

MARVELL TECHNOLOGY GROUP LTD
Form SC 13G/A
February 09, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G
Under the Securities Exchange Act of 1934
(Amendment No. 12)*

Marvell Technology Group Ltd.

(Name of Issuer)

Common shares, par value \$0.002 per share

(Title of Class of Securities)

G 5876H105

(CUSIP Number)

December 31, 2015

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed

.. Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. G5876H105

1. Name of Reporting Person.

Sehat Sutardja

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Citizenship or Place of Organization

United States

5. Sole Voting Power

Number of

Shares 0 shares

6. Shared Voting Power

Beneficially

Owned by 70,411,542 shares *

Each 7. Sole Dispositive Power

Reporting

Person 0 shares

8. Shared Dispositive Power

With

70,411,542 shares *

9. Aggregate Amount Beneficially Owned by Each Reporting Person

70,411,542 shares *

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

11. Percent of Class Represented by Amount in Row (9)

13.7%

12. Type of Reporting Person (See Instructions)

IN

- * Shares may be deemed beneficially owned by Dr. Sehat Sutardja and include (i) 18,253,334 shares owned by The Sutardja Family Partners, a California family limited partnership, of which Dr. Sehat Sutardja and Ms. Dai are the general partners and share voting and dispositive power, (ii) 3,888,300 shares issuable pursuant to stock options exercisable on March 1, 2016, held by Dr. Sehat Sutardja, and (iii) 1,330,000 shares issuable pursuant to stock options exercisable on March 1, 2016, held by Weili Dai. Dr. Sehat Sutardja and Ms. Dai are married to each other and live in California, a community property state. As such, each may be deemed to be the beneficial owner (with voting and investment power) with respect to all of the outstanding shares held.

CUSIP No. G5876H105

1. Name of Reporting Person.

Weili Dai

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Citizenship or Place of Organization

United States

5. Sole Voting Power

Number of

Shares 0 shares

6. Shared Voting Power

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Owned by 70,411,542 shares *

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11. Percent of Class Represented by Amount in Row (9)

13.7%

12. Type of Reporting Person (See Instructions)

IN

- * Shares may be deemed beneficially owned by Ms. Dai and include (i) 18,253,334 shares owned by The Sutardja Family Partners, a California family limited partnership, of which Dr. Sehat Sutardja and Ms. Dai are the general partners and share voting and dispositive power, (ii) 3,888,300 shares issuable pursuant to stock options exercisable on March 1, 2016, held by Dr. Sehat Sutardja, and (iii) 1,330,000 shares issuable pursuant to stock options exercisable on March 1, 2016, held by Weili Dai. Dr. Sehat Sutardja and Ms. Dai are married to each other and live in California, a community property state. As such, each may be deemed to be the beneficial owner (with voting and investment power) with respect to all of the outstanding shares held.

Item 1.

(a) Name of Issuer

Marvell Technology Group Ltd.

(b) Address of Issuer's Principal Executive Offices

Marvell Technology Group Ltd.

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Item 2.

(a) Name of Person Filing

Dr. Sehat Sutardja

(b) Address of Principal Business Office or, if none, Residence

Marvell Semiconductor, Inc.

5488 Marvell Lane

Santa Clara, CA 95054

(c) Citizenship

United States

(d) Title of Class of Securities

Common shares, par value \$0.002 per share

(e) CUSIP Number

G5876H105

(a) Name of Person Filing

Weili Dai

(b) Address of Principal Business Office or, if none, Residence

Marvell Semiconductor, Inc.

5488 Marvell Lane

Santa Clara, CA 95054

(c) Citizenship

United States

(d) Title of Class of Securities

Common shares, par value \$0.002 per share

(e) CUSIP Number

G5876H105

Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

Not applicable

Item 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1*.

(a) Amount beneficially owned:
70,411,542 shares **

(b) Percent of class:
13.7%

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote
0 shares

(ii) Shared power to vote or to direct the vote
70,411,542 shares *

(iii) Sole power to dispose or to direct the disposition of
0 shares

(iv) Shared power to dispose or to direct the disposition of
70,411,542 shares *

* Dr. Sehat Sutardja and Ms. Dai are married to each other and live in California, a community property state. As such, each may be deemed to be the beneficial owner (with voting and investment power) with respect to all of the outstanding shares held.

** Shares may be deemed beneficially owned by each of the Reporting Persons and include (i) 18,253,334 shares owned by The Sutardja Family Partners, a California family limited partnership, of which Dr. Sehat Sutardja and Ms. Dai are the general partners and share voting and dispositive power, (ii) 3,888,300 shares issuable pursuant to stock options exercisable on March 1, 2016, held by Dr. Sehat Sutardja, and (iii) 1,330,000 shares issuable pursuant to stock options exercisable on March 1, 2016, held by Weili Dai. Dr. Sehat Sutardja and Ms. Dai are married to each other and live in California, a community property state. As such, each may be deemed to be the

beneficial owner (with voting and investment power) with respect to all of the outstanding shares held.

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following " .

Item 6. Ownership of More than Five Percent on Behalf of Another Person

Not applicable

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company

Not applicable.

Item 8. Identification and Classification of Members of the Group

Not applicable.

Item 9. Notice of Dissolution of Group

Not applicable.

Item 10. Certification
Not applicable.

Page 6 of 7

Signatures

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

February 9, 2016
Date

/s/ Sehat Sutardja
Signature

Sehat Sutardja
Name/Title

February 9, 2016
Date

/s/ Weili Dai
Signature

Weili Dai
Name/Title

Exhibit Index
Exhibit Description

99.1 Agreement of Joint Filing dated as of February 9, 2016.

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Statutory profit/(loss) before tax

404

349

259

378

(372)

296

Business Results by Quarter

Investment Bank	Q212	Q112	Q411	Q311	Q211	Q111
	£m	£m	£m	£m	£m	£m
Adjusted and statutory basis						
Fixed Income, Currency and Commodities	1,968	2,396	971	1,438	1,715	2,201
Equities and Prime Services	423	550	305	338	563	545
Investment Banking	501	509	506	389	520	612
Principal Investments	140	9	36	89	99	8
Total income	3,032	3,464	1,818	2,254	2,897	3,366
Credit impairment (charges)/releases and other provisions	(248)	(75)	(90)	(114)	80	31
Net operating income	2,784	3,389	1,728	2,140	2,977	3,397
Operating expenses	(1,788)	(2,145)	(1,458)	(1,758)	(2,006)	(2,067)
Other net income/(expense)	6	22	(3)	6	6	3
Adjusted profit before tax and profit before tax	1,002	1,266	267	388	977	1,333
Corporate Banking						
Adjusted basis						
Total income net of insurance claims	703	824	710	830	817	751
Credit impairment charges and other provisions	(218)	(207)	(252)	(283)	(327)	(285)
Net operating income	485	617	458	547	490	466
Operating expenses	(357)	(397)	(422)	(436)	(459)	(442)
Other net (expense)/income	(1)	(1)	1	2	2	(3)
Adjusted profit before tax	127	219	37	113	33	21

Adjusting items						
Goodwill impairment	-	-	(123)	-	-	-
Provision for interest rate hedging products redress	(450)	-	-	-	-	-
Losses on disposal	-	-	(9)	-	(64)	-
Statutory (loss)/profit before tax	(323)	219	(95)	113	(31)	21
Wealth and Investment Management						
Adjusted and statutory basis						
Total income net of insurance claims	441	451	449	447	426	422
Credit impairment charges and other provisions	(12)	(7)	(10)	(12)	(9)	(10)
Net operating income	429	444	439	435	417	412
Operating expenses	(367)	(384)	(384)	(369)	(375)	(365)
Other net expenses	(1)	-	(1)	(1)	-	(1)
Adjusted profit before tax and profit before tax	61	60	54	65	42	46
Head Office and Other Operations						
Adjusted basis						
Total (expense)/income net of insurance claims	(41)	259	15	(258)	12	8
Credit impairment (charges)/releases and other provisions	(3)	(2)	(1)	1	(3)	4
Net operating (expense)/income	(44)	257	14	(257)	9	12
Operating expenses (excluding UK bank levy)	(251)	(174)	(144)	(115)	(124)	(80)
UK bank levy	-	-	(325)	-	-	-
Other net income	23	-	-	-	-	-
Adjusted (loss)/profit before tax	(272)	83	(455)	(372)	(115)	(68)
Adjusting items						
Own credit	(325)	(2,620)	(263)	2,882	440	(351)
Impairment and gain/(loss) on disposal of BlackRock investment	227	-	-	(1,800)	(58)	-
Gains on debt buy-backs	-	-	1,130	-	-	-
(Losses)/gains on acquisitions and disposals	-	-	(23)	1	(3)	2
Statutory (loss)/profit before tax	(370)	(2,537)	389	711	264	(417)

Performance Management

Returns and Equity by Business

Returns on average equity and average tangible equity are calculated using profit after tax and non-controlling interests for the period, divided by average allocated equity or tangible equity as appropriate. Average allocated equity has been calculated as 10% of average risk weighted assets for each business, adjusted for capital deductions, including goodwill and intangible assets, reflecting the assumptions the Group uses for capital planning purposes. The higher capital level currently held, reflecting as at 30 June 2012 Core Tier 1 capital ratio of 10.9%, is allocated to Head Office and Other Operations. Average allocated tangible equity is calculated using the same method but excludes goodwill and intangible assets.

	Adjusted1			Statutory		
	Half Year Ended	Half Year Ended	Half Year Ended	Half Year Ended	Half Year Ended	Half Year Ended
Return on Average Equity	30.06.12	31.12.11	30.06.11	30.06.12	31.12.11	30.06.11
	%	%	%	%	%	%
UK RBB	16.6%	14.8%	15.0%	9.9%	14.8%	6.4%
Europe RBB	(6.2%)	(2.7%)	(9.3%)	(6.2%)	(34.1%)	(9.3%)
Africa RBB	7.6%	11.5%	7.9%	7.6%	11.7%	7.9%
Barclaycard	22.0%	17.1%	17.7%	22.0%	17.1%	(3.6%)
Investment Bank	14.9%	5.0%	15.6%	14.9%	5.0%	15.6%
Corporate Banking	6.0%	2.8%	0.6%	(3.3%)	(0.8%)	(1.2%)
Wealth and Investment Management	10.0%	12.2%	9.6%	10.0%	12.2%	9.6%
Group excluding Head Office and Other Operations	12.8%	7.5%	11.2%	10.4%	5.1%	7.6%
Head Office and Other Operations impact	(2.9%)	(3.6%)	(1.9%)	(10.1%)	0.6%	(1.7%)
Total	9.9%	3.9%	9.3%	0.3%	5.7%	5.9%

	Adjusted1			Statutory		
	%	%	%	%	%	%
Return on Average Tangible Equity						
UK RBB	32.2%	28.5%	28.7%	19.2%	28.5%	12.3%
Europe RBB	(7.0%)	(3.5%)	(12.5%)	(7.0%)	(44.8%)	(12.5%)
Africa RBB2	11.1%	18.2%	14.2%	11.1%	18.3%	14.2%
Barclaycard	29.4%	22.5%	23.5%	29.4%	22.5%	(4.8%)
Investment Bank	15.5%	5.1%	16.2%	15.5%	5.1%	16.2%
Corporate Banking	6.4%	3.0%	0.6%	(3.4%)	(0.8%)	(1.2%)
Wealth and Investment Management	14.0%	16.7%	13.2%	14.0%	16.7%	13.2%
Group excluding Head Office and Other Operations	15.0%	9.3%	13.6%	12.2%	6.5%	9.4%
Head Office and Other Operations impact	(3.5%)	(4.7%)	(2.3%)	(11.9%)	0.2%	(2.3%)
Total	11.5%	4.6%	11.3%	0.3%	6.7%	7.1%

Average Equity

Average Tangible Equity

	£m	£m	£m	£m	£m	£m
UK RBB	6,772	6,795	6,847	3,493	3,535	3,588
Europe RBB	2,325	2,722	2,683	2,042	2,067	1,997
Africa RBB	2,612	2,599	2,651	1,120	1,066	1,002
Barclaycard	4,660	4,675	4,594	3,491	3,546	3,459
Investment Bank	20,778	20,106	20,896	20,057	19,386	20,113
Corporate Banking	7,306	7,420	7,479	6,947	6,940	6,978
Wealth and Investment Management	1,894	1,752	1,695	1,359	1,284	1,233
Head Office and Other Operations	8,710	7,033	3,679	8,711	7,031	3,678
3						
Total	55,057	53,102	50,524	47,220	44,855	42,048

1 Adjusted performance metrics exclude the impact of own credit gain, gains on debt buy-backs, impairment and gain/loss on disposal of BlackRock, Inc., provision for PPI redress, provision for interest rate hedging products redress, goodwill impairment and (loss)/gain on acquisitions and disposals.

2 The return on average tangible equity for Africa RBB has been calculated based on average tangible equity including amounts relating to Absa Group's non-controlling interests.

3 Includes risk weighted assets and capital deductions in Head Office and Other Operations, plus the residual balance of average shareholders' equity and tangible equity.

