# Barclays PLC
# Results Announcement
# Glossary of Terms

31 December 2011

**ABCP** - Asset backed commercial paper; typically short-term notes secured on specified assets issued by consolidated special purpose entities for funding purposes.

**Absa** - The previously reported South African segment of Barclays PLC, comprising Absa Group Limited, but excluding Absa Capital, Absa Card and Absa Wealth which are reported within Barclays Capital, Barclaycard, and Barclays Wealth respectively.

**Absa Group Limited** - Refers to the consolidated results of the South African Group of which the parent company is listed on the Johannesburg Stock Exchange and in which Barclays owns a controlling stake.

**ABS CDO Super Senior** - Super senior tranches of debt linked to collateralised debt obligations of asset backed securities (defined below). Payment of super senior tranches takes priority over other obligations.

**Adjusted cost: income ratio** - Ratio of costs to income, excluding the impact on income and costs of own credit, gains on debt buy-backs, loss on disposal of a portion of the Group's strategic investment in BlackRock, Inc., the impairment of the investment in BlackRock, Inc., the provision for Payment Protection Insurance (PPI) redress, goodwill impairments, and gains and losses on acquisitions and disposals of subsidiaries, associates and joint ventures. Adjusted measures have been presented to provide a consistent basis for comparing business performance between periods.

**Adjusted Gross Leverage** - The multiple of adjusted total tangible assets over total qualifying Tier 1 capital. Adjusted total tangible assets are total assets less derivative counterparty netting, assets under management on the balance sheet, settlement balances and cash collateral on derivative liabilities, goodwill and intangible assets. See 'Tier 1 Capital' below.

**Adjusted profit before tax** - Profit before tax adjusted to exclude the impact on income and costs of own credit, gains on debt buy-backs, loss on disposal of a portion of the Group's strategic investment in BlackRock, Inc., the impairment of the investment in BlackRock, Inc., the provision for Payment Protection Insurance (PPI) redress, goodwill impairments, and gains and losses on acquisitions and disposals of subsidiaries, associates and joint ventures. Adjusted measures have been presented to provide a consistent basis for comparing business performance between periods.

**Africa** - Geographic segment comprising countries where Barclays operates in Africa and the Indian Ocean. This includes Africa RBB, Absa Cards and Absa Capital.

**Africa Retail and Business Banking (Africa RBB)** - A business unit that provides a full range of retail banking services and insurance products under the Absa and Barclays brands through a variety of retail distribution channels and offers customised business solutions for commercial and large corporate customers across Africa and the Indian Ocean.

**Alt-A** - Loans regarded as lower risk than sub-prime, but with higher risk characteristics than lending under normal criteria.

**Americas** - Geographic segment comprising the USA, Canada and countries where Barclays operates within Latin America.

**Arrears** - Customers are said to be in arrears when they are behind in fulfilling their obligations with the result that an outstanding loan is unpaid or overdue. Such customers are also said to be in a state of delinquency. When a customer is in arrears, their entire outstanding balance is said to be delinquent, meaning that delinquent balances are the total outstanding loans on which payments are overdue.

**Asia** - Geographic segment comprising countries where Barclays operates within Asia (including Singapore, Japan, China and India), Australasia and the Middle East.

**Asset Backed Securities (ABS)** - Securities that represent an interest in an underlying pool of referenced assets. The referenced pool can comprise any assets which attract a set of associated cash flows but are commonly pools of residential or commercial mortgages and, in the case of Collateralised Debt Obligations (CDOs), the referenced pool may be ABS or other classes of assets.

**Average Daily Value at Risk** - The average Daily Value at Risk (defined below) for a specified period of time.

**Average LTV (Loan to Value) on new mortgages** - The ratio of all new mortgage balances disbursed in the period to the appraised property value of those mortgages, i.e. total amount disbursed year-to-date divided by total amount of appraised property value.

**Barclaycard Egg** - The credit card portfolio acquired from Egg in 2011.

**Barclays Business** - A business unit within UK Retail and Business Banking providing banking services to small and medium enterprises.

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**Barclays Corporate** - A business unit that provides global banking services across 10 countries grouped into three regionally based businesses: UK, Europe (Spain, Italy, Portugal, France and Ireland) and Rest of World (India, Pakistan, Russia and the UAE).

**Basel 2.5** - The update to the Basel framework which includes changes to capital and disclosure requirements for securitisation and market risk.

