BARCLAYS PLC
Form 6-K
March 30, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 6-K

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

March, 2010

Barclays PLC and
Barclays Bank PLC
(Names of Registrants)

1 Churchill Place
London E14 5HP
England
(Address of Principal Executive Offices)

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

Form 20-F x   Form 40-F

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

Yes   No x

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

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

This Report comprises:

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

EXHIBIT INDEX

Consolidated Basel II Pillar 3 Disclosure for 2009

SIGNATURES

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

BARCLAYS PLC
(Registrant)

Date: March 30, 2010

By: /s/ Patrick Gonsalves

Patrick Gonsalves
Deputy Secretary

BARCLAYS BANK PLC
(Registrant)

Date: March 30, 2010

By: /s/ Patrick Gonsalves

Patrick Gonsalves
Joint Secretary

Barclays PLC
Consolidated Basel II Pillar 3 Disclosure for 2009

Notes about this report

Overview of Basel II and Pillar 3

Since 2008, Barclays has applied the Basel II framework as part of its capital management strategy. The accord is made up of three pillars:

- Pillar 1 covers the calculation of risk-weighted assets for credit risk, market risk and operational risk.
- Pillar 2 allows firms and supervisors to take a view on whether the firm should hold additional capital to cover the three Pillar 1 risk types, or to cover other risks. A firm's own internal models and assessments support this process.
- Pillar 3 covers external communication of risk and capital information by banks.

Basel II also provides for different approaches to calculating capital requirements.

- The first is the Standardised approach, where the risk weights used to assess requirements against credit exposures are consistent across the industry.
- The second approach is the Internal Ratings Based approach (IRB) which relies on the bank's internal

models to derive the risk weights. Throughout this report the tables distinguish between these two approaches. The IRB approach is further sub-divided into two alternative applications, Advanced and Foundation:

- Under Advanced IRB (AIRB), Barclays uses its own estimates of probability of default (PD), loss given default (LGD) and credit conversion factor to model a given risk exposure. This is similar to the Basel I framework, but with a more detailed classification of asset types to enable better risk sensitivity.
- Under Foundation IRB, Barclays applies its own PD as for Advanced, but it uses standard parameters for the LGD and the credit conversion factor. The Foundation IRB approach is specifically designed for wholesale credit exposures. Hence retail, equity, securitisation positions and non-credit obligations asset exposures are treated under Standardised or AIRB.

Barclays lead regulator is the UK Financial Services Authority (FSA). Pillar 3 principles can be found within its "Prudential Sourcebook for Banks, Building Societies and Investment Firms" ("BIPRU" Section 11).

The report is prepared once a year, except in exceptional circumstances, in accordance with the Group's Pillar 3 Policy. It is available from the Barclays investor relations web site (www.investorrelations.barclays.com).

Presentation of risk data, verification and sign-off

This document discloses Barclays assets both in terms of exposures and capital requirements. For the purposes of this document, credit exposure is defined as the estimate of the amount lost in the event of a default or through the decline in value of an asset. This estimate takes account of contractual commitments related to undrawn amounts. In contrast, an asset in the Group's balance sheet, as published in the Annual Report, is reported as a drawn balance only. This is one of the reasons why exposure values in the Pillar 3 report can differ from asset values as reported in the published accounts.

Where this document discloses credit exposures or capital requirements, Barclays has followed the scope and application of its Pillar 1 capital adequacy calculations. Where figures for impairment or losses are disclosed within this document, Barclays has followed the IFRS definitions used in the Barclays Annual Report. Throughout this report, tables show credit exposures or capital requirement split into various exposure classes (for instance, industry or type of borrower). Some of these classes are specified in the FSA rules. Where the regulations are not explicit, such as in industry and geographic analyses, Barclays shows the exposure class splits on the same basis as its Annual Report.