Performance Management

Margins and Balances

	Half Year Ended	Half Year Ended	Half Year Ended
	30.06.12	31.12.11	30.06.11
	£m	£m	£m
Analysis of Net Interest Income			
RBB, Corporate Banking and Wealth and Investment Management customer income:			
- Customer assets	3,335	3,478	3,505
- Customer liabilities	1,564	1,552	1,314
Total	4,899	5,030	4,819
RBB, Corporate Banking and Wealth and Investment Management non-customer income:			
- Product structural hedge ¹	487	540	628
- Equity structural hedge ²	119	643	181
- Other	83	83	65
Total RBB, Corporate Banking and Wealth and Investment Management net interest income	5,588	6,296	5,693
Investment Bank	426	666	511

Head Office and Other Operations	98	(950)	(15)
Group net interest income	6,112	6,012	6,189

RBB, Corporate Banking and Wealth and Investment Management net interest income (NII)

Barclays distinguishes the relative net interest contribution from customer assets and customer liabilities, and separates this from the contribution delivered by non-customer income, which principally arises from Group hedging activities.

Customer interest income

- Customer NII increased 2% to £4,899m, driven by increases in the customer liability margin and growth in average customer asset and liability balances. Customer liabilities grew due to increases in retail savings products and corporate deposits in the UK

- The customer asset margin declined to 2.11% (2011: 2.23%), reflecting an increase in funding rates across RBB, Corporate Banking and Wealth and Investment Management businesses. This was partially offset by a move towards higher margin business in Africa RBB

- The customer liability margin increased to 1.13% (2011: 0.99%) reflecting increased funding rates and therefore value generated from RBB, Corporate Banking and Wealth and Investment Management customer liabilities

Non-customer interest income

- Non-customer NII decreased 21% to £689m, reflecting a reduction in the benefits from Group hedging activities. Group hedging activities utilise structural interest rate hedges to mitigate the impact of the low interest rate environment on customer liabilities and the Group's equity

- Product structural hedges generated a lower contribution of £487m (2011: £628m), as hedges were maintained in this period of continued low interest rates. Based on current interest rate curves and the on-going hedging strategy, fixed rate returns on product structural hedges are expected to continue to make a significant but declining contribution in H2 2012 and 2013

- The contribution from equity structural hedges in RBB, Corporate Banking and Wealth and Investment Management decreased to £119m (2011: £181m) following the sale of hedging instruments in H2 11 and the continued low interest rate environment

Other Group interest income

- Head Office and Other Operations NII of £98m (2011: £15m expenses) principally reflects an increase in income transferred from trading income within Head Office relating to interest rate swaps used for hedge accounting

1 Product structural hedges convert short term interest margin volatility on product balances (such as non-interest bearing current accounts and managed rate deposits) into a more stable medium term rate and are built on a monthly basis to achieve a targeted maturity profile. Product structural hedge income for H1 11 has been revised to £628m (previously reported as £711m).

2 Equity structural hedges are in place to manage the volatility in net earnings generated by businesses on the Group's equity, with the impact allocated to businesses in line with their economic capital usage.

Performance Management

- Investment Bank NII decreased 17% to £426m, due to a reduction in interest income from credit market exposures

- Total Group income from equity structural hedges decreased to £378m (2011: £583m) including £259m (2011: £402m) that was allocated to the Investment Bank and Head Office

Net Interest Margin

- The net interest margin for RBB, Corporate Banking and Wealth and Investment Management decreased to 1.89% (2011: 1.97%), reflecting the reduction in contribution from Group hedging activities. Consistent with prior periods the net interest margin is expressed as a percentage of the sum of average customer assets and liabilities, to reflect the impact of the margin generated on retail and commercial banking liabilities

- The net interest margin expressed as a percentage of average customer assets only, declined to 3.53% (2011: 3.63%)¹

Analysis of Net Interest Margin

UK RBB	Europe RBB	Africa RBB1	Barclaycard	Corporate Banking1	Wealth and Investment Management	Total RBB, Corporate and
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Half Year Ended							Wealth	
	%	%	%	%	%	%	%	
30.06.12								
Customer asset margin	1.08	0.80	3.10	9.53	1.20	0.65	2.11	
Customer liability margin	0.97	0.47	2.66	n/m	1.08	1.11	1.13	
Non-customer generated margin	0.37	0.36	0.25	(0.73)	0.16	0.27	0.23	
Net interest margin	1.39	1.08	3.18	8.81	1.29	1.25	1.89	
Average customer assets (£m)	122,343	42,044	34,369	31,830	68,162	19,152	317,900	
Average customer liabilities (£m)	110,540	15,523	22,345	n/m	80,758	48,246	277,412	
Half Year Ended								
31.12.11								
Customer asset margin	1.18	0.82	2.89	9.47	1.40	0.78	2.15	
Customer liability margin	0.90	0.90	2.91	n/m	0.99	1.05	1.12	
Non-customer generated margin	0.50	0.54	0.52	0.02	0.31	0.39	0.42	
Net interest margin	1.55	1.38	3.42	9.49	1.50	1.36	2.10	
Average customer assets (£m)	120,015	44,133	35,992	31,155	71,027	18,045	320,367	
Average customer liabilities (£m)	108,408	17,379	23,274	n/m	80,268	44,718	274,047	
Half Year Ended								
30.06.11								
Customer asset margin	1.25	0.94	2.95	9.58	1.54	0.77	2.23	
Customer liability margin	0.83	0.41	2.58	n/m	0.89	0.94	0.99	
Non-customer generated margin	0.41	0.40	0.21	(0.18)	0.22	0.33	0.30	
Net interest margin	1.46	1.18	3.02	9.39	1.42	1.22	1.97	
Average customer assets (£m)	116,977	43,360	39,943	29,408	69,760	16,849	316,297	
Average customer liabilities (£m)	107,007	18,029	23,914	n/m	74,430	43,994	267,374	

- Customer asset and liability margins reflect a year on year increase in the Group's internal funding rates, which are based on the cost to the Group of alternative funding in the wholesale market. The increase in funding rates has had an adverse impact to customer asset margins and a benefit to customer liability margins

- The Group's internal funding rate prices intra-group funding and liquidity to appropriately give credit to businesses with net surplus liquidity and to charge those businesses in need of wholesale funding at a rate that is

driven by prevailing market rates and includes a term premium. The objective is to price internal funding for assets and liabilities in line with the cost of alternative funding, which ensures there is consistency between retail and wholesale sources

1 2011 comparatives have been revised to reflect certain corporate banking activities previously reported in Africa RBB which are now included within Corporate Banking. Africa RBB comparatives have additionally been revised to include gross cheque advances and cheque deposits within average assets and average liabilities respectively where these were previously reported net. The H1 11 net interest margin expressed as a percentage of average customer assets only is therefore revised to 3.63% (previously reported as 3.64%).

Risk Management

Overview

- Barclays has clear risk management objectives, and a well-established strategy and framework for managing risk. The approach to identifying, assessing, controlling, reporting and managing risks is formalised in the

Principal Risks Framework. The framework, which groups risk into four Principal Risks categories, is unchanged in 2012. Further detail on how these risks are managed may be found in the 2011 Annual Report and Accounts

- The uncertainties currently associated with the Group's Principal Risks are described below:

Principal Risks and Associated Uncertainties ¹	Topics Covered	Page
Funding Risk		
· Impact of Basel 3 as regulatory rules are finalised	· Capital base, risk weighted assets, balance sheet leverage and significant regulatory changes	37
· Impacts on capital ratios of weak profit performance		40
· Volatility in cost of funding due to economic uncertainty	· Liquidity pool and funding structure	62
· Reduction in available depositor and wholesale funding	· Local Eurozone balance sheet funding exposures	
· Changes in the value of local assets and liabilities due to the potential exit of one or more countries from the Euro		
Credit Risk		
· Impact of potentially deteriorating sovereign credit quality, particularly debt servicing and refinancing capability	· Total assets by valuation basis and underlying asset class	45
· Extent and sustainability of economic recovery, including impact of austerity measures on the	· Loans and advances to customers and banks	48
		51
		56

European economies	· Impairment, potential credit risk loans and coverage ratios	69
· Increase in unemployment due to a weaker economy, fiscal tightening and other measures	· Retail credit risk	58
· Impact of rising inflation and potential interest rate rises on consumer debt affordability and corporate profitability	· Wholesale credit risk	60
· Possibility of further falls in residential property prices in the US, UK, South Africa and Western Europe	· Investment Bank credit market exposures	
· Potential liquidity shortages increasing counterparty risks	· Group exposures to Eurozone countries	
· Potential for large single name losses and deterioration in specific sectors and geographies	· Credit derivatives referencing Eurozone sovereign debt	
· Possible deterioration in remaining credit market exposures		
Market Risk		
· Reduced client activity leading to lower returns	· Analysis of market risk and, in particular, Investment Bank's DvaR	70 35 81
· Decreases in market liquidity due to economic uncertainty	· Analysis of interest margins	
· Impact on income from uncertain interest and exchange rate environment	· Retirement benefit liabilities	
· Underperformance of pension asset returns		
Operational Risk		
· Implementation of strategic change and integration programmes across the Group	· Significant litigation matters	83
· Continued regulatory and change programmes, driven by the global economic climate	· Significant competition and regulatory matters which could lead to penalties and/or the need for redress	87
· Impact of new, wide ranging, legislation in various countries coupled with a changing regulatory landscape		
· Increasingly litigious environment		
· The crisis management agenda and breadth of regulatory change required in global financial institutions		

1 The associated uncertainties may affect more than one Principal Risk.

Funding Risk

Key Capital Ratios

	As at 30.06.12	As at 31.12.11	As at 30.06.11
Core tier 1	10.9%	11.0%	11.0%

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Tier 1	13.3%	12.9%	13.5%
Total capital	16.5%	16.4%	16.9%
Capital Resources	£m	£m	£m
Shareholders' equity (excluding non-controlling interests) per balance sheet	54,205	55,589	51,572
Non-controlling interests per balance sheet	9,485	9,607	10,417
- Less: Other tier 1 capital - preference shares	(6,225)	(6,235)	(6,294)
- Less: Other tier 1 capital - Reserve Capital Instruments	-	-	(437)
- Less: Non-controlling tier 2 capital	(564)	(573)	(552)
Other regulatory adjustments	(171)	(138)	(259)
Regulatory adjustments and deductions:			
Own credit cumulative gain (net of tax)	(492)	(2,680)	(690)
Defined benefit pension adjustment	(2,260)	(1,241)	139
Unrealised losses on available for sale debt securities	83	555	171
Unrealised gains on available for sale equity (recognised as tier 2 capital)	(95)	(828)	-
Cash flow hedging reserve	(1,676)	(1,442)	(104)
Goodwill and intangible assets	(7,574)	(7,560)	(8,223)
50% excess of expected losses over impairment (net of tax)	(500)	(506)	(419)
50% of securitisation positions	(1,663)	(1,577)	(1,959)
Other regulatory adjustments	23	95	175
Core tier 1 capital	42,576	43,066	43,537
Other tier 1 capital:			
Preference shares	6,225	6,235	6,294
Tier 1 notes1	521	530	1,017
Reserve Capital Instruments	2,874	2,895	5,206
Regulatory adjustments and deductions:			
50% of material holdings	(285)	(2,382)	(2,480)
50% tax on excess of expected losses over impairment	100	129	(41)
Total tier 1 capital	52,011	50,473	53,533
Tier 2 capital:			
Undated subordinated liabilities	1,648	1,657	1,637
Dated subordinated liabilities	12,488	15,189	15,646
Non-controlling tier 2 capital	564	573	552
Reserves arising on revaluation of property	21	25	29
Unrealised gains on available for sale equity	95	828	-
Collectively assessed impairment allowances	1,783	2,385	2,517
Tier 2 deductions:			
50% of material holdings	(285)	(2,382)	(2,480)
50% excess of expected losses over impairment (gross of tax)	(601)	(635)	(419)
50% of securitisation positions	(1,663)	(1,577)	(1,959)

Total capital regulatory adjustments and deductions:

Investments that are not material holdings or qualifying holdings	(1,209)	(1,991)	(1,761)
Other deductions from total capital	(565)	(597)	(559)
Total regulatory capital	64,287	63,948	66,736

1 Tier 1 notes are included in subordinated liabilities in the consolidated balance sheet.

Funding Risk

- In the first half of 2012, Core Tier 1 capital decreased by £0.5bn to £42.6bn. Whilst the Group generated £2.3bn Core Tier 1 capital from retained profits (excluding own credit, which is added back for regulatory capital purposes), this was more than offset by other movements in Core Tier 1 capital, principally:

- £1.0bn increase in the deduction for defined benefit pensions, driven by an additional contribution made to the UK Retirement Fund in April 2012 and deducting expected future deficit contributions over the next five years in addition to the pension asset recognised on the Group's balance sheet
 - £0.5bn cash dividends paid during 2012, relating to the 2011 final dividend and the first interim dividend for 2012
 - £0.5bn net reduction from the impact of share awards
 - £0.5bn reduction due to foreign currency movements, primarily due to depreciation of the US Dollar, South African Rand and Euro against Sterling
- Total Capital Resources increased by £0.3bn principally as a result of the sale of the stake in BlackRock, Inc. resulting in a £3.4bn increase in capital (reflecting lower deductions for material holdings offset by gains on the available for sale investment being recognised in retained profits), offset by the redemption of £2.2bn dated subordinated liabilities

Assets and Risk Weighted Assets by Business	Total Assets by Business			Risk Weighted Assets by Business		
	As at 30.06.12	As at 31.12.11	As at 30.06.11	As at 30.06.12	As at 31.12.11	As at 30.06.11
	£m	£m	£m	£m	£m	£m
UK RBB	130,776	127,845	123,745	36,038	33,956	34,216