**Basel 3 (Basel III)** - The third of the Basel Accords. It has been developed in response to the financial crisis of 2008 and sets new requirements on composition capital, counterparty credit risk, liquidity and leverage ratios.

**Basel 3 (Basel III) leverage ratio** - The ratio of Tier 1 capital to particular on- and off-balance sheet exposures, calculated in accordance with the methodology set out in the Basel III guidelines published in December 2010.

**Basis point(s)/bp(s)** - One hundredth of a per cent (0.01%); 100 basis points is 1%. The measure is used in quoting movements in interest rates, yields on securities and for other purposes.

**Capital ratios** - Key financial ratios measuring the Group's capital adequacy or financial strength. These include the Core Tier 1 ratio, Tier 1 ratio and Risk asset ratio.

**Collateralised Debt Obligation (CDO)** - Securities issued by a third party which reference Asset Backed Securities (ABSs) (defined above) and/or certain other related assets purchased by the issuer. CDOs may feature exposure to sub-prime mortgage assets through the underlying assets. $CDO^2$ securities represent investments in CDOs that have been securitised by a third party.

**Collateralised Loan Obligation (CLO)** - A security backed by the repayments from a pool of commercial loans. The payments may be made to different classes of owners (in tranches).

**Commercial Mortgage Backed Securities (CMBS)** - Securities that represent interests in a pool of commercial mortgages. Investors in these securities have the right to cash received from future mortgage payments (interest and/or principal).

**Commercial Paper (CP)** - Typically short-term notes issued by entities, including banks, for funding purposes.

**Commercial real estate** - Commercial real estate includes office buildings, industrial property, medical centres, hotels, retail stores, shopping centres, farm land, multifamily housing buildings, warehouses, garages, and industrial properties. Commercial real estate loans are loans backed by a package of commercial real estate.

**Compensation: income ratio** - Staff compensation based costs compared to total income.

**Core Tier 1 capital** - Called-up share capital and eligible reserves plus non-controlling equity interests, less intangible assets and deductions relating to the excess of expected loss over regulatory impairment allowance and securitisation positions as specified by the FSA.

**Core Tier 1 ratio** - Core Tier 1 capital as a percentage of risk weighted assets.

**Cost: income ratio** - Operating expenses compared to total income net of insurance claims.

**Cost: net operating income ratio** - Operating expenses compared to total income net of insurance claims less impairment charges and other credit provisions.

**Counterparty risk** - In the context of Risk Weighted Assets by Risk, a component of risk weighted assets that represents the risk of loss in derivative, repo and similar transactions resulting from the default of the counterparty.

**Coverage ratio** - Impairment allowances as a percentage of credit risk loan balances.

**Covered bonds** - Debt securities backed by a portfolio of mortgages that are segregated from the issuer's other assets solely for the benefit of the holders of the covered bonds.

**CRD3** - Third Capital Requirements Directive; EU Directive that came into force on 31 December 2011 updating market risk capital requirements and requirements relating to securitisation.

**Credit default swaps** - A contract under which the protection seller receives premiums or interest-related payments in return for contracting to make payments to the protection buyer in the event of a defined credit event. Credit events normally include bankruptcy, payment default on a reference asset or assets, or downgrades by a rating agency.

**Credit Derivative Product Company (CDPC)** - A company that sells protection on credit derivatives. CDPCs are similar to monoline insurers. However, unlike monoline insurers, they are not regulated as insurers. See Risk Management section - Credit Market Exposures.

**Credit derivatives** - An arrangement whereby the credit risk of an asset (the reference asset) is transferred from the buyer to the seller of the protection.

**Credit impairment charges** - Charges on loans and advances to customers and banks and in respect of undrawn facilities and guarantees (see Loan Impairment) and charges on available for sale asset and reverse repurchase agreements.

**Credit market exposures** - Assets and other instruments relating to commercial real estate and leveraged finance businesses that have been significantly impacted by the deterioration in the global credit markets. The exposures include positions subject to fair value movements in the Income Statement, positions that are classified as loans and advances and available for sale and other assets.

**Credit risk** - In the context of Risk Weighted Assets by Risk, a component of risk weighted assets that represents the risk of loss in loans and advances and similar transactions resulting from the default of the counterparty.

**Credit Risk Loans (CRLs)** - A loan becomes a credit risk loan when evidence of deterioration has been observed, for example a missed payment or other breach of covenant. A loan may be reported in one of three categories: impaired loans, accruing past due 90 days or more, impaired or restructured loans. These may include loans which, while impaired, are still performing but have associated individual impairment allowances raised against them.