The 2009 Pillar 3 disclosure describes the Group's credit risk exposures covering both the Standardised and the Internal Ratings Based (IRB) approaches. In many cases, a material factor in the year on year movements is the change in treatment of credit risk portfolios, from the Standardised to the IRB approach. Where this is the case, this is noted in the commentary to the disclosures. The process of transferring portfolios to the IRB approach is expected to remain a significant driver of year on year movements for the next year. In addition, some year on year movements have been driven by updates in regulatory guidance, changes in regulatory treatment of certain portfolios and reclassifications of data. These cases are noted where relevant.

This report was verified and approved internally by Barclays in line with its Pillar 3 policy. There are no requirements for external auditing of these disclosures.

Basis of consolidation

In this report, Barclays PLC information is presented on a consolidated basis. All of these disclosures are published for Barclays PLC for the year ended 31st December 2009. The consolidation basis used is the same as that used for regulatory capital adequacy. Certain overseas subsidiaries operate under local regulatory capital regimes which are recognised as equivalent by the FSA. In these cases, Barclays has used these local capital calculations in its Group consolidation. The scope of consolidation is similar to that used for statutory accounting reporting for most of the Group's activities (see Appendix for differences). Barclays had no subsidiaries outside the scope of regulatory consolidation which had capital resources less than their required minimum at 31st December 2009.

Capital Risk Management

Capital adequacy is the degree to which capital resources on the Group's balance sheet are sufficient to cover the businesses' capital requirements now and in the foreseeable future. The Group's authority to operate as a bank is dependant upon the maintenance of adequate capital resources. Capital risk management is the process for reviewing capital requirements to enable the Group to:

- Meet minimum regulatory requirements in the UK and in other jurisdictions such as the United States and South Africa where regulated activities are undertaken;
- Support its credit rating and maintain cost of funds;
- Support its growth.

Barclays ensures that it is sufficiently capitalised by continually assessing its capital resources and requirements given current financial projections. This takes into account material risks to the projections as the strategies employed to manage those risks.

Capital risk management organisation and structure

Treasury Committee manages compliance with the Group's capital management objectives. The Committee reviews actual and forecast capital requirements and resources on a monthly basis. The Risk Oversight Committee (GROC) and the Board Risk Committee (BRC) annually review and set risk appetite and analyse the impacts of stress scenarios in order to understand and manage the Group's projected capital adequacy. More generally they are responsible for the risk management processes of the bank.

Measurement of capital requirements

Barclays capital management considers both economic and regulatory capital.
Regulatory capital requirements are calculated on the basis of Pillar 1 and Pillar 2 of the Basel framework. Pillar 1 capital covers credit, market and operational risks. The calculation methods (including formulae and ratings per exposure category) are specified by Basel II rules. Pillar 2 capital can also be held against the three risk types above, but mainly covers other types of risk. Barclays uses its own internal economic capital framework (described below) and stress testing processes to help determine Pillar 2 capital, though the final decision rests with the regulator.
Barclays calculates economic capital requirements based on its own internal framework, which is regularly enhanced and benchmarked to external reference points. It therefore represents the Group's view of the risk profile of the firm. While it is used to support the assessment of Pillar 2 regulatory requirements, its main purpose is to drive business decision-making. The Group assigns economic capital primarily within the following risks: retail and wholesale credit risk, market risk, operational risk, fixed assets, private equity and pension risk.

Management of capital resources

The Group's objective in managing its capital resources is to maintain sufficient and adequate capital resources given current and future requirements. This is achieved via a number of activities, described below.
The Group manages requirements for capital from organic and inorganic growth which ensures that resources remain in excess of minimum regulatory requirements and internal targets (which provide a buffer above minimum requirements). Robust governance and operational processes are in place to support this.
Barclays continuously assesses market capacity for any planned capital issuance, both in business-as-usual and stressed conditions. Even during the severe crisis of 2008 and 2009 the Group has demonstrated that it can raise debt and equity capital from investors, without capital investments by the UK Government.