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Europe RBB	48,109	51,310	56,699	16,563	17,436	17,916
Africa RBB	47,398	48,243	55,064	27,909	30,289	32,671
Barclaycard	34,596	33,838	32,513	33,149	34,186	33,983
Investment Bank	1,225,409	1,158,350	1,076,018	190,553	186,700	189,952
Corporate Banking	87,758	91,190	87,132	69,328	72,842	72,044
Wealth and Investment Management	22,205	20,866	19,814	13,998	13,076	12,664
Head Office and Other Functions	35,014	31,885	41,937	2,685	2,514	1,704
Total	1,631,265	1,563,527	1,492,922	390,223	390,999	395,150

Risk Weighted Assets by Risk	As at	As at	As at
	30.06.12	31.12.11	30.06.11
	£m	£m	£m
Credit risk	239,543	245,224	247,101
Counterparty risk			
- Internal model method	30,165	33,131	27,072
- Non-model method	4,496	4,953	14,009
Market risk			
- Modelled - VaR	23,885	26,568	10,692
- Modelled - Charges add-on and Non-VaR	21,343	17,560	7,784
- Standardised	28,320	27,823	52,561
Operational risk	42,471	35,740	35,931
Total risk weighted assets	390,223	390,999	395,150

- Total assets increased to £1,631bn (2011: £1,564bn), reflecting increases across a number of asset categories, notably a £19bn increase in cash and balances at central banks, a £23bn increase in loans and advances to customers (primarily in relation to settlement balances) and a £21bn increase in reverse repurchase agreements. These were partially offset by a £21bn reduction in derivative financial instrument assets

- Group risk weighted assets remained stable at £390bn, reflecting:

- £5.7bn reduction in credit risk exposures, mainly from Corporate Banking and RBB, owing to changes in the risk weighting portfolio mix combined with methodology changes
- £3.4bn decrease in counterparty risk primarily driven by market movements and business reduction in Investment Bank
- £1.6bn increase in Investment Bank market risk exposures primarily due to methodology changes
- £6.7bn increase in operational risk exposures following the annual review of key risk scenarios across all business areas

Funding Risk

Balance Sheet Leverage	As at	As at	As at
	30.06.12	31.12.11	30.06.11
	£m	£m	£m
Total assets ¹	1,631,265	1,563,527	1,492,922
Counterparty netting	(425,616)	(440,592)	(304,097)
Collateral on derivatives	(51,421)	(51,124)	(33,394)
Net settlement balances and cash collateral	(97,181)	(61,913)	(84,158)
Goodwill and intangible assets	(7,861)	(7,846)	(8,541)
Customer assets held under investment contracts ²	(1,661)	(1,681)	(1,524)
Adjusted total tangible assets	1,047,525	1,000,371	1,061,208
Total qualifying Tier 1 capital	52,011	50,473	53,533
Adjusted gross leverage	20	20	20
Adjusted gross leverage (excluding liquidity pool)	17	17	17
Ratio of total assets to shareholders' equity	26	24	24
Ratio of total assets to shareholders' equity (excluding liquidity pool)	23	22	22

- Barclays continues to manage its balance sheet within limits and targets for balance sheet usage

- Adjusted gross leverage was 20x (31 December 2011: 20x) as the 3% increase in qualifying Tier 1 capital to £52bn was offset by the 5% increase in adjusted total tangible assets to £1,048bn

- At month ends during 2012, the ratio moved in a range from 20x to 23x (Full Year 2011: 20x to 23x) primarily due to fluctuations in collateralised reverse repurchase lending and high quality trading portfolio assets

- Adjusted total tangible assets include cash and balances at central banks of £126.1bn (31 December 2011: £106.9bn). Excluding these balances, the balance sheet leverage would be 18x (31 December 2011: 18x).

Excluding the whole liquidity pool, leverage would be 17x (31 December 2011: 17x)

- The ratio of total assets to total shareholders' equity was 26x (31 December 2011: 24x) and moved within a month end range of 25x to 28x (Full Year 2011: 24x to 28x), driven by fluctuations noted above and changes in gross interest rate derivatives and settlement balances

Implementation of Basel 3 - Impact on Regulatory Capital

- Member States, the European Commission and the European Parliament are in the process of finalising the new capital requirements regulation, capital requirements directive and associated binding technical standards (collectively known as CRDIV) that implement the Basel 3 proposals within the EU. In summary Basel 3 and CRDIV aims to:

- Increase the quantity and quality of capital, by implementing more stringent requirements for the eligibility of capital instruments, higher minimum capital ratios and changes to the regulatory deductions from shareholders' equity
- Improve measures to address procyclicality and excessive credit growth as well as promote conservation of capital, by building up capital buffers that can be drawn down in periods of stress
- Strengthen counterparty credit risk measures by introducing higher capital requirements for OTC derivative transactions and trades cleared via central counterparties
- Constrain excess leverage, by introducing a non-risk based leverage ratio that acts as a supplementary measure to the risk based capital requirements
- Introduce a new liquidity framework, which includes two minimum liquidity metrics: a 30-day liquidity coverage ratio which measures resilience to short-term liquidity stress, and a 1-year net stable funding ratio which measures the stability of long term structural funding

The European Commission and European Parliament were due to finalise CRDIV by the end of July, for implementation by 1 January 2013. However, there are a number of areas still under consideration and the EU requirements are not expected to be finalised until October 2012.

- 1 Includes Liquidity Pool £170bn (31 December 2011: £152bn).
- 2 Comprising financial assets designated at fair value and associated cash balances.

Funding Risk

Funding and Liquidity

Barclays has a comprehensive Liquidity Risk Management Framework (the Liquidity Framework) for managing the Group's liquidity risk. The Liquidity Framework meets the FSA's standards and is designed to ensure that the Group maintains sufficient financial resources of appropriate quality for the Group's funding profile. This is achieved via a

combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring. Together, these meet internal and regulatory requirements.

Regulatory requirements are complied with at the Group and entity level, with the Liquidity Risk Appetite (LRA) providing a consistent Group wide perspective that supplements these requirements. Under the Liquidity Framework, the Group has established the LRA, which is the level of liquidity risk the Group chooses to take in pursuit of its business objectives and in meeting its regulatory obligations. The LRA is measured with reference to the liquidity pool as a percentage of anticipated stressed net contractual and contingent outflows for each of three stress scenarios.

The stress outflows are used to determine the size of the Group liquidity pool, which represents those resources immediately available to meet outflows in a stress. In addition to the liquidity pool, the Liquidity Framework provides for other management actions, including generating liquidity from other liquid assets on the Group's balance sheet in order to meet additional stress outflows, or to preserve or restore the liquidity pool in the event of a liquidity stress.

Liquidity Pool

The Group liquidity pool as at 30 June 2012 was £170bn (31 December 31 2011: £152bn) which is towards the top of the month-end range for the period of £152bn to £173bn (Full Year 2011: £140bn to £167bn). The liquidity pool is held unencumbered and is not used to support payment or clearing requirements. Such requirements are treated as part of our regular business funding. The liquidity pool is intended to offset stress outflows and comprises the following cash and unencumbered assets.

	Cash and Deposits with Central Government Banks ¹		Other Available Liquidity	Total ³
	£bn	Bonds ² £bn	£bn	£bn
As at 30.06.12	124	32	14	170
As at 31.12.11	105	36	11	152

Liquidity Stress Testing

Under the Liquidity Framework, the Group has established a Liquidity Risk Appetite (LRA), which is measured with reference to the liquidity pool as a percentage of anticipated stressed net contractual and contingent outflows for each of three stress scenarios. These scenarios are aligned to the FSA's prescribed stresses and cover a market-wide stress event, a Barclays-specific stress event and a combination of the two. Under normal market conditions, the liquidity pool must be in excess of 100% of three months' anticipated outflows for a market-wide stress and one month's anticipated outflows for each of the Barclays-specific and combined stresses. As at 30 June 2012, the liquidity pool as a percentage of the anticipated net outflows under each of the stress scenarios was:

Market wide Barclays-specific Combined

Liquidity pool as a percentage of anticipated net outflows	3 month	1 month	1 month
As at 30.06.12	141%	115%	124%
As at 31.12.11	127%	107%	118%

The Group also monitors compliance against anticipated Basel 3 metrics, including the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). As at 30 June 2012, the Group met 97% of the expected LCR requirement (31 December 2011: 82%) and was compliant with the expected NSFR requirement at 101% (31 December 2011: 97%). The Group is on track to exceed 100% of the requirements under Basel 3 for both ratios required by 2015 and 2018 respectively.

- 1 Of which over 95% (31 December 2011: over 95%) is placed with the Bank of England, US Federal Reserve, European Central Bank, Bank of Japan and Swiss National Bank.
- 2 Of which over 70% (31 December 2011: over 80%) are comprised of UK, US, Japanese, French, German, Danish and Dutch securities.
- 3 £149bn (31 December 2011: £140bn) of which is FSA eligible.

Funding Risk

Deposit Funding

	As at 30.06.12		As at 31.12.11	
Funding of Loans and Advances to Customers ¹	Loans and Advances to Customers £bn	Deposits £bn	Loan to Deposit Ratio %	Loan to Deposit Ratio %
RBB	229.3	156.6	146	146
Corporate Banking ¹	64.0	88.5	72	83
Wealth and Investment Management	19.8	50.0	40	40
Total funding excluding secured	313.1	295.1	106	111
Secured funding	n/a	37.2	n/a	n/a
Sub-total including secured funding	313.1	332.3	94	101
RBB, Corporate Banking & Wealth and Investment Management	313.1	295.1	106	111
Investment Bank	58.7	46.7	126	138
Head Office and Other Operations	0.9	-	-	-

Trading settlement balances and cash collateral	82.0	66.8	123	142
Total	454.7	408.6	111	118

RBB, Corporate Banking and Wealth and Investment Management activities are largely funded by customer deposits with the remainder covered by funding secured against customer loans and advances. As at 30 June 2012, the loan to deposit ratio for these businesses was 106% (31 December 2011: 111%) and the loan to deposit and secured funding ratio was 94% (31 December 2011: 101%).

The total loan to deposit ratio as at 30 June 2012 was 111% (31 December 2011: 118%) and the loan to deposit and long-term funding ratio was 73% (31 December 2011: 75%).

The excess of Investment Bank loans and advances over customer deposits of £12.0bn (31 December 2011: £17.4bn) is funded with long-term debt and equity.

Included within RBB, Corporate Banking and the Investment Bank are Absa Group related balances totalling £38.0bn of loans and advances to customers funded by £33.4bn of customer deposits and the balance of £4.6bn (31 December 2011: £5.0bn) is funded with wholesale borrowing. This is managed separately by the Absa Group due to local currency and funding requirements. Absa manages its funding position conservatively, relative to local practices, which has a high structural dependence on wholesale funding sources. This dependence is a function of customer behaviour in relation to savings in South Africa as a whole, where there is a higher concentration of cash in investment funds than in bank savings.

Wholesale Funding

Funding of Other Assets² as at 30 June 2012

Assets	£bn	Liabilities	£bn
Trading Portfolio Assets	126	Repurchase agreements	246
Reverse repurchase agreements	120		
Reverse repurchase agreements	50	Trading Portfolio Liabilities	50
Derivative Financial Instruments	515	Derivative Financial Instruments	505
Liquidity pool	170	Less than 1 year wholesale debt	118
Other assets ³	152	Greater than 1 year wholesale debt and equity	204

¹ In addition Corporate Banking also holds £17.3bn (31 December 2011: £17.2bn) loans and advances as financial assets held at fair value.

2 Excludes balances relating to the Absa Group, which are managed separately due to local currency and funding requirements.

3 Predominantly available for sale investments, trading portfolio assets, financial assets designated at fair value and loans and advances to banks.

Funding Risk

- Trading portfolio assets are largely funded by repurchase agreements. The majority of reverse repurchase agreements (i.e. secured lending) are matched by repurchase agreements. The remainder of reverse repurchase agreements are used to settle trading portfolio liabilities

- Derivative assets and liabilities are largely matched. A substantial proportion of balance sheet derivative positions qualify for counterparty netting and the remaining portions largely offset once netted against cash collateral received and paid

- The majority of the liquidity pool is funded by wholesale debt maturing in less than one year

- Other assets (mainly being available for sale investments, trading portfolio assets and loans and advances to banks) are largely matched by wholesale debt maturing over an average of 5 years and equity

- Repurchase agreements and other secured funding are largely collateralised by government issued bonds and other highly liquid securities. The percentage of secured funding using each asset class as collateral is set out below

Secured Funding by Asset Class	Govt Agency		MBS	ABSCorporate	Equity	Other	
	%	%	%	%	%	%	%
As at 30.06.12	63	7	11	2	7	7	3
As at 31.12.11	66	6	9	3	7	7	2

Composition of Wholesale Funding¹

As at 30 June 2012 total wholesale funding outstanding (excluding repurchase agreements) was £263bn (31 December 2011: £265bn). £118bn of wholesale funding matures in less than one year (31 December 2011: £130bn) of which £23bn relates to term funding². £145bn of wholesale funding has a residual maturity of over one year.

The Group has £75bn of privately placed senior unsecured notes in issue. The Group issues these notes through a variety of distribution channels including intermediaries and private banks and a large proportion of end users of these

products are individual retail investors.

