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PO Box 9716, General Post Office, Hong Kong. Tel: (010 852) 826 1888

**PC Geer** Regional Chief Executive, East Asia

## **Barclays Bank PLC, Japan**

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IPO Box 5414, Tokyo 100-31 Japan. Tel: (010 81) 3 5255 0011

**MC McCarthy** Chief Executive and Group Country Manager

## **Barclays Bank of Kenya Limited, Kenya**

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PO Box 30120, Nairobi, Kenya. Tel: (010 254) 2 332230

**RA Bird** Managing Director

## **Barclays Bank PLC, Latin America**

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18th Floor, 801 Brickell Avenue, Miami, Florida 33131 USA. Tel: (010 1) 303 374 1043

**G Valdes-Fauli** Latin American Director

## **Barclays Bank PLC, Netherlands**

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PO Box 160, 1000 AD Amsterdam, Netherlands. Tel: (010 31) 20 626 2209

**WD Keatinge** General Manager Benelux

## **Barclays Bank PLC, Portugal**

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Avenida da Republica, 50-3rd Floor, 1000 Lisbon, Portugal. Tel: (010 351) 1 7935020

**AS Marques** General Manager

## **Barclays Bank PLC, Spain**

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Apartado de Correos 1075, 28080 Madrid, Spain. Tel: (010 34) 1 336 1000

**C Martinez de Campos** Director, European Retail Banking and Group Country Manager

## **Barclays Bank PLC, USA**

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75 Wall Street, New York, NY 10265 USA. Tel: (010 1) 212 412 4000

**RM Webb** Chief Executive Officer and Group Country Manager, North America

## **Barclays Bank of Zimbabwe Limited, Zimbabwe**

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PO Box 1279, Harare, Zimbabwe. Tel: (010 263) 4 79811

**IG Takawira** Managing Director

\*Members of the Group Executive Committee

Registered office: 54 Lombard Street, London EC3P 3AH

Head office: Johnson Smirke Building, 4 Royal Mint Court, London EC3N 4HJ

Registrar: Barclays Registrars, PO Box 34, Octagon House, Gadbrook Park, Northwich, Cheshire CW9 7RD. Tel: 081 650 4866

ADR depository: Morgan Guaranty Trust Company, c/o Boston Financial Data Services, 2 Heritage Drive, North Quincy, MA 02171 USA. Tel: (617) 774 4237

## Annual general meeting 1994

### Notice of meeting

Notice is hereby given that the annual general meeting for the year 1994 of Barclays PLC (the Company) will be held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1 on Thursday, 5th May 1994 at 2.30 pm to transact the following business:

#### **Resolutions – ordinary business**

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- 1** To receive the report of the Directors and the audited accounts for the year ended 31st December 1993.
- 2** To re-elect the following Directors:
  - a** Sir Derek Birkin TD
  - b** The Lord Lawson of Blaby PC
  - c** Mr FAL Robinson
  - d** Mr OHJ Stocken
  - e** Mr JM Taylor.
- 3** To reappoint Price Waterhouse as auditors and authorise the Directors to determine their remuneration.

#### **Resolution – special business**

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- 4** To consider and, if thought fit, to pass the following resolution as a Special Resolution:

That the authority and power conferred on the Directors by Article 14 (Authority to allot securities) of the Articles of Association of the Company be and they are hereby renewed for the period expiring on the date of the annual general meeting of the Company to be held in 1995 and that:

- a** for the purposes of Article 14, the prescribed amount for the above period shall be £1,999,000,000 and
- b** for the purposes of the proviso to Article 14(A), the aggregate nominal amount of equity securities allotted wholly for cash during such period, otherwise than as mentioned in such proviso, shall not exceed £81,000,000.

#### **Note**

The effect of this resolution is to renew the authority conferred on the Directors to allot Ordinary Shares up to an amount equal to the authorised Ordinary share capital and to allot equity securities for cash (otherwise than on a pro rata basis to shareholders) up to an amount representing 5% of the called up Ordinary share capital at 31st December 1993. This renewed authority, which disappplies the statutory pre-emption provisions of the Companies Act 1985, would remain in force until the annual general meeting in 1995.

Under the Rules of the London Stock Exchange, the Company is not required to seek specific shareholders' consent to any allotment of equity securities made within the ambit of the renewed authority. The proposed limit of £81,000,000 follows the current guidelines of the London Stock Exchange.