**CRL Coverage** - Impairment allowances as a percentage of total CRL (See Credit Risk Loans above).

**Currencies** - The Barclays Capital business that provides foreign exchange execution and risk management services.

**Customer asset margin** - Net interest income earned on customer assets (excluding the impact of the product structural hedge relating to those assets), divided by total average customer assets.

**Customer deposits** - Money deposited by all individuals and companies that are not credit institutions. Such funds are recorded as liabilities in the Group's balance sheet under Customer Accounts.

**Customer liability margin** - Net interest income earned on customer liabilities (excluding the impact of the product structural hedge relating to those liabilities), divided by total average customer liabilities.

**Customer satisfaction ranking** - The Group’s ranking among UK Retail banks in the JD Powers and Associates: 2011 UK Retail Banking Satisfaction Study.

**Daily Value at Risk (DVaR)** - An estimate of the potential loss which might arise from market movements under normal market conditions, if the current positions were to be held unchanged for one business day, measured to a specified confidence level. (Also see, Average Daily Value at Risk and Spot daily Value at Risk).

**Debt buy-backs** - Purchases of the Group’s issued debt securities, including equity accounted instruments, leading to their de-recognition from the balance sheet.

**Debt securities in issue** - Transferable certificates of indebtedness of the Group to the bearer of the certificates. These are liabilities of the Group and include certificates of deposit.

**Equities and Prime Services** - Trading businesses encompassing Cash Equities, Equity Derivatives & Equity Financing.

**Equity risk** - The risk of change in market value of an equity investment.

**Equity structural hedge** - An interest rate hedge which functions to reduce the impact of the volatility of short-term interest rate movements on equity positions on the balance sheet that do not re-price with market rates.

**Europe** - Geographic segment comprising countries in which Barclays operates within the EU (excluding UK), Northern Continental and Eastern Europe, including Russia.

**Europe Retail and Business Banking (Europe RBB)** - Operating segment that provides retail banking and credit card services in Spain, Italy, Portugal and France.

**Expected losses** - The Group’s measure of anticipated losses for exposures captured under an internal ratings based credit risk approach for capital adequacy calculations. It is measured as the Barclays modelled view of anticipated losses based on Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD), with a one year time horizon.

**Expected shortfall** - The average of all one day hypothetical losses in excess of DVaR.

**Financial Services Compensation Scheme (FSCS)** - The UK's fund for compensation of authorised financial services firms that are unable to pay claims.

**FirstPlus** - The second charge lending business included within the Barclaycard segment. Since September 2008, FirstPlus has been closed to new business.

**Fixed Income, Currency and Commodities (FICC)** - Trading businesses encompassing Rates, Credit, Emerging Markets, Commodities, Foreign Exchange & Fixed Income Financing.

**Forbearance** - Forbearance programmes to assist customers in financial difficulty through agreements to accept less than contractual amounts due where financial distress would otherwise prevent satisfactory repayment within the original terms and conditions of the contract. These agreements may be initiated by the customer, Barclays or a third party and include approved debt counselling plans, minimum due reductions, interest rate concessions and switches from capital and interest repayments to interest-only payments.

**Full time equivalents** - Full time equivalent employee units are the on-job hours paid for employee services divided by the number of ordinary-time hours normally paid for a full-time staff member when on the job (or contract employee where applicable).

**Gains on acquisitions** - The amount by which the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, recognised in a business combination, exceeds the cost of the combination.

**Gross charge-off rates** - Balances charged-off to recoveries in a reporting period, expressed as a percentage of average outstanding balances excluding balances in recoveries.

**Gross new UK lending** - New lending advanced to UK customers during the year.

**High Net Worth** - The business within the Wealth segment that provides banking and other services to high net worth customers.

**Home Loan** - A loan to purchase a residential property. The property is then used as collateral to guarantee repayment of the loan. The borrower gives the lender a lien against the property and the lender can foreclose on the property if the borrower does not repay the loan per the agreed terms. Also known as a residential mortgage.

**Impairment allowances** - A provision held on the balance sheet as a result of the raising of a charge against profit for incurred losses inherent in the lending book. An impairment allowance may either be identified or unidentified and individual or collective.

**Income** - Total income net of insurance claims, unless otherwise specified.

**Independent Commission on Banking (ICB)** - Body set up by HM Government to identify structural and non-structural measures to reform the UK banking system and promote competition.