	Over one month Not more than one months £bn	Over three months but not more than three months £bn	Over six months but not more than six months £bn	Over one year but not more than one year £bn	Sub-total less than one year £bn	Over one year but not more than three years £bn	Over three years £bn	Total £bn
Deposits from Banks	16.7	7.2	3.0	0.5	27.4	6.7	1.5	35.6
CDs and CP	12.2	15.4	13.5	3.7	44.8	2.4	0.8	48.0
Asset Backed Commercial Paper	4.7	3.3	0.1	-	8.1	-	-	8.1
Senior unsecured (Public benchmark)	-	2.4	-	3.4	5.8	11.3	13.9	31.0
Senior unsecured (Privately placed)	1.4	2.7	3.9	9.5	17.5	20.3	37.5	75.3
Covered bonds/ABS	-	0.3	0.7	1.9	2.9	10.4	14.4	27.7
Subordinated liabilities	-	-	-	0.6	0.6	0.3	20.1	21.0
Other ³	6.8	1.7	1.4	0.9	10.8	1.4	3.6	15.8
Total	41.8	33.0	22.6	20.5	117.9	52.8	91.8	262.5
Of which secured	6.9	5.2	2.0	2.6	16.7	11.5	14.6	42.8
Of which unsecured	34.9	27.8	20.6	17.9	101.2	41.3	77.2	219.7

1 The composition of wholesale funds comprises the balance sheet reported Deposits from Banks, Financial liabilities at Fair Value and Debt Securities in Issue split by product and Subordinated Liabilities, excluding cash collateral and settlement balances, liabilities to customers under investment contracts and Absa Group balances of £74bn in total. Included within deposits from banks are £6.6bn of liabilities drawn down in the European Central Bank's 3 year long-term refinancing operation (LTRO).

2 Term funding maturities comprise public benchmark and privately placed senior unsecured notes, covered bonds/ABS and subordinated debt where the original maturity of the instrument was more than 1 year. In addition, at 30 June 2012, £4bn of these instruments were not counted towards term financing as they had an original maturity of less than 1 year.

3 Primarily comprised of fair value deposits and secured financing of physical gold.

Funding Risk

The liquidity risk is carefully managed primarily through the LRA stress tests, against which the liquidity pool is held. Although not a requirement, as at 30 June 2012, the liquidity pool was equivalent to more than one year of wholesale debt maturities.

Excluding wholesale funding of the liquidity pool, the average maturity of wholesale funding was in excess of 65 months.

Term Financing

Barclays continues to attract deposits in unsecured money markets and raise additional secured and unsecured term funding in a variety of markets. During H1 12 the Group raised £19.9bn of term funding comprising:

- £3.5bn equivalent of public benchmark senior unsecured

- £6.7bn equivalent of privately placed senior unsecured

- £9.7bn equivalent of secured

The Group has £11bn of term funding maturing in the remainder of 2012 (31 December 2011: £27bn) and a further £18bn maturing in 2013.

Currency Profile

As at 30 June 2012 the Group's wholesale funds and liquidity pool were well diversified by major currency as follows:

	USD	EUR	GBP	Other
	%	%	%	%
Currency Split by Product Type				
Deposits from Banks	14	58	16	12
CDs and CP	51	29	20	-
Asset Backed Commercial Paper	82	11	7	-
Senior unsecured	31	32	15	22
Covered bonds/ABS	22	57	20	1
Subordinated Debt	30	26	43	1
Wholesale debt	33	37	19	11
Currency composition of liquidity pool	20	48	14	18

- To manage cross-currency refinancing risk Barclays manages to FX cash-flow limits, which limit the risk at specific maturities

- The Group's liquidity pool is also well diversified by major currency in order to meet potential stress outflows under the three LRA stress scenarios, which the Group monitors for major currencies

Credit Rating

In addition to monitoring and managing key metrics related to the financial strength of Barclays, the Group subscribes to independent credit rating agency reviews by Standard & Poor's, Moody's, Fitch and DBRS.

Credit Ratings as at 26 July 2012	Standard & Poor's	Moody's	Fitch	DBRS
Barclays Bank PLC				
Long Term	A+(Negative)	A2(Negative)	A(Stable)	AA(Negative)
Short Term	A-1	P-1	F1	R-1(Negative)

On 21 June 2012 Moody's concluded its ratings review of banks and securities firms with global capital market operations by repositioning the ratings of 15 firms including Barclays, resulting in Barclays Bank PLC long-term issuer rating being downgraded from Aa3 to A2. Barclays was fully reserving for maximum contractual outflows as a result of the ratings action in its liquidity pool and is now reserving for a further 2 notch downgrade in the liquidity pool as of 30 June 2012. There has been no significant change in deposit funding or wholesale funding in relation to the ratings action.

1 Comprised of covered bonds and ABS and bilateral secured funding of greater than one year.

Funding Risk

Further credit rating downgrades could result in contractual outflows to meet collateral requirements on existing contracts. The below table shows contractual collateral requirements following one and two notch long-term and associated short-term simultaneous downgrades across all credit rating agencies, which are fully reserved for in the liquidity pool. These numbers do not assume any management or restructuring actions that could be taken to reduce posting requirements.

These outflows do not include the potential liquidity impact from loss of unsecured funding, such as from money market funds, or loss of secured funding capacity. However, unsecured and secured funding stresses are included in the LRA stress scenarios and a portion of the liquidity pool is held against these risks.

Credit ratings downgrades could also result in increased costs or reduced capacity to raise funding.

Contractual credit rating downgrade exposure	Cumulative cash outflow
1 notch long-term and associated short-term downgrade	£11bn
2 notch long-term and associated short-term downgrade	£20bn

Credit Risk

Analysis of Total Assets by Valuation Basis

Assets as at 30.06.12	Total Assets £m	Accounting Basis		Sub Analysis
		Cost Based Measure £m	Fair Value £m	Credit Market Exposures ¹ £m
Cash and balances at central banks	126,062	126,062	-	-
Items in the course of collection from other banks	2,598	2,598	-	-
Debt securities	131,940	-	131,940	1,172
Equity securities	30,446	-	30,446	-
Traded loans	1,805	-	1,805	-
Commodities ²	2,109	-	2,109	-
Trading portfolio assets	166,300	-	166,300	1,172
Loans and advances	22,451	-	22,451	2,124
Debt securities	6,420	-	6,420	-
Equity securities	4,811	-	4,811	-
Other financial assets ³	10,924	-	10,924	-
Held in respect of linked liabilities to customers under investment contracts	1,322	-	1,322	-
Financial assets designated at fair value	45,928	-	45,928	2,124
Derivative financial instruments	517,685	-	517,685	973
Loans and advances to banks	48,777	48,777	-	-
Loans and advances to customers	454,728	454,728	-	5,298
Banks	70,267	70,267	-	-
Customers	104,125	104,125	-	-
Reverse repurchase agreements and other similar secured lending	174,392	174,392	-	-
Debt securities	68,236	-	68,236	250

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Equity securities	686	-	686	-
Available for sale financial investments	68,922	-	68,922	250
Other assets	25,873	23,033	2,840	2,674
Total assets as at 30.06.12	1,631,265	829,590	801,675	12,491
Total assets as at 31.12.11	1,563,527	764,012	799,515	14,981

1 Further analysis of Investment Bank credit market exposures is on pages 69 to 70. Undrawn commitments of £201m (31 December 2011: £180m) are off-balance sheet and therefore not included in the table above.

2 Commodities primarily consist of physical inventory positions.

3 These instruments consist primarily of reverse repurchase agreements designated at fair value.

Credit Risk

Analysis of Loans and Advances to Customers and Banks

Loans and Advances at Amortised Cost Net of Impairment Allowances, by Industry Sector and Geography

As at 30.06.12	United Kingdom £m	Europe £m	Americas £m	Africa and Middle East £m	Asia £m	Total £m
Banks	9,888	15,843	12,958	1,909	3,610	44,208
Other financial institutions	23,923	28,794	59,261	2,804	4,548	119,330
Manufacturing	6,269	2,862	1,435	1,573	604	12,743
Construction	3,651	658	1	1,270	48	5,628
Property	14,924	2,786	670	3,576	287	22,243
Government	486	3,653	1,389	3,090	1,925	10,543
Energy and water	1,748	2,400	1,657	917	274	6,996
Wholesale and retail distribution and leisure	11,888	2,541	1,135	1,738	129	17,431
Business and other services	16,144	4,635	1,312	3,407	529	26,027
Home loans	114,756	36,669	552	18,719	578	171,274
Cards, unsecured loans and other personal lending	26,202	5,518	9,553	5,335	468	47,076
Other	8,171	2,933	1,378	7,001	523	20,006
	238,050	109,292	91,301	51,339	13,523	503,505

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Net loans and advances to customers and banks

Impairment allowance	(3,653)	(2,635)	(2,155)	(1,436)	(67)	(9,946)
As at 31.12.11						
Banks	9,251	13,503	13,349	2,956	5,648	44,707
Other financial institutions	18,474	20,059	44,965	2,264	3,888	89,650
Manufacturing	6,185	3,341	1,396	1,439	543	12,904
Construction	3,391	771	32	348	65	4,607
Property	16,230	3,193	869	3,600	212	24,104
Government	493	3,365	907	3,072	1,031	8,868
Energy and water	1,599	2,448	2,165	818	384	7,414
Wholesale and retail distribution and leisure	10,308	3,008	656	2,073	161	16,206
Business and other services	16,473	4,981	1,584	2,907	355	26,300
Home loans	112,260	38,508	566	19,437	501	171,272
Cards, unsecured loans and other personal lending	27,409	6,417	9,293	6,158	785	50,062
Other	8,363	5,554	1,312	7,471	586	23,286
Net loans and advances to customers and banks	230,436	105,148	77,094	52,543	14,159	479,380
Impairment allowance	(4,005)	(2,920)	(2,128)	(1,446)	(98)	(10,597)

Credit Risk

Loans and Advances Held at Fair Value, by Industry Sector and Geography

As at 30.06.12	United Kingdom £m	Europe £m	Americas £m	Africa and Middle East £m	Asia £m	Total £m
Banks	-	435	159	339	-	933
Other financial institutions ¹	38	567	1,034	135	30	1,804
Manufacturing	174	72	80	5	13	344
Construction	171	-	-	19	6	196
Property	8,442	895	835	96	2	10,270
Government	5,624	1	-	30	24	5,679
Energy and water	29	179	343	61	3	615
Wholesale and retail distribution and leisure	64	12	113	79	4	272
Business and other services	3,314	35	305	40	-	3,694
Other	92	78	38	184	57	449
Total	17,948	2,274	2,907	988	139	24,256
As at 31.12.11						
Banks	11	364	10	126	1	512
Other financial institutions ¹	142	76	892	134	21	1,265
Manufacturing	16	211	154	7	18	406
Construction	158	-	-	19	2	179

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Property	8,443	1,147	575	133	3	10,301
Government	5,609	-	-	19	8	5,636
Energy and water	32	203	46	104	-	385
Wholesale and retail distribution and leisure	63	15	243	36	2	359
Business and other services	3,381	76	201	34	-	3,692
Other	90	66	55	317	71	599
Total	17,945	2,158	2,176	929	126	23,334

Impairment Allowance

	Half Year Ended	Half Year Ended	Half Year Ended
	30.06.12	31.12.11	30.06.11
	£m	£m	£m
At beginning of period	10,597	11,621	12,432
Acquisitions and disposals	(73)	-	(18)
Exchange and other adjustments	(168)	(361)	(79)
Unwind of discount	(109)	(118)	(125)
Amounts written off	(2,201)	(2,601)	(2,564)
Recoveries	95	165	100
Amounts charged against profit	1,805	1,891	1,875
At end of period	9,946	10,597	11,621

1 Included within Other financial institutions (Americas) are £558m (31 December 2011: £693m) of loans backed by retail mortgage collateral.

Credit Risk

Credit Impairment Charges and Other Provisions by Business

Half Year Ended 30.06.12	Loans and advances ¹	Available for Sale Financial Investments ²	Reverse Repurchase Agreements	Total
	£m	£m	£m	£m
UK RBB	122	-	-	122
Europe RBB	157	-	-	157
Africa RBB	321	-	-	321
Barclaycard	460	-	-	460
Investment Bank ³	324	-	(1)	323
Corporate Banking	418	7	-	425
Wealth and Investment Management	19	-	-	19
Head Office and Other Operations	1	4	-	5

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Total	1,822	11	(1)	1,832
Half Year Ended 31.12.11				
UK RBB	261	-	-	261
Europe RBB	125	20	-	145
Africa RBB	196	-	-	196
Barclaycard	611	-	-	611
Investment Bank3	180	26	(2)	204
Corporate Banking	522	13	-	535
Wealth and Investment Management	22	-	-	22
Head Office and Other Operations	(1)	1	-	-
Total	1,916	60	(2)	1,974
Half Year Ended 30.06.11				
UK RBB	275	-	-	275
Europe RBB	116	-	-	116
Africa RBB	270	-	-	270
Barclaycard	648	-	-	648
Investment Bank3	(51)	(14)	(46)	(111)
Corporate Banking	598	14	-	612
Wealth and Investment Management	19	-	-	19
Head Office and Other Operations	(1)	-	-	(1)
Total	1,874	-	(46)	1,828

- Impairment charges on loans and advances improved 3% from the first half of 2011 to £1,822m reflecting:

- Lower impairment in UK RBB, Barclaycard and Corporate Banking,
- Partially offset by higher charges in some international businesses, notably in Europe and South Africa, and a higher charge in Investment Bank

- The impairment charge of £10m against available for sale assets and reverse repurchase agreements relates to charges in Corporate Banking and Head Office and Other Operations. This compared with a release of £46m in the prior year

- Further detail can be found in the Retail and Wholesale Credit Risk sections on pages 51 to 57

- 1 Includes charges of £17m (2011: £1m release) in respect of undrawn facilities and guarantees.
- 2 Excludes £nil (2011: £1,800m) impairment of BlackRock, Inc. recorded in Head Office and Other Operations.