The Group manages its capital resources to ensure that those Group entities that are subject to local capital adequacy regulation in individual jurisdictions meet their minimum capital requirements. Local management ensures compliance with minimum regulatory capital requirements by reporting to local Asset and Liability Committees with oversight by Treasury Committee, as required. Injections of capital resources into Group entities are approved by Treasury Committee, under authorities delegated from the Group Executive Committee. The Group's policy is for capital held in Group entities in excess of local regulatory requirements to be repatriated to Barclays Bank PLC in the form of dividends and/or capital repatriation, subject to local regulatory requirements, exchange controls and tax implications. Other than as indicated above, the Group is not aware of any material impediments to the prompt transfer of capital resources or repayment of intra-group liabilities when due.

Regulators have set a range of minimum levels for regulatory capital ratios. There are also limits relating to the structure and quality of capital resources. Barclays ensures that Barclays maintain sufficient buffers above these regulatory minima at all times. The adequacy of these buffers is assessed via the medium-term planning (MTP) process, the risk appetite setting process and Group-wide stress testing (these processes are described below).

Activities to support the management of capital requirements and resources

Managing capital risk ensures that Barclays achieves an adequate balance between capital requirements and resources. Barclays uses several tools to ensure that capital risk is properly assessed and mitigated. The main elements are summarised below.

The

medium-term planning process

(MTP), performed annually, requires each business unit to present its plans for business performance over the coming three years.

Achieving the planned performance in each business is dependent upon the ability of the business to manage its risks. Risk managers support the MTP by providing robust review and challenge of the business plans to ensure that the financial projections are internally consistent, achievable given risk management capabilities and that they present a suitable balance between risk and reward.

The plans comprise projections of capital resources and requirements given profit generation, dividend policy and capital issuance. This serves to verify profits will produce sufficient capital given requirements, and that the bank will satisfy internal objectives and regulatory guidance relating to the structure and quality of capital resources.

The Group's

Risk Appetite framework

is embedded within its decision-making processes, and is used to understand the relationship between risk and reward. This understanding helps the Board's assessment of the medium-term plans for which it is responsible. The aim of this framework is to achieve the Group's financial performance objectives without exposing the Group to levels of risk that are outside of its appetite.

The framework considers Risk Appetite from two perspectives:

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Financial Volatility is defined as the level of risk Barclays is prepared to accept in order to achieve its objectives where risk relates to an amount of loss at a given confidence level

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Mandate and Scale comprises a range of limits and triggers with the aim of avoiding risk concentrations

During the annual MTP process, the Group sets its appetite for Financial Volatility arising from volatility in revenues, costs and impairment over the forecast horizon. The aim of this framework is to enable returns to be maximised without exposing the Group to levels of risk that are outside of its appetite. The Group defines Risk Appetite as the level of risk it is prepared to accept in order to achieve its objectives where risk relates to an amount of loss at a given confidence level.

The appetite is expressed in terms of a set of objectives in a business-as-usual (BAU) environment as well as in stress environments (currently 1-in-7 and 1-in-25 statistical confidence levels as determined by our economic capital models). For example, at a given level of stress these objectives could be expressed as:

- The minimum profit that Barclays is willing to accept in stress environments
- The maximum loan loss rate (credit losses as a proportion of loans) that the Group will tolerate
- The target return on equity
- Minimum Group regulatory capital ratios
- Capacity for dividend payment
- Ability to achieve an appropriate level of growth in the loan book.

The central Group Risk function verifies that the objectives can be attained under the medium-term plans by forecasting stressed financial results over the next year. The Board is responsible for approving Risk Appetite and the Board Risk Committee monitors the Group's risk profile against the agreed appetite.

The Mandate and Scale framework operates through limits and triggers, which work in tandem with clearly defined lending criteria for specific sectors, industries and products, in order to maintain asset quality.

Barclays uses the Mandate and Scale framework to:

- Limit concentration risk and manage large exposures
- Keep lending within Group and individual business mandate
- Ensure activities remain of an appropriate scale relative to the underlying risk and reward
- Ensure risk-taking is supported by appropriate expertise and capabilities

The Board Risk Committee is responsible for approving the Group's Mandate and Scale limits and triggers annually and ratifying any changes. Mandate and Scale frameworks are currently in place for retail and wholesale credit risk and for traded and non-traded market risk.