**Individual liquidity guidance (ILG)** - Guidance given to a firm about the amount, quality and funding profile of liquidity resources that the FSA has asked the firm to maintain.

**Industry wide net lending** - Bank and building society net lending as sourced from the Bank of England and British Bankers' Association.

**Interchange** - Income paid to a credit card issuer for the clearing and settlement of a sales or cash advance transaction.

**Investment banking** - Fee generating businesses encompassing Advisory, Debt and Equity Origination.

**Investment grade** - A debt security, treasury bill or similar instrument with a credit rating measured by external agencies of AAA to BBB.

**ISDA Master Agreement** - The most commonly used master contract for OTC derivative transactions internationally. It is part of a framework of documents, designed to enable OTC derivatives to be documented fully and flexibly. The framework consists of a master agreement, a schedule, confirmations, definition booklets, and a credit support annex. The ISDA master agreement is published by the International Swaps and Derivatives Association.

## Glossary of Terms

**Leveraged finance** - Loans or other financing agreements provided to companies whose overall level of debt is high in relation to their cash flow (net debt: EBITDA) typically arising from private equity sponsor led acquisitions of the businesses concerned.

**Liability margin** - Interest paid on customer liabilities relative to the average internal funding rate, divided by average customer liabilities, expressed as an annualised percentage.

**Liquidity Coverage Ratio (LCR)** - The ratio of the stock of high quality liquid assets to expected net cash outflows over the next 30 days. High-quality liquid assets should be unencumbered, liquid in markets during a time of stress and, ideally, be central bank eligible. These include, for example, cash and claims on central governments and central banks. The Basel III rules require this ratio to be at least 100% and it is expected to apply from 2015.

**Liquidity pool** - The Group liquidity pool comprises cash at central banks and highly liquid collateral specifically held by the Group as a contingency to enable the bank to meet cash outflows in the event of stressed market conditions.

**Loan impairment** - Charges on loans and advances to customers and banks and in respect of undrawn facilities and guarantees.

**Loan loss rate** - Is quoted in basis points and represents total annualised loan impairment divided by gross loans and advances to customers and banks held at amortised cost at the balance sheet date.

**Loan to deposit ratio** - The ratio of loans and advances to customer accounts. This excludes particular liabilities issued by the retail businesses that have characteristics comparable to retail deposits (for example structured Certificates of Deposit and retail bonds), which are included within debt securities in issue.

**Loan to value (LTV) of new mortgage lending** - The ratio of all new mortgage balances disbursed in the period to the appraised property value relating to those mortgages.

**Loan to value ratio (LTV)** - Expresses the amount borrowed against an asset (i.e. a mortgage) as a percentage of the appraised value of the asset. The ratios are used in determining the appropriate level of risk for the loan and are generally reported as an average for new mortgages or an entire portfolio.

**Market risk** - In the context of Risk Weighted Assets by Risk, a component of risk weighted assets that represents the risk of loss resulting from fluctuations in the market value of positions held in equities, commodities, currencies, derivatives and interest rates.

**Material holdings** - In the context of Capital Resources, a deduction from Tier 1 capital and Tier 2 capital representing a regulated entity's investment in either (i) the capital of a credit or a financial institution that exceeds either 10% of the share capital of that credit or financial institution or 10% of the total capital of the regulated entity itself or (ii) an insurance entity where the regulated entity owns more than 20% of the capital in the insurance entity or exercises significant influence.

**Medium Term Notes (MTNs)** - Corporate notes, continuously offered by a company to investors through a dealer. Investors can choose from differing maturities, ranging from 9 months to 30 years.

**Monoline protection** - Protection against credit losses provided by a monoline insurer - an entity which specialises in providing credit protection to the holders of debt instruments in the event of default by a debt security counterparty. This protection is typically held in the form of derivatives such as credit default swaps (CDS) referencing the underlying exposures held.

**Net asset value per share** - Computed by dividing shareholders' equity excluding non-controlling interests by the number of issued ordinary shares.

**Net interest income** - The difference between interest received on assets and interest paid on liabilities.

**Net interest margin** - Annualised net interest income for Retail and Business Banking, Barclays Corporate and Barclays Wealth divided by the sum of the average assets and average liabilities for those businesses.

**Net investment income** - Changes in the fair value of financial instruments designated at fair value, dividend income and the net result on disposal of available for sale assets.