- 3 Credit market related charges within Investment Bank comprised a net £135m charge (H2 11: £62m charge; H1 11: £76m write back) against loans and advances and £2m write back (H2 11: £2m charge; H1 11: £37m write back) against available for sale assets.

Credit Risk

Credit Risk Loans and Coverage Ratios

	CRLs		Impairment Allowance		CRL Coverage	
	As at 30.06.12 £m	As at 31.12.11 £m	As at 30.06.12 £m	As at 31.12.11 £m	As at 30.06.12 %	As at 31.12.11 %
Home loans	3,545	3,790	826	834	23.3	22.0
Cards, unsecured and other retail lending	6,000	6,626	4,195	4,540	69.9	68.5
Retail	9,545	10,416	5,021	5,374	52.6	51.6
Wholesale	10,196	10,926	4,925	5,223	48.3	47.8
Group	19,741	21,342	9,946	10,597	50.4	49.7

Credit Risk Loans

- Overall, Credit Risk Loan (CRL) balances decreased by 8% in the first half of 2012 reflecting improvements in both the wholesale and retail portfolios.

- CRL balances in the wholesale portfolio decreased 7% primarily due to:

- Investment Banking, where lower balances principally reflected asset sales and paydowns
- Corporate Banking, where lower balances principally reflected a high level of write-offs in the UK and the disposal of the Iveco Finance business in Europe

- CRL balances in the retail portfolio decreased 8%, primarily due to:

- Barclaycard, where reductions principally reflected lower recovery balances in UK Cards, due to asset sales; in US Cards due to lower charge-offs and higher write-offs; and in UK Secured Lending due to an update in the write-off policy

- UK RBB, where reductions reflected falling recovery balances across the majority of portfolios
- This was partially offset by higher balances in Europe RBB principally in the Spanish and Italian mortgage books

Coverage Ratios

- The CRL coverage ratio increased slightly to 50.4% (2011: 49.7%) reflecting increases in:
 - the wholesale portfolio ratio to 48.3% (2011: 47.8%)
 - the retail portfolio ratio to 52.6% (2011: 51.6%)

Credit Risk

Retail and Wholesale Loans and Advances to Customers and Banks

As at 30.06.12	Gross L&A £m	Impairment Allowance £m	L&A Net of Impairment £m	Risk Loans £m	Credit CRLs Gross £m	% of L&A %	Impairment Charges ¹ £m	Loan Loss Rates ² bps
Total retail	240,903	5,021	235,882	9,545		4.0	978	82
Wholesale - customers	223,719	4,873	218,846	10,161		4.5	842	76
Wholesale - banks	48,829	52	48,777	35		0.1	2	1
Total wholesale	272,548	4,925	267,623	10,196		3.7	844	62
Loans and advances at amortised cost	513,451	9,946	503,505	19,741		3.8	1,822	71
Loans and advances held at fair value	24,256	na	24,256					
Total loans and advances	537,707	9,946	527,761					

As at 31.12.11

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Total retail	241,138	5,374	235,764	10,416	4.3	2,422	100
Wholesale - customers	201,348	5,178	196,170	10,892	5.4	1,362	68
Wholesale - banks	47,491	45	47,446	34	0.1	6	1
Total wholesale	248,839	5,223	243,616	10,926	4.4	1,368	55
Loans and advances at amortised cost	489,977	10,597	479,380	21,342	4.4	3,790	77
Loans and advances held at fair value	23,334	na	23,334				
Total loans and advances	513,311	10,597	502,714				

- Gross loans and advances to customers and banks at amortised cost increased 5% principally reflecting an increase in settlement balances

- This growth, combined with lower impairment charges on loans and advances resulted in a lower annualised loan loss rate of 71bps (2011 Full Year: 77bps)

- Further detail can be found in the Retail Credit Risk and Wholesale Credit Risk sections on pages 51 to 57

1 Total credit impairment, comprising impairment on loans and advances and charges in respect of undrawn facilities and guarantees, see page 48.

2 The loan loss rates for 30 June 2012 have been calculated on an annualised basis. The loan loss rates for 31 December 2011 have been calculated on the twelve months ended 31 December 2011.

Credit Risk

Retail Credit Risk

Retail Loans and Advances at Amortised Cost

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As at 30.06.12	Gross L&A £m	Impairment Allowance £m	L&A Net of Credit Risk Impairment £m	CRLs % of Gross L&A Loans £m	% of Gross L&A	Loan Impairment Charges ³ £m	Loan Loss Rates bps
UK RBB	122,284	1,403	120,881	2,713	2.2	100	16
Europe RBB1	42,198	721	41,477	1,833	4.3	157	75
Africa RBB	25,591	770	24,821	2,087	8.2	257	202
Barclaycard	31,908	1,890	30,018	2,321	7.3	446	281
Corporate Banking ²	1,207	145	1,062	145	12.0	1	17
Wealth and Investment Management	17,715	92	17,623	446	2.5	17	19
Total	240,903	5,021	235,882	9,545	4.0	978	82
As at 31.12.11							
UK RBB	120,312	1,623	118,689	3,014	2.5	491	41
Europe RBB1	44,488	684	43,804	1,708	3.8	241	54
Africa RBB	26,363	731	25,632	2,362	9.0	386	146
Barclaycard	31,738	2,069	29,669	2,821	8.9	1,232	388
Corporate Banking ²	1,453	188	1,265	182	12.5	49	337
Wealth and Investment Management	16,784	79	16,705	329	2.0	23	14
Total	241,138	5,374	235,764	10,416	4.3	2,422	100

- Overall, gross loans and advances to customers in the retail portfolios remained broadly stable during the first half of 2012 reflecting movements in:

- UK RBB, where a 2% increase primarily reflected growth in home loan balances
- Europe RBB, where a 5% decrease was mainly due to the depreciation in the value of the Euro against Sterling and a strategy to reduce the net funding mismatches to the higher risk Eurozone countries
- Wealth and Investment Management, where a 6% increase mainly reflected growth in collateralised lending to High Net Worth individuals
- Balances in Barclaycard and Africa RBB remained broadly flat

- The loan impairment charge improved 22% to £978m compared with H1 11, mainly as a result of lower charges across UK RBB and Barclaycard businesses with the principal drivers being:

- UK RBB, primarily due to an improvement in recoveries in Consumer Lending, a one time benefit from refunds of payment protection insurance that increased recoveries in Consumer Lending, and a release of a provision booked in a prior period in home loans for backlogs in litigation, which have now been resolved
- Barclaycard, principally reflecting improved delinquency rates in consumer cards

This was partially offset by higher charges in:

- Europe RBB where credit impairment charges increased 35% to £157m reflecting deterioration in credit performance in Spain and Portugal as economic conditions continued to worsen
 - Africa RBB, where a 17% increase principally resulted from higher impairment charges in the South African home loan recoveries book. Increased focus on reducing the recoveries portfolio during H1 12 resulted in higher write-offs. Coverage was also increased to account for the lower recoverability of insolvencies, which take longer to foreclose and have a higher cost of foreclosure
- Lower overall impairment charges coupled with stable loan balances led to a fall in the annualised loan loss rate to 82bps (FY 11: 100bps)

- 1 Europe RBB includes loans and advances to business customers at amortised cost.
- 2 Corporate Banking primarily includes retail portfolios in India and UAE.
- 3 Loan impairment charge as at December 2011 is the charge incurred over the period of 12 months.

Credit Risk

Analysis of Retail Gross Loans & Advances to Customers

As at 30.06.12	Credit Cards, Overdrafts and Other Secured		Retail Lending ¹	Business Lending	Total Retail
	Secured Home Loans	Unsecured Loans			
	£m	£m	£m	£m	£m
UK RBB	110,004	7,054	-	5,226	122,284
Europe RBB	35,227	4,663	-	2,308	42,198
Africa RBB	18,938	2,671	3,244	738	25,591
Barclaycard	-	28,956	2,952	-	31,908
	377	555	259	16	1,207

Corporate Banking Wealth and Investment Management Total	7,554 172,100	1,794 45,693	8,367 14,822	- 8,288	17,715 240,903
As at 31.12.11					
UK RBB	107,775	7,351	-	5,186	120,312
Europe RBB	37,099	4,994	-	2,395	44,488
Africa RBB	19,691	2,715	3,405	552	26,363
Barclaycard	-	28,557	3,181	-	31,738
Corporate Banking Wealth and Investment Management Total	421 7,120 172,106	728 1,860 46,205	284 7,804 14,674	20 - 8,153	1,453 16,784 241,138

- Secured home loans and credit cards, overdrafts and unsecured loans are analysed on pages 52 and 54, respectively

Secured Home Loans

- The principal home loan portfolios listed below account for 93% (December 2011: 93%) of total home loans in the Group's retail portfolios

- Total home loans to retail customers remained stable. New lending was also stable to meet customer demand whilst maintaining a broadly stable risk appetite

- Home loans as a proportion of retail gross loans and advances remained broadly unchanged at 71%

Home Loans Principal Portfolios²

	Gross Loans and Advances £m	> 90 Day Arrears %	Gross Charge-off Rates %	Recoveries Proportion of Outstanding Balances %	Recoveries Impairment Coverage Ratio %
As at 30.06.12					
UK	110,004	0.3	0.5	0.5	14.2
South Africa	16,752	2.8	3.2	6.7	28.9
Spain	13,886	0.7	1.0	1.7	28.7
Italy	15,450	1.0	0.7	1.6	27.5
Portugal	3,747	0.6	1.4	2.4	23.0
As at 31.12.11					
UK	107,775	0.3	0.6	0.6	15.3

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South Africa	17,585	3.2	3.7	6.9	19.4
Spain	14,918	0.5	0.6	1.6	32.5
Italy	15,935	1.0	0.5	1.3	29.3
Portugal	3,891	0.6	1.1	2.0	15.0

1 Other Secured Retail Lending includes Absa Vehicle and Auto Finance in Africa RBB, FirstPlus in Barclaycard and Investment Leverage portfolio in Wealth and Investment Management.

2 Excluded from the above analysis are: Wealth home loans, which are managed on an individual customer exposure basis, France home loans and other small home loans portfolios.

Credit Risk

- Arrears rates remained steady in the UK as targeted balance growth and better customer affordability continued to be supported by the low base rate environment

- Arrears rates and gross charge-off rates for South Africa home loans decreased reflecting improvements in portfolio performance. However, increased focus on reducing the recoveries portfolio during H1 12 resulted in

higher write-offs. Coverage was also increased to account for the lower recoverability of insolvencies, which take longer to foreclose and have a higher cost of foreclosure

- Credit performance of home loans in Europe continued to worsen as economic conditions deteriorated further. In Spain Home Loans, the recoveries impairment coverage ratio decreased partly due to completion of a

higher number of foreclosures in process. The overall impairment allowance for the whole book increased by 8% with overall coverage increasing from 63bps to 73bps since December 2011

Home Loans - Distribution of Balances by LTV (Updated Valuations)¹

	UK		South Africa		Spain ²		Italy		Portugal ²	
	30.06.12	31.12.11	30.06.12	31.12.11	30.06.12	31.12.11	30.06.12	31.12.11	30.06.12	31.12.11
	%	%	%	%	%	%	%	%	%	%
<=75%	78.3	77.6	60.3	58.8	67.7	72.1	73.1	70.7	44.1	49.0
>75% and <=80%	7.8	7.5	8.8	8.7	6.4	6.6	17.3	16.8	8.8	11.4
>80% and <=85%	5.2	5.3	8.3	8.3	6.1	5.7	7.7	10.2	12.4	13.7
>85% and <=90%	3.2	3.6	6.9	7.2	5.0	4.0	1.1	1.3	11.6	9.4
>90% and <=95%	2.2	2.4	4.7	5.3	3.6	2.6	0.4	0.5	8.7	8.8
>95%	3.4	3.6	10.9	11.7	11.1	9.0	0.5	0.5	14.4	7.7

Marked to market LTV %3	44.3	44.3	45.0	45.2	62.7	60.1	46.5	46.9	73.1	69.6
Average LTV on new mortgages	55.3	54.0	62.9	61.2	62.5	61.3	56.2	59.6	60.6	67.7
New mortgages proportion above 85% LTV	4.8	0.8	33.3	29.9	5.2	1.3	-	-	4.6	5.5
	30.06.12	30.06.11	30.06.12	30.06.11	30.06.12	30.06.11	30.06.12	30.06.11	30.06.12	30.06.11
New mortgages (£m)	7,800	7,600	504	725	115	343	516	1,750	68	275

- Credit quality of the principal home loan portfolios reflected relatively conservative levels of high LTV lending and moderate LTV on existing portfolios

- During the first half of 2012, using current valuations, the average LTV of principal home loans portfolios remained broadly stable in UK, South Africa and Italy. However, they increased in Spain and Portugal as a result of continued decline in the current value of residential property

- The increase in average LTV for new mortgage business in the UK was driven by the launch of a 90% LTV product, reflecting an increase in risk appetite on higher LTV lending. The volume in this sector is constrained by risk limits

- In line with expectations, new lending significantly reduced in the first half of 2012 across Europe home loan portfolios due to lending policy tightening. The average LTV on new mortgages for Spain increased moderately and was within Group approved risk profile. While new mortgages proportion above 85% LTV increased in the first half of 2012, they remain broadly flat on an absolute basis

- In the UK, buy to let mortgages comprised 6% of the total stock (2011: 6%)

1 Excluded from the above analysis are: Wealth home loans, which are managed on an individual customer exposure basis, France home loans and other small home loans portfolios.