The *Group-wide stress testing process* forecasts the Group's projected capital requirements and resources in a range of stress scenarios. This enables the Group to ensure it can meet its minimum regulatory capital requirements in a stressed environment, meaning that Barclays capital planning buffer is adequate. It also allows senior management to gain a better understanding of how portfolios are likely to react to changing economic conditions and how the Group can best anticipate and mitigate them. The Group-wide stress testing process contributes to the strategic planning of the Group and forms a key component of the internal capital adequacy assessment process (ICAAP).

The components of the stress testing process are:

- A central view of the likely direction of the economy, and a baseline set of financial projections. These are produced as part of the medium-term planning process.
- A stress scenario combining an array of economic and financial parameters, for instance GDP, interest rates, and credit spreads.
- A narrative to ensure understanding of the scenario.

Managing capital risk ensures that Barclays achieves an adequate balance between capital requirements and resou

- A set of financial projections, including detailed capital plans under stress. The effect of mitigating actions are clearly identified and supported.

The analysis of the stress losses is done by risk managers and relevant experts within the business units. Group centre functions provide scenario parameters, coordinate the process, perform the review and challenge of the analysis (including any models and assumptions used) and prepare a capital plan based on the results. In this manner, the process combines subject matter expertise from the businesses with robust challenge from Group centre. Mitigating actions identified as part of the process are also incorporated in the Group's ongoing contingency plans should a stress develop similar in severity to the scenarios.

A *reverse stress test*, which shows the amount of losses that would lead to the complete consumption of the capital buffer, is presented to the Treasury Committee on a regular basis. This framework is continuously developed to allow the committees and management to better understand the events that would lead to such losses, and ensure that capital levels are sufficient to mitigate them.

The Group has used its *economic capital framework* in its business decision-making process since 1995. This creates a high degree of senior management awareness of the relationship between risk and capital. This use of economic capital is designed to optimise economic profit generation whilst balancing the need to manage the Group's capital ratios within regulatory capital constraints. The importance and visibility of economic capital ensures that models are continuously reviewed and refined, and that our portfolio of businesses evolves to support our strategy of balanced growth.

Specifically, Barclays uses economic capital to satisfy the following objectives:

- Capital adequacy assessment
- Communication of risks on a like-for-like basis
- Measurement of risk-adjusted performance
- Senior management compensation
- Strategic planning
- Pricing transactions
- Supporting growth decisions

Barclays ensures it manages the *effects of foreign exchange volatility* in the requirements for, and resources denominated in local currency capital.

The Group has capital resources and risk weighted assets denominated in foreign currencies. Changes in foreign exchange rates result in changes in the sterling equivalent value of foreign currency denominated capital resources and risk weighted assets. As a result, the Group's regulatory capital ratios are sensitive to foreign currency movements.

The Group's capital ratio hedge strategy is to minimise the volatility of the capital ratios caused by foreign exchange rate movements. To achieve this, the Group aims to maintain the ratio of foreign currency Core Tier 1, Tier 1 and Total Capital resources to foreign currency RWAs the same as the Group's capital ratios. The Group's foreign currency capital resources include investments in subsidiaries and branches, intangible assets, non-controlling interest, deductions from capital and debt capital instruments.

Managing capital risk ensures that Barclays achieves an adequate balance between capital requirements and resou

The Group's investments in foreign currency subsidiaries and branches create Core Tier 1 capital resources denominated in foreign currencies. Changes in the sterling value of the investments due to foreign currency movements are captured in the currency translation reserve, resulting in a movement in Core Tier 1 capital.

To create foreign currency Tier 1 and Total Capital resources additional to the Core Tier 1 capital resources, the Group issues, where possible, debt capital in non-sterling currencies. This is primarily achieved by the issuance of debt capital from Barclays Bank PLC, but can also be achieved by subsidiaries issuing capital in local currencies.