**Net Stable Funding Ratio (NSFR)** - The ratio of available stable funding to required stable funding over a one year time horizon, assuming a stressed scenario. The ratio is required to be over 100% with effect from 2015. Available stable funding would include such items as equity capital, preferred stock with a maturity of over 1 year, or liabilities with a maturity of over 1 year. The required amount of stable funding is calculated as the sum of the value of the assets held and funded by the institution, multiplied by a specific required stable funding (RSF) factor assigned to each particular asset type, added to the amount of potential liquidity exposure multiplied by its associated RSF factor.

**Net tangible asset value per share** - Computed by dividing shareholders' equity, excluding non-controlling interests less goodwill and intangible assets, by the number of issued ordinary shares.

**Net trading income** - Gains and losses arising from trading positions which are held at fair value, in respect of both market-making and customer business, together with interest, dividends and funding costs relating to trading activities.

**Operational risk** - In the context of Risk Weighted Assets, a component of risk weighted assets that represents the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk.

**Own credit** - The effect of changes in the Group's own credit standing on the fair value of financial liabilities.

**Payment Protection Insurance (PPI) redress** - Provision for the settlement of PPI mis-selling claims pending as at, and those after, 9 May 2011, following the Judicial Review proceedings.

**Prime Services** - Involves financing of fixed income and equity positions using Repo and Stock Lending facilities. The Prime Services business also provides brokerage facilitation services for Hedge Fund clients offering execution and clearance facilities for a variety of asset classes.

**Principal Investments** - Private equity investments.

**Private-label securitisation** - Residential mortgage backed security transactions sold or guaranteed by entities that are not sponsored or owned by the government.

**Product structural hedge** - An interest rate hedge which functions to reduce the economic impact of the volatility of short-term interest rate movements on balance sheet positions that can be matched to a specific product, e.g. customer balances that do not re-price with market rates.

**Project Merlin** - Encompasses statements made by the major UK banks (Barclays, HSBC, Lloyds Banking Group, RBS and Santander) and HM Government to demonstrate their clear and shared intent to work together to help the UK economy recover and grow, particularly with regard to promoting lending to business.

**Recoveries Impairment Coverage Ratio** - Impairment allowance held against recoveries balances expressed as a percentage of balance in recoveries.

**Repurchase agreement (repo)/reverse repurchase agreement (reverse repo)** - Arrangements that allow counterparties to use financial securities as collateral for an interest bearing cash loan. The borrower agrees to sell a security to the lender subject to a commitment to repurchase the asset at a specified price on a given date. For the party selling the security (and agreeing to repurchase it in the future) it is a repurchase agreement or repo; for the counterparty to the transaction (buying the security and agreeing to sell in the future) it is a reverse repurchase agreement or reverse repo.

**Reserve Capital Instruments (RCIs)** - Hybrid issued capital securities which may be debt or equity accounted, depending on the terms. Under FSA rules, they qualify as other Tier 1 capital.

**Residential Mortgage Backed Securities (RMBS)** - Securities that represent interests in a group of residential mortgages. Investors in these securities have the right to cash received from future mortgage payments (interest and/or principal).

**Rest of World** - See Barclays Corporate.

**Retail and Business Banking (RBB)** - UK Retail and Business Banking, Europe Retail and Business Banking, Africa Retail and Business Banking and Barclaycard.

**Retail Loans** - Loans to individuals rather than to financial institutions. It includes both secured and unsecured loans such as mortgages and credit card balances, as well as loans to certain smaller business customers.

**Return on average equity** - Calculated as profit after tax and non-controlling interests for the year, divided by average allocated equity for the year. Average allocated equity is calculated as 10% of average risk weighted assets, adjusted for capital deductions, including goodwill and intangible assets.

**Return on average risk weighted assets** - Calculated as profit after tax for the year divided by average risk weighted assets for the year.

**Return on average shareholders' equity** - Calculated as profit for the year attributable to equity holders of the parent divided by average shareholders' equity for the year, excluding non-controlling interests.

**Return on average tangible equity** - Calculated as profit after tax and non-controlling interests for the year, divided by average allocated tangible equity for the year. Average allocated tangible equity is calculated as 10% of average risk weighted assets, adjusted for capital deductions, excluding goodwill and intangible assets.

**Return on average tangible shareholders' equity** - Calculated as profit for the year attributable to equity holders of the parent divided by average shareholders' equity for the year, excluding non-controlling interests, goodwill and intangible assets.

**Risk adjusted net interest margin** - Annualised net interest income less the income statement impairment charge on loans and advances, divided by total average customer assets for the relevant businesses.