2 Spain and Portugal marked to market methodology based on balance weighted approach.

3 Portfolio marked to market based on the most updated valuation and includes recoveries balances. Updated valuations reflect the application of the latest house price index available in the country as at

30 June 2012 to calculate the Average MTM Portfolio LTV as at 30 June 2012.

Credit Risk

Credit Cards, Overdrafts and Unsecured Loans

- The principal portfolios listed below account for 83% (December 2011: 82%) of total Credit Cards, Overdrafts and Unsecured Loans in the Group's retail portfolios

Principal Portfolios As at 30.06.12	Gross Loans and Advances £m	30 Day Arrears %	90 Day Arrears %	Gross Charge-off Rates %	Recoveries	
					Proportion of Outstanding Balances %	Recoveries of Impairment Coverage Ratio %
UK cards ^{1,2}	14,686	2.7	1.2	5.1	6.3	80.7
US cards ³	8,510	2.5	1.2	5.7	3.1	89.3
UK personal loans	5,030	3.0	1.4	5.3	17.7	79.9
Barclays Partner Finance	2,224	2.0	1.0	4.1	6.1	77.5
South Africa cards	1,874	5.1	2.5	4.1	6.0	77.0
Europe RBB cards ⁴	1,616	6.2	2.8	9.2	15.4	91.4
Italy salary advance loans ⁵	1,518	2.0	1.0	8.8	8.0	11.5
South Africa personal loans	1,115	6.7	4.1	8.7	7.3	75.0
UK overdrafts	1,225	5.8	3.8	8.4	16.1	91.8
As at 31.12.11						
UK cards ^{1,2}	14,692	2.7	1.2	6.2	6.8	85.2
US cards ³	8,303	3.1	1.5	7.6	3.5	92.1
UK personal loans	5,166	3.4	1.7	6.5	19.0	82.8
Barclays Partner Finance	2,122	2.4	1.3	4.6	6.3	84.8
South Africa cards	1,816	4.9	2.7	5.5	6.7	72.9
Europe RBB cards ⁴	1,684	5.9	2.6	10.1	13.8	89.5
Italy salary advance loans ⁵	1,629	2.6	1.3	6.3	6.6	11.7
South Africa personal loans	1,164	6.4	3.9	8.3	6.9	72.4
UK overdrafts	1,322	6.0	3.9	9.7	17.5	90.6

- Total Credit Cards, Overdrafts and Unsecured Loans remained broadly stable with the increase in card portfolios due to acquisitions being offset by decreases in unsecured loans and overdraft portfolios

- In the first half of 2012, arrears rates improved in the main UK and US portfolios and also in the smaller Italian salary advance loans portfolio. Arrears rates in the European Cards portfolios deteriorated marginally in the same period, reflecting the difficult economic environment. The South African card portfolio deteriorated marginally due to slightly increased risk appetite but performance remains within expectations

- 90 day arrears remained stable at 1.2% (2011: 1.2%) in UK Cards. Arrears improved to 1.2% (2011: 1.5%) in US Cards, reflecting a continued move towards better asset quality and a continued shift in mix to Partner originations, which has historically produced lower delinquencies and losses

1 UK cards includes balances related to the acquired Egg credit card assets, which totalled £1.7bn at acquisition. The outstanding acquired balances have been excluded from the recoveries impairment coverage ratio on the basis that the portfolio has been recognised on acquisition at fair value during 2011 (with no related impairment allowance). Impairment allowances have been recognised as appropriate where these relate to the period post acquisition.

2 UK cards includes Barclays Branded Card and Partnership Card assets.

3 Risk metrics exclude the impact of the \$1.4bn Upromise portfolio acquired in December 2011.

4 Europe RBB cards includes Spain, Portugal and Italy card assets.

5 The recoveries impairment coverage ratio for Italy salary advance loans is lower than other unsecured portfolios as these loans are extended to customers where the repayment is made via a salary deduction at source by qualifying employers and Barclays is insured in the event of termination of employment or death. Recoveries represent balances where insurance claims are pending that we believe are largely recoverable, hence the lower coverage.

Credit Risk

Retail Forbearance Programmes

Forbearance Programmes on Principal Credit Cards, Overdrafts, Unsecured Loan and Home Loans Portfolios

- Forbearance on the Group's principal portfolios in the US, UK and Europe are presented below

- The level of forbearance extended to customers in other retail portfolios is not material and, typically, is not a significant factor in the management of customer relationships. However, should forbearance in any of these

portfolios become material, they will be added to this disclosure

Principal Portfolios As at 30.06.12	Gross L&A Subject to Forbearance Programmes £m	Forbearance Programmes Proportion of Outstanding Balances %	Impairment Coverage on Gross L&A Subject to Forbearance Programmes %	Marked to Market LTV of Home Loan Forbearance Balances %
Home Loans				
UK	1,631	1.5	0.8	31.7
Spain	177	1.3	5.4	66.0
Italy	185	1.2	2.3	47.6
Credit Cards, Overdrafts and Unsecured Loans				
UK cards ^{1,2}	995	6.6	38.0	n/a
UK personal loans	186	3.7	28.5	n/a
US cards	111	1.6	18.5	n/a
As at 31.12.11				
Home Loans				
UK	1,613	1.5	0.8	31.6
Spain	145	1.0	3.7	67.4
Italy	171	1.1	2.6	46.5
Credit Cards, Overdrafts and Unsecured Loans				
UK cards ^{1,2}	989	6.5	38.2	n/a
UK personal loans	201	3.8	29.5	n/a
US cards	125	1.7	19.7	n/a

- Retail forbearance is available to customers experiencing financial difficulties. Forbearance solutions take a number of forms depending on the extent of the financial dislocation. Short term solutions focus on temporary reductions to contractual payments and switches from capital and interest payments to interest only. For customers with longer term financial difficulties, term extensions are offered, which may also include interest rate concessions

- Loans in forbearance in the principal home loans portfolios increased 3% to £1,993m, mainly due to an increase in Spain home loans

- Within UK home loans, term extensions account for over 80% of forbearance balances, the majority of the remainder being switches from repayment to interest only. An additional £1.6bn of interest only mortgages have received a term extension since January 2008 but in these cases the contractual monthly payments did not alter. These have not been classified as forbearance in the above analysis

- In Spain, all forbearance accounts are full account restructures. In Italy, the majority of balances relate to specific schemes required by the Government (e.g. debt relief scheme following the earthquake of 2009) and amendments are weighted towards payment holidays and interest suspensions

- Loans in forbearance in the principal Credit Cards, Overdrafts and Unsecured Loans portfolios decreased 2% to £1,292m

- Impairment allowances against UK cards forbearance decreased, reflecting improved expectations on debt repayment. As a result, the impairment coverage ratio decreased during the first half of 2012

1 UK cards includes Barclays Branded Card and Partnership Card assets.

2 UK cards includes balances related to the acquired Egg credit card assets, which totalled £1.7bn at acquisition. The outstanding acquired balances have been excluded from the recoveries impairment coverage ratio on the basis that the portfolio has been recognised on acquisition at fair value during 2011 (with no related impairment allowance). Impairment allowances have been recognised as appropriate where these relate to the period post acquisition.

Credit Risk

Wholesale Credit Risk

Wholesale Loans and Advances at Amortised Cost¹

As at 30.06.12	Gross L&A	Impairment Allowance	L&A Net of Impairment	Credit Risk Loans	CRLs % of Gross L&A	Loan Impairment Charges	Loan Loss Rates
	£m	£m	£m	£m	%	£m	bps
UK RBB	2,844	66	2,778	241	8.5	22	156
Africa RBB	9,952	278	9,674	839	8.4	64	129
Barclaycard ²	589	7	582	5	0.8	14	478
Investment Bank ³	188,414	2,494	185,920	4,631	2.5	324	35
Corporate Banking	67,034	2,010	65,024	4,117	6.1	417	125
- UK	53,765	433	53,332	1,243	2.3	143	53
- Europe	8,716	1,474	7,242	2,714	31.1	273	630
	4,553	103	4,450	160	3.5	1	4

- Rest of World Wealth and Investment Management Head Office and Other Functions	2,441	52	2,389	329	13.5	2	16
Total	272,548	4,925	267,623	10,196	3.7	844	62
As at 31.12.11							
UK RBB	2,743	63	2,680	285	10.4	45	164
Africa RBB	9,729	294	9,435	720	7.4	80	82
Barclaycard ²	476	8	468	3	0.6	27	567
Investment Bank ³	161,194	2,555	158,639	5,253	3.3	129	8
Corporate Banking	70,268	2,235	68,033	4,312	6.1	1,071	152
- UK	53,668	545	53,123	1,267	2.4	345	64
- Europe	12,576	1,574	11,002	2,876	22.9	699	556
- Rest of World	4,024	116	3,908	169	4.1	27	67
Investment Management Head Office and Other Functions	2,471	51	2,420	317	12.8	18	73
Total	248,839	5,223	243,616	10,926	4.4	1,368	55

- Gross loans and advances to customers and banks increased 10% to £273bn principally as a result of a rise of 17% in the Investment Bank to £188bn. For more detail, see analysis of Investment Bank wholesale loans and advances on page 57

- This was partially offset by a 5% decrease in balances in Corporate Banking primarily in Europe due to the disposal of the Iveco Finance business and a reduction in Spanish exposures

- The loan impairment charge increased 37% to £844m compared to 30 June 2011 (£617m), reflecting a charge of £324m (2011: £51m release) in Investment Bank, which primarily related to ABS CDO Super Senior positions and higher losses on single name exposures. The increase from the prior year was mostly due to a non-recurring release of £223m in the Investment Bank during 2011

- Loan impairment charges reduced by 28% in Corporate Banking, principally due to lower impairment charges in Spain reflecting ongoing initiatives to reduce exposure within the property and construction sector

- The higher impairment charge coupled with the higher loan balances resulted in an annualised loan loss rate of 62bps (Full Year 2011: 55bps)

- 1 Loans and advances to business customers in Europe RBB are included in the Retail Loans and Advances to Customers at Amortised Cost table on page 51.
- 2 Barclaycard wholesale loans and advances represent corporate credit and charge cards.
- 3 Investment Bank gross loans and advances include cash collateral and settlement balances of £111bn as at 30 June 2012 and £97.7bn as at 30 June 2011. Excluding these balances CRLs as a proportion of gross loans and advances were 5.98 % and 6.1% respectively.

Credit Risk

Wholesale Forbearance

- Wholesale client relationships are individually managed and lending decisions are made with reference to specific circumstances and on bespoke terms
- Forbearance occurs when Barclays, for reasons relating to the actual or perceived financial difficulty of an obligor, grants a concession below current Barclays standard terms (e.g. lending criteria that differ from current lending terms), that would not otherwise be considered. This includes all troubled debt restructures granted below our standard rates
- Where a concession is granted that is not a result of financial difficulty and/or is within our current standard terms, the concession would not be considered as forbearance
- The Group Watchlist (WL)/Early Warning List (EWL) and Forbearance Policy requires that a permanent record is retained of all individual cases of forbearance, and upon granting forbearance the obligor is placed on WL/EWL. The obligor then remains on WL/EWL and is flagged as being in forbearance for a minimum of 12 months from the date forbearance is applied
- Impairment is assessed on an individual basis and recognised where relevant impairment triggers have been reached including where customers are in arrears and require renegotiation of terms
- The control framework includes regular sampling to ensure watch list and impairment policies are enforced as defined and to ensure that all assets have suitable levels of impairment applied. Portfolios are subject to independent assessment

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Analysis of Investment Banking Wholesale Loans and Advances at Amortised Cost

As at 30.06.12	Gross L&A £m	Impairment Allowance £m	Net of Credit Risk £m	CRLs % of Loans £m	% of Gross L&A %	Impairment Charges £m	Loan Loss Rates bps
Loans and advances to banks							
Interbank lending	15,990	52	15,938	51	0.3	5	6
Cash collateral and settlement balances	29,287	-	29,287	-	-	-	-
Loans and advances to customers							
Corporate lending	37,253	515	36,738	1,166	3.1	149	80
Government lending	2,757	-	2,757	-	-	-	-
ABS CDO Super Senior	3,269	1,654	1,615	3,269	100.0	131	806
Other wholesale lending	17,886	273	17,613	145	0.8	39	44
Cash collateral and settlement balances	81,972	-	81,972	-	-	-	-
Total	188,414	2,494	185,920	4,631	2.5	324	35
As at 31.12.11							
Loans and advances to banks							
Interbank lending	19,655	45	19,610	34	0.2	(5)	(3)
Cash collateral and settlement balances	23,066	-	23,066	-	-	-	-
Loans and advances to customers							
Corporate lending	38,326	730	37,596	1,515	4.0	194	51
Government lending	3,276	-	3,276	-	-	-	-
ABS CDO Super Senior	3,390	1,548	1,842	3,390	100.0	6	18
Other wholesale lending	20,840	232	20,608	314	1.5	(66)	(32)
Cash collateral and settlement balances	52,641	-	52,641	-	-	-	-
Total	161,194	2,555	158,639	5,253	3.3	129	8