In some circumstances, investments in foreign currency subsidiaries and branches are hedged. In these circumstances, foreign currency capital resources are not created. Hedging decisions take into account the impact on capital ratios, the strategic nature of the investment, the cost of hedging, the availability of a suitable foreign exchange market and prevailing foreign exchange rates. Depending on the value of foreign currency net investments, it is not always possible to maintain the ratio of Core Tier 1 capital to RWAs consistent with the Group's Core Tier 1 ratio in all currencies, leaving some capital ratio sensitivity to foreign currency movements.

The investment of proceeds from the issuance of equity accounted foreign currency preference shares also contributes to foreign currency capital resources. If a preference share issuance is redeemed, the cumulative movement from the date of issuance in the currency translation reserve will be offset by an equal and opposite movement in reserves reflecting the revaluation of the preference shares to prevailing foreign exchange rates. Issuance of a replacement Tier 1 instrument in the same currency will maintain the hedge of the Tier 1 ratio.

Barclays Capital Adequacy

Capital Resources

The following table represents the Group's capital position at 31 December 2009. Details on capital resources, including share capital, reserves and non-controlling interests are found in notes i to l in the annual report. Details on the terms and conditions of subordinated liabilities are contained in note 27 of the 2009 Annual Report.

Table 1: Tier 1 and Tier 2 Capital Resources

	As at 31.12.09	**As at 31.12.08**
Tier 1 (excluding innovative tier 1)	£m	£m
Called up share capital	2,853	2,093
Eligible reserves	44,408	31,156
Non-controlling interests	8,609	8,172
Tier 1 Notes	1,017	1,086
Less: Intangible assets	(8,345)	(9,964)
Less: Deductions from Tier 1 capital - Expected loss in excess of impairment on IRB approach portfolios	(25)	(159)
Less: Deductions from Tier 1 capital - Other	(5,604)	(877)
Total qualifying tier 1 capital (excluding innovative tier 1)	**42,913**	**31,507**
Innovative Tier 1 Capital	**6,724**	**7,087**
Tier 2		
Revaluation reserves	26	26
Available for sale equity gains	309	122

Collectively assessed impairment allowances	2,443	1,654
Non-controlling interests	547	607
Qualifying subordinated liabilities		
Undated loan capital	1,350	5,401
Dated loan capital	15,657	14,215
Total innovative tier 1 capital and tier 2 capital	**27,056**	**29,112**
Less: Deductions from Tier 2 capital - Expected loss in excess of impairment on IRB approach portfolios	(25)	(159)
Less: Deductions from Tier 2 capital - Other	(5,604)	(877)
Total innovative tier 1 capital and tier 2 capital after deductions	**21,427**	**28,076**
Less: Regulatory deductions from the total of tier 1 and tier 2 capital Investments not consolidated for supervisory purposes	(624)	(403)
Less: Other deductions	(256)	(453)
Total deductions from the total of tier 1 and tier 2 capital	**(880)**	**(856)**
Total net capital resources	**63,460**	**58,727**

The Capital Requirements Directive requires Tier 1 capital to be calculated excluding innovative capital. This is the basis on which we have disclosed the Group's Tier 1 capital above. The FSA's capital requirements permit the inclusion of innovative Tier 1 capital subject to a limit of 15% of the total Tier 1 capital. Innovative capital in excess of the 15% limit can be included in Tier 2 capital.

Minimum Capital Requirements and Risk Weighted Assets (RWA) analysis

Capital requirements can be converted into RWAs by multiplying them by 12.5. The following table shows a breakdown of the Group's RWAs by risk type.

Table 2: Minimum capital requirement and risk weighted assets

As at 31.12.09	**Capital Requirement**	**RWA**
Risk Type	**£m**	**£m**
Standardised Approach Credit Risk	7,242	90,525
Advanced and Foundation IRB Approach Credit Risk	12,922	161,529
Counterparty Credit Risk	3,636	45,450
Total Credit Risk	23,800	297,504