By order of the Board  
**JMD Atterbury**, Secretary  
Johnson Smirke Building  
4 Royal Mint Court  
London EC3N 4HJ  
6th April 1994

## Notes

**Proxy** Members of the company entitled to attend and vote at the meeting may appoint a proxy or proxies to attend and, on a poll, to vote on their behalf. A proxy need not be a member of the Company.

Holders of Ordinary and Staff Shares are invited to complete and return the enclosed form of proxy. Completion of the form will not prevent shareholders from attending and voting at the meeting if subsequently they find they are able to do so.

**Corporate shareholders** Representatives of corporate or association shareholders attending the meeting should produce evidence of their appointment either by instrument executed in accordance with Section 36A of the Companies Act 1985 or by certified resolution of the directors or association committee.

**Inspection of documents** Copies of Directors' service contracts and a statement drawn up to comply with Section 343 of the Companies Act 1985, will be available for inspection at the registered office of the Company during the usual hours of business on any weekday (Saturdays and public holidays excluded) from 6th April to 5th May 1994, and at the meeting from 2.15 pm to its conclusion.

**Change of address** Members are requested to inform Barclays Registrars, PO Box 34, Octagon House, Gadbrook Park, Northwich, Cheshire CW9 7RD, of any change of name, title or address. This notice has been sent to the present registered address.

Shareholdings at  
31st December 1993

Classification of shareholders	Shareholders		Shares held	
	Number	Percentage of total holders	Number (millions)	Percentage of called up Ordinary Shares
Personal holders	116,559	86.96	196.4	12.09
Nominee companies	10,863	8.11	1,072.8	66.10
Banks	3,268	2.44	15.9	0.98
Other companies	2,763	2.06	157.4	9.70
Insurance companies	508	0.38	137.9	8.50
Pension funds	68	0.05	42.7	2.63
<b>Totals</b>	<b>134,029</b>	<b>100.00</b>	<b>1,623.1</b>	<b>100.00</b>

## Shareholding range

1-100	15,246	11.37	0.5	0.03
101-250	10,121	7.55	1.8	0.11
251-500	16,898	12.61	6.3	0.39
501-1,000	27,812	20.75	20.6	1.27
1,001-5,000	52,699	39.32	114.5	7.05
5,001-10,000	6,704	5.00	45.7	2.81
10,001-25,000	2,301	1.72	33.7	2.08
25,001-50,000	642	0.48	22.7	1.40
50,001 and over	1,606	1.20	1,377.3	84.86
<b>Totals</b>	<b>134,029</b>	<b>100.00</b>	<b>1,623.1</b>	<b>100.00</b>

## Financial diary for 1994

Results for year 1993 announced	10th March
Annual report posted to shareholders	6th April
Annual general meeting at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1	5th May
Second interim dividends for year 1993 payable	13th May
1994 interim results announced	9th August
First interim dividends for year 1994 payable	13th October

## Annual report on form 20-F

A report has been filed with the Securities and Exchange Commission in the United States of America and copies are available from the Secretary on request.

Annual review & summary  
financial statement

This abbreviated form of the full report and accounts is mailed to the majority of shareholders. Any shareholder preferring to receive the abbreviated version should tick the appropriate box on the back of the form of proxy and return it to the registrar.

## Capital gains tax

Since 6th April 1988, the valuation at 31st March 1982 may be substituted for the original cost of shares purchased before that date. The market value of one share on 31st March 1982, adjusted for capitalisation issues in June 1982 and May 1990, was 266.1p. To arrive at the total cost of any holdings, the amount subscribed for rights taken up in 1985 and 1988 should be added to the value of the holding calculated as above.

When selling shares, shareholders may also be entitled to indexation relief, which is calculated on the value at 31st March 1982, on the cost of subsequent purchases from the date of purchase and on the subscription for rights from the date of that payment.

Shareholders are advised to consult an office of Barclays Financial Services Limited if further information regarding possible tax liability in respect of their holdings of Barclays PLC shares is required.

Share dealing and single  
company PEPs

The Group offers a simplified postal dealing service for the purchase or sale of the Company's shares. Barclays PLC single company PEPs are also available to shareholders. Leaflets describing these services are available from the Secretary at the Head Office address on page 105.