- Investment Bank wholesale loans and advances increased 17% to £188,414m driven by higher settlement balances offset by a reduction in interbank and other wholesale lending

- Included within corporate lending and other wholesale lending portfolios are £3,270m (2011: £3,204m) of loans backed by retail mortgage collateral classified within financial institutions

Credit Risk

Group Exposures to Eurozone Countries

- The Group recognises the risk resulting from the ongoing volatility in the Eurozone and continues to monitor events closely while taking coordinated steps to mitigate the risks associated with the challenging economic environment

- Risks associated with a potential partial break-up of the Euro area include:

- Direct credit and market risk exposures arising from potential sovereign default and/or arising from exposures to retail and corporate customers and counterparties within the countries (see below)
- Credit and market risk exposures relating to wholesale and retail customers and counterparties in other Eurozone countries arising as a result of economic slowdown or default (see page 59)
- Indirect exposures relating to credit derivative exposures that reference Eurozone sovereign debt (see page 60)
- Redenomination risk arising on the mismatch in currency funding of local Eurozone balance sheets in the event that one or more countries exit the Euro (see page 60)

- The Group has performed and continues to perform stress tests to model the event of a break-up of the Eurozone area. Contingency planning has also been undertaken based on a series of potential scenarios that might arise from an escalation in the crisis. Multiple tests have been run to establish the impact on customers, systems, processes and staff in the event of the most plausible scenario(s). Further tests are planned in H2 2012. Where issues have been identified, appropriate remedial actions have either been completed or are underway

Direct credit and market risk exposures

- The following table shows Barclays total exposure to Eurozone countries monitored internally as being higher risk and thus being the subject of particular management focus. Detailed analysis on these countries is on pages 62 to 68, and the basis of preparation is on page 61

Total net on-balance	Off-balance sheet
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As at 30.06.12	Sovereign institutions	Financial institutions	Corporate	Residential mortgages	Other retail lending	sheet exposure	contingent liabilities and commitments	Total exposure
	£m	£m	£m	£m	£m	£m	£m	£m
Spain	2,207	1,082	5,117	13,645	2,988	25,039	3,244	28,283
Italy	2,551	270	2,500	15,447	2,134	22,902	2,616	25,518
Portugal	588	45	2,415	3,510	1,879	8,437	2,740	11,177
Ireland	211	4,222	1,109	91	105	5,738	1,570	7,308
Cyprus	8	6	130	51	6	201	122	323
Greece	1	1	59	8	19	88	20	108

As at 31.12.11								
Spain	2,530	987	5,345	14,654	3,031	26,547	3,842	30,389
Italy	3,493	669	2,918	15,934	2,335	25,349	3,140	28,489
Portugal	810	51	3,295	3,651	2,053	9,860	2,536	12,396
Ireland	244	4,311	977	94	86	5,712	1,582	7,294
Cyprus	15	-	128	51	2	196	127	323
Greece	14	2	67	5	18	106	26	132

- During the first half of 2012 the Group's sovereign exposure to Spain, Italy, Portugal, Ireland, Cyprus and Greece reduced by 22% to £5.6bn

- Spanish sovereign exposure reduced 13% to £2.2bn due to the disposal of available for sale government bonds, held for the purpose of interest rate hedging and liquidity, which have been replaced by interest rate swaps with alternative counterparties

- Italian sovereign exposure decreased 27% to £2.6bn principally due to a reduction in government bonds held at fair value

- Portuguese sovereign exposure reduced 27% to £0.6bn due to a reduction in government bonds held as available for sale

Credit Risk

- Italian non-sovereign exposures decreased £1.5bn to £20.4bn, principally due to a £0.5bn decrease in residential mortgages (with an average LTV of 46.5%), and a £0.4bn reduction in exposures to financial institutions

- Ireland exposures remained flat at £5.7bn, with exposure to domestic Irish banks remaining minimal

- Exposure to Cyprus, which received external support for its funding during the period, remained flat at £0.2bn

- Exposure to Greece remains minimal

- Retail lending in Spain, Italy and Portugal decreased 5% to £39.6bn while lending to corporates decreased 13% to £10.0bn reflecting continued prudent risk management of portfolios

Exposures to other Eurozone countries

- Barclays has net exposures to other Eurozone countries as set out below. The net exposures are shown as they provide the best measure of counterparty credit risk. Exposures to individual countries that are less than £1bn are reported in aggregate under Other

As at		Financial	Residential	Other	Total net	Off-balance	
30.06.12	Sovereign	institutions	Corporate	retail	on-balance	sheet	Total
	£m	£m	£m	lending	sheet	contingent	exposure
			mortgages	£m	exposure	liabilities and	£m
			£m		£m	commitments	£m
France	3,867	4,350	3,432	267	14,528	6,949	21,477
Germany	1,170	5,377	2,985	1,605	11,163	6,457	17,620
Netherlands	2,513	4,646	1,857	23	9,055	1,918	10,973
Luxembourg	24	3,104	551	91	3,870	760	4,630
Belgium	2,670	88	303	4	3,075	1,660	4,735
Austria	675	300	178	1	1,159	182	1,341
Other	772	136	91	42	1,071	479	1,550
As at							
31.12.11							
France	4,189	4,969	4,232	260	16,446	8,121	24,567
Germany	3,444	2,570	2,963	1,551	10,542	6,623	17,165
Netherlands	244	4,596	1,807	4	6,665	1,899	8,564
Luxembourg	-	2,557	809	85	3,554	765	4,319
Belgium	2,033	42	282	-	2,367	881	3,248
Austria	134	360	237	2	738	119	857
Other	500	50	78	43	706	496	1,202

Credit Risk

Credit Derivatives Referencing Eurozone Sovereign Debt

- The Group enters into credit mitigation arrangements (principally credit default swaps and total return swaps) primarily for risk management purposes for which the reference asset is government debt. These have the net effect of reducing the Group's exposure in the event of sovereign default

As at 30.06.12	Spain £m	Italy £m	Portugal £m	Ireland £m	Cyprus £m	Greece £m
Fair value						
- Bought	400	541	225	166	1	-
- Sold	(389)	(443)	(218)	(173)	(1)	-
Net derivative fair value	11	98	7	(7)	-	-
Contract notional amount						
- Bought	(2,773)	(4,040)	(1,126)	(1,177)	(4)	-
- Sold	2,545	3,621	1,048	1,077	4	-
Net derivative notional amount	(228)	(419)	(78)	(100)	-	-
Net protection from credit derivatives in the event of sovereign default (notional less fair value)	(217)	(321)	(71)	(107)	-	-

- Credit derivatives are arrangements whereby the default risk of an asset (reference asset) is transferred from the buyer to the seller of the protection

- The majority of credit derivatives referencing sovereign assets are bought and sold to support customer transactions and for risk management purposes

- The contract notional amount represents the value of the reference asset being insured, while the fair value represents the change in the value of the reference asset, adjusted for the credit worthiness of the counterparty providing the protection

- The net derivative notional amount represents a reduction in exposures and should be considered alongside the direct exposures as disclosed in the preceding pages

- In addition, the Group has indirect sovereign exposure through the guarantee of certain savings and investment funds, which hold a proportion of their assets in sovereign debt. As at 30 June 2012, the net liability in respect of these guarantees was £45m (31 December 2011: £41m)

Eurozone balance sheet funding mismatches

- Redenomination risk is the risk of financial loss to the Group should one or more countries exit from the Euro, leading to the devaluation of local balance sheet assets and liabilities. The Group is directly exposed to redenomination risk where there is a mismatch between the level of locally denominated assets and funding
- Within Barclays, retail banking, corporate banking and wealth activities in the Eurozone are generally booked locally within each country. Locally booked external customer assets and liabilities, primarily loans and advances to customers and customer deposits, are predominantly denominated in Euros. The remaining funding mismatch between local external assets and liabilities is met through local funding secured against customer loans and advances, with any residual mismatch funded through the Group
- Barclays continues to monitor and take mitigating actions to limit the potential impact of the Eurozone volatility on local balance sheet funding
- During 2012, a series of mitigating actions has been taken to reduce local net funding mismatches including the drawdown of €8.2bn in the European Central Bank's three year LTRO in Spain and Portugal and additional deposit taking in Spain. As a result of these mitigating actions the Group reduced the aggregate net funding mismatch in local balance sheets from £12.1bn to £2.5bn in Spain and from £6.9bn to £3.7bn in Portugal during the six months to 30 June 2012
- In Italy, where the risk of redenomination is judged to be significantly lower, net funding by the Group as at 30 June 2012 is materially unchanged at £11.9bn compared to 31 December 2011. Collateral is available to support additional secured funding in Italy should the risk of redenomination increase

Credit Risk

- Direct exposure to Greece is very small with negligible net funding required from Group. For Ireland there is no local balance sheet funding requirement by the Group as total liabilities in this country exceed total assets

Detailed Eurozone credit exposures tables

Basis of preparation

- Further detail for the Eurozone countries deemed as higher risk and that are the subject of particular market focus is disclosed in the following tables (pages 62 to 68)

- The following tables are prepared on the same basis as the 2011 Results Announcement and present the direct balance sheet exposure to credit risk by country, with the totals reflecting allowance for impairment, netting and cash collateral held where appropriate

- Trading and derivatives balances relate to investment banking activities, principally as market-maker for government bond positions. Positions are held at fair value, with daily movements taken through profit and loss. Assets and liabilities are presented by counterparty type, whereby positions are netted to the extent allowable under IFRS excluding cross border netting for multinational counterparties. Cash collateral is then presented by counterparty to give a net credit exposure

- Available for sale assets are principally investments in government bonds and other debt securities held for the purposes of interest rate hedging and liquidity for local banking activities. Balances are reported on a fair value basis, with movements in fair value going through equity

- Loans and advances held at amortised cost¹ comprise: (i) retail lending portfolios, predominantly mortgages secured on residential property; and (ii) corporate lending portfolios, largely reflecting established corporate banking businesses in Spain, Italy and Portugal and investment banking services provided to multinational and large national corporate clients. Settlement balances and cash collateral are excluded from this analysis

- Sovereign exposures reflect direct exposures to central and local governments², the majority of which are used for hedging interest rate risk relating to local activities. These positions are being actively replaced by non-government instruments such as interest rate swaps. The remaining portion is actively managed reflecting our role as a leading primary dealer, market-maker and liquidity provider to our clients

- Financial institution and corporate exposures reflect the country of operations of the counterparty (including foreign subsidiaries and without reference to cross-border guarantees)

- Retail exposures reflect the country of residence of retail customers

- Exposures on loans and advances to other geographies including Europe as a whole are set out on page 46

- Off-balance sheet exposure consists primarily of undrawn commitments and guarantees issued to third parties on behalf of our corporate clients. Information on the terms and potential limitations of such facilities is presented on page 83

1 The Group also enters into reverse repurchase agreements and other similar secured lending, which are fully collateralised.

2 In addition, the Group held cash with the central banks of these countries totalling £0.4bn as at 30 June 2012. Other immaterial balances with central banks are classified within loans to financial institutions.

Credit Risk

Spain Fair Value through Profit and Loss	Trading Portfolio			Derivatives				Designated at FV Through P&L	Total as at 30.06.12	Total as at 31.12.11
	Trading Portfolio Assets	Trading Portfolio Liabilities	Net Trading Portfolio	Gross Assets	Gross Liabilities	Cash Collateral	Net Derivatives			
	£m	£m	£m	£m	£m	£m	£m			
Sovereign	1,063	(831)	232	67	(67)	-	-	-	232	-
Financial institutions	385	(159)	226	8,327	(7,548)	(779)	-	141	367	221
Corporate	996	(326)	670	393	(81)	-	312	309	1,291	629

Fair Value through Equity	Available for Sale Assets as at 30.06.12			Total 31.12.11
	Cost1	AFS Reserve	Total	
	£m	£m	£m	£m
Sovereign	2,084	(158)	1,926	2,468
Financial institutions	495	(28)	467	490
Corporate	5	-	5	2

Held at Amortised Cost	Loans and Advances as at 30.06.12			Total 31.12.11
	Gross	Impairment		
		Allowances	Total	
	£m	£m	£m	£m
Sovereign	49	-	49	62
Financial institutions	259	(11)	248	276
Residential mortgages	13,724	(79)	13,645	14,654
Corporate	4,903	(1,082)	3,821	4,714
Other retail lending	3,068	(80)	2,988	3,031

Contingent Liabilities and Commitments	Total as at 30.06.12	Total as at 31.12.11
	£m	£m
Sovereign	162	188
Financial institutions	17	22
Residential mortgages	14	20
Corporate	2,027	2,510

Other retail lending	1,024	1,102
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- Sovereign

- Largely AFS holdings in government bonds
- No impairment and £158m (2011: £51m) cumulative loss held in the AFS reserve

- Financial institutions

- £367m (2011: £221m) held at fair value through profit and loss, predominantly debt securities held by the Investment Bank to support trading and market making activities
- £467m (2011: £490m) AFS assets with £28m (2011: £17m) cumulative loss held in the AFS reserve

- Residential mortgages

- Fully secured on residential property with average marked to market LTV of 62.7% (2011: 60.1%), which is reflected in the CRL coverage of 26% (2011: 28%)
- 90 day arrears rates and annualised loan loss rates have increased above 2011 levels

- Corporate

- £3,821m (2011: £4,714m) net lending to corporates with impairment allowance of £1,082m (2011: £1,187m) and CRL coverage of 54% (2011: 57%)

1 'Cost' refers to the fair value of the asset at recognition, less any impairment booked. 'AFS Reserve' is the cumulative fair value gain or loss on the assets that is held in equity. 'Total' is the fair value of the assets at the balance sheet date.