**Risk weighted assets (RWAs)** - A measure of a bank's assets adjusted for their associated risks. Risk weightings are established in accordance with the Basel Capital Accord as implemented by the FSA.

**Securitisation** - Typically, a process by which debt instruments such as mortgage loans or credit card balances are aggregated into a pool, which is used to back new securities. A company sells assets to a special purpose vehicle (SPV) which then issues securities backed by the assets. This allows the credit quality of the assets to be separated from the credit rating of the original borrower and transfers risk to external investors.

**Securitisation positions** - In the context of Capital Resources, a deduction from Core Tier 1 and Qualifying Tier 2 capital in respect of the Group's exposure to securitisation assets, such as RMBS. A 'securitisation' in this context means a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranched and has the following characteristics: a) payments in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures; and (b) the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme.

**SIV-Lites** - Special Purpose Entities which invest in diversified portfolios of interest earning assets to take advantage of the spread differentials between the assets in the Structured Investment Vehicle (SIV) and the funding cost. Unlike SIVs they are not perpetual, making them more like CDOs, which have fixed maturity dates.

**South Africa** - The operations of Africa RBB based in South Africa.

**Sovereign exposure(s)** - Exposures to central governments, including holdings in government bonds and local government bonds.

**Statutory** - Line items of income, expense, profit or loss, assets, liabilities or equity stated in accordance with the requirements of the UK Companies Act 2006, which incorporates the requirements of International Financial Reporting Standards (IFRS). See 'Adjusted profit before tax' for details of the adjustments made to the statutory results in arriving at the adjusted profit.

**Structural hedge** - An interest rate hedge which functions to reduce the impact of the volatility of short-term interest rate movements on positions that exist within the balance sheet that carry interest rates that do not re-price with market rates. See also equity structural hedge and product structural hedge.

**Structured Investment Vehicles (SIVs)** - SPEs (Special Purpose Entities) which invest in diversified portfolios of interest earning assets to take advantage of the spread differentials between the assets in the SIV and the funding cost. See Risk Management section - Credit Market Exposures.

**Structured notes** - A structured note is an investment which pays a return linked to the value or level of a specified asset or index and sometimes offers capital protection if the value declines. Structured notes can be linked to equities, interest rates, funds, commodities and foreign currency.

**Subordinated liabilities** - Liabilities which, in the event of insolvency or liquidation of the issuer, are subordinated to the claims of depositors and other creditors of the issuer.

**Sub-prime** - Loans to borrowers typically having weak credit histories that include payment delinquencies and potentially more severe problems such as court judgements and bankruptcies. They may also display reduced repayment capacity as measured by credit scores, high debt-to-income ratios, or other criteria indicating heightened risk of default.

**Tangible equity** - Equity adjusted for the deduction of intangible assets and goodwill.

**Tier 1 capital** - A measure of a bank's financial strength defined by the FSA. It captures Core Tier 1 capital plus other Tier 1 securities in issue, but is subject to a deduction in respect of material holdings in financial companies.

**Tier 1 capital ratio** - The ratio expresses Tier 1 capital as a percentage of risk weighted assets.

**Tier 1 notes** - Hybrid issued capital securities which are debt accounted. Under FSA rules, they qualify as other Tier 1 capital.

**Tier 2 capital** - Broadly includes qualifying subordinated debt and other Tier 2 securities in issue, eligible collective impairment allowances, unrealised available for sale equity gains and revaluation reserves. It is subject to deductions relating to the excess of expected loss over regulatory impairment allowance, securitisation positions and material holdings in financial companies.

**UK** - Geographic segment where Barclays operates comprising the UK.

**UK Bank levy** - A levy that applies to UK banks, building societies and the UK operations of foreign banks from 1 January 2011. The levy is payable based on a percentage of the chargeable equity and liabilities of the bank as at the balance sheet date starting with the 31 December 2011 balance sheet.

**UK Retail and Business Banking (UK RBB)** - Is a leading UK high street bank providing current account and savings products and Woolwich branded mortgages. UK RBB also provides unsecured loans, protection products and general insurance as well as banking and money transmission services to small and medium enterprises.

**Unencumbered** - Assets not used to secure liabilities or otherwise pledged.

**US economic sanctions** - US economic sanctions, administered by the Office of Foreign Assets Control, against designated foreign countries, nationals and others.

**Wholesale loans/lending** - Lending to larger businesses, financial institutions and sovereign entities.