Credit Risk

- Lending to property and construction industry of £1,556m (2011: £1,866m) which is largely secured on real estate collateral, with impairment allowance of £795m (2011: 810m) and CRL coverage of 58% (2011: 49%)

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- Balances on early warning lists peaked in September 2009. Portfolio kept under close review and impairment incurred as appropriate
- Corporate impairment in Spain was at its highest level in H1 2010 when commercial property declines were reflected earlier in the cycle
- £368m (2011: £488m) Investment Bank lending to multinational and large national corporates, which continues to perform
- Other retail lending
 - £1,045m (2011: £1,115m) credit cards and unsecured loans. Early and late cycle arrears rates and charge-off rates in credit cards and unsecured loans were stable in the first half of 2012
 - £1,542m (2011: £1,529m) lending to small and medium enterprises (SMEs), largely secured against commercial property
- Contingent liabilities and commitments of £2,027m (2011: £2,510m) to corporate customers and £1,024m (2011: £1,102m) principally to undrawn facilities to SMEs and undrawn credit lines

Italy Fair Value through Profit and Loss	Trading Portfolio			Derivatives				Designated at FV through P&L	Total as at 30.06.12	Total as at 31.12.11
	Trading Portfolio Assets £m	Trading Portfolio Liabilities £m	Net Trading Portfolio £m	Gross Assets £m	Gross Liabilities £m	Cash Collateral £m	Net Derivatives £m			
Sovereign	2,411	(2,102)	309	1,293	(1,004)	-	289	-	598	1,144
Financial institutions	163	(153)	10	6,413	(4,614)	(1,799)	-	119	129	456
Corporate	122	(122)	-	418	(246)	-	172	243	415	171

Fair Value through Equity	Available for Sale Assets as at 30.06.12			Total 31.12.11
	Cost1 £m	AFS Reserve £m	Total £m	
Sovereign	2,020	(80)	1,940	2,334
Financial institutions	132	(5)	127	138
Corporate	29	1	30	27

Held at Amortised Cost	Loans and Advances as at 30.06.12			Total as at	
	Gross	Impairment Allowances	Total	31.12.11	
	£m	£m	£m	£m	
Sovereign	13	-	13	15	
Financial institutions	14	-	14	75	
Residential mortgages	15,542	(95)	15,447	15,934	
Corporate	2,210	(155)	2,055	2,720	
Other retail lending	2,325	(191)	2,134	2,335	

Contingent Liabilities and Commitments	Total as at	Total as at
	30.06.12	31.12.11
	£m	£m
Financial institutions	13	17
Residential mortgages	60	101
Corporate	1,668	2,034
Other retail lending	875	988

1 'Cost' refers to the fair value of the asset at recognition, less any impairment booked. 'AFS Reserve' is the cumulative fair value gain or loss on the assets that is held in equity. 'Total' is the fair value of the assets at the balance sheet date.

Credit Risk

- Sovereign

- Largely holdings in government bonds held at fair value

- £309m (2011: £566m) trading portfolio and £1,940m (2011: £2,334m) AFS assets with £80m (2011: £123m) cumulative loss held in the AFS reserve

- Financial institutions

- Predominantly investments in debt securities, including £127m (2011: £138m) AFS assets and £10m (2011: £287m) trading portfolio, the majority held by the Investment Bank to support trading and market making activities

- Residential mortgages

- Fully secured on residential property with average marked to market LTVs of 46.5% (2011: 46.9%)
- 90 day arrears rates were stable in H1 12
- The CRL coverage of 23% (2011: 25%) reflects the above

- Corporate

- Focused on large corporate clients with very limited exposure to property sector
- Balances in early warning lists broadly stable since December 2011
- Majority of exposures categorised as Strong or Satisfactory

- Other retail lending

- £1,503m (2011: £1,615m) Italian salary advance loans (repayment deducted at source by qualifying employers and Barclays is insured in the event of termination of employment or death). Arrears rates on salary loans improved in H1 12 while charge-off rates deteriorated in the same period
- £432m (2011: £483m) credit cards and other unsecured loans. While arrears rates have marginally deteriorated, the charge-off rates have improved within the cards portfolio

- Contingent liabilities and commitments of £1,668m (2011: £2,034m) to corporate customers and £875m (2011: £988m) principally undrawn credit card lines

Credit Risk

Portugal	Trading Portfolio			Derivatives			Designated			
Fair Value	Trading	Trading	Net	Gross	Gross	Cash	Net	at FV	Total	Total
through	Portfolio	Portfolio	Trading	Assets	Liabilities	Collateral	Derivatives	through	as at	as at
Profit and	Assets	Liabilities	Portfolio					P&L	30.06.12	31.12.11

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Loss	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Sovereign	64	(64)	-	262	(262)	-	-	-	-	69
Financial institutions	16	(4)	12	293	(293)	-	-	-	12	11
Corporate	47	(23)	24	454	(212)	(4)	238	-	262	328

Fair Value through Equity	Available for Sale Assets as at 30.06.12			Total
	Cost1	AFS Reserve	Total	31.12.11
	£m	£m	£m	£m
Sovereign	606	(56)	550	716
Financial institutions	2	-	2	2
Corporate	536	(2)	534	677

Held at Amortised Cost	Loans and Advances as at 30.06.12			Total
	Gross	Impairment Allowances	Total	31.12.11
	£m	£m	£m	£m
Sovereign	38	-	38	25
Financial institutions	31	-	31	38
Residential mortgages	3,534	(24)	3,510	3,651
Corporate	1,849	(230)	1,619	2,290
Other retail lending	2,047	(168)	1,879	2,053

Contingent Liabilities and Commitments	Total	Total
	as at 30.06.12	as at 31.12.11
	£m	£m
Sovereign	4	3
Financial institutions	8	3
Residential mortgages	39	52
Corporate	1,240	1,101
Other retail lending	1,449	1,377

- Sovereign

- Largely AFS government bonds

- No impairment and £56m (2011: £159m) cumulative loss held in the AFS reserve

- Residential mortgages

- Fully secured on residential property with average marked to market LTVs of 73.1% (2011: 69.6%)
- CRL coverage of 21% (2011: 14%)

- Corporate

- Net loans and advances of £1,619m (2011: £2,290m), which includes exposures to the property and construction sectors of £306m (2011: £541m) secured, in part, on real estate collateral
- CRL coverage of 45% (2011: 44%), reflecting a total of £512m (2011: £443m) CRLs and an impairment allowance of £230m (2011: £194m)
- Commercial paper of £534m (2011: £677m) held as AFS assets at fair value with identified impairment of £11m (2011: £8m). These assets are typically of short term maturity and, reflecting local business practice, are issued by corporate customers in place of overdraft facilities

1 'Cost' refers to the fair value of the asset at recognition, less any impairment booked. 'AFS Reserve' is the cumulative fair value gain or loss on the assets that is held in equity. 'Total' is the fair value of the assets at the balance sheet date.

Credit Risk

- Other retail lending

- £988m (2011: £1,052m) credit cards and unsecured loans. During the first half of 2012, arrears rates in cards portfolio rose while charge-off rates improved marginally
- £645m (2011: £739m) of lending to small and medium enterprises, largely secured against commercial property
- CRL coverage of 65% (2011: 78%) and reflects the level of exposure to credit cards and unsecured loans

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- Contingent liabilities and commitments of £1,240m (2011: £1,101m) to corporate customers and £1,449m (2011: £1,377m) principally undrawn facilities to SME and undrawn credit card lines

Ireland Fair Value through Profit and Loss	Trading Portfolio			Derivatives				Designated		Total as at 31.12.11
	Trading Portfolio Assets £m	Trading Portfolio Liabilities £m	Net Trading Portfolio £m	Gross Assets £m	Gross Liabilities £m	Cash Collateral £m	Net Derivatives £m	at FV through P&L £m	Total as at 30.06.12 £m	
Sovereign	20	(20)	-	-	-	-	-	-	-	39
Financial institutions	1,308	(43)	1,265	4,421	(4,170)	(251)	-	530	1,795	1,561
Corporate	119	(38)	81	248	(77)	(80)	91	66	238	52

Fair Value through Equity	Available for Sale Assets as at 30.06.12			Total as at 31.12.11
	Cost1 £m	AFS Reserve £m	Total £m	
Sovereign	216	(5)	211	205
Financial institutions	54	(25)	29	249
Corporate	3	-	3	-

Held at Amortised Cost	Loans and Advances as at 30.06.12			Total as at 31.12.11
	Gross £m	Impairment Allowances £m	Total £m	
Financial institutions	2,556	(158)	2,398	2,501
Residential mortgages	99	(8)	91	94
Corporate	889	(21)	868	925
Other retail lending	105	-	105	86

Contingent Liabilities and Commitments	Total as at 30.06.12 £m	Total as at 31.12.11 £m
	Financial institutions ²	548
Corporate	1,013	872
Other retail lending	9	8

- Sovereign

- £211m AFS (2011: £205m) with £5m (2011: £10m) cumulative loss held in the AFS reserve

- Financial institutions

- Exposure focused on financial institutions with investment grade credit ratings
- Exposure to Irish banks amounted to £82m (2011: £58m)
- £0.9bn (2011: £1.3bn) of loans relate to issuers domiciled in Ireland whose principal business and exposures are outside of Ireland

'Cost' refers to the fair value of the asset at recognition, less any impairment booked. 'AFS Reserve' is the cumulative fair value gain or loss on the assets that is held in equity. 'Total' is the fair value of the assets at the balance sheet date.

2 The comparative figure has been restated following the re-designation of counterparties from the year end.

Credit Risk

- Corporate

- £868m (2011: £925m) net loans and advances, including a significant proportion to other multinational entities domiciled in Ireland, whose principal businesses and exposures are outside of Ireland

- The portfolio continues to perform and has not been impacted materially by the decline in the property sector

- Other lending of £196m (2011: £180m), including £91m (2011: £94m) secured on residential property

- Contingent liabilities and commitments of 1,013m (2011: £872m) to corporate customers

Greece Fair Value through Profit and Loss	Trading Portfolio			Derivatives				Designated at FV through P&L	Total as at 30.06.12	Total as at 31.12.11
	Trading Portfolio Assets £m	Trading Portfolio Liabilities £m	Net Trading Portfolio £m	Gross Assets £m	Gross Liabilities £m	Cash Collateral £m	Net Derivatives £m			

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Sovereign	-	-	-	-	-	-	-	-	-	8
Financial institutions	1	-	1	917	(54)	(863)	-	-	1	2
Corporate	2	-	2	-	-	-	-	-	2	3

Fair Value through Equity	Available for Sale Assets as at 30.06.12			as at	
	Cost	AFS Reserve	Total	31.12.11	
	£m	£m	£m	£m	
Sovereign	1	-	1	6	

Held at Amortised Cost	Loans and Advances as at 30.06.12			
	Gross	Impairment Allowances	Total	
	£m	£m	£m	£m
Residential mortgages	8	-	8	5
Corporate	57	-	57	64
Other retail lending	28	(9)	19	18

Contingent Liabilities and Commitments	Total	Total
	as at 30.06.12	as at 31.12.11
	£m	£m
Financial institutions	-	1
Corporate	3	3
Other retail lending	17	22

Credit Risk

Cyprus Fair Value through Profit and Loss	Trading Portfolio			Derivatives				Designated		Total as at 31.12.11 £m
	Trading Portfolio Assets £m	Trading Portfolio Liabilities £m	Net Trading Portfolio £m	Gross Assets £m	Gross Liabilities £m	Cash Collateral £m	Net Derivatives £m	at FV through P&L £m	Total as at 30.06.12 £m	
Sovereign	1	-	1	-	-	-	-	-	1	-
Financial institutions	6	-	6	59	(30)	(29)	-	-	6	-
Corporate	-	-	-	28	(8)	(5)	15	-	15	11

Held at Amortised Cost	Loans and Advances as at 30.06.12			Total	
	Gross	Impairment Allowances	Total	as at 31.12.11	
	£m	£m	£m	£m	
Sovereign	7	-	7	15	
Residential mortgages	51	-	51	51	
Corporate	130	(15)	115	117	
Other retail lending	6	-	6	2	

Contingent Liabilities and Commitments	Total	Total
	as at 30.06.12	as at 31.12.11
	£m	£m
Residential mortgages	1	-
Corporate	101	107
Other retail lending	20	20

Credit Risk

Investment Bank Credit Market Exposures¹

					Half Year Ended 30.06.12		
	As at 30.06.12	As at 31.12.11	As at 30.06.12	As at 31.12.11	Fair Value (Losses)/ Gains and Impairment Net Funding	Release/ (Charge)	Total (Losses)/ Gains
	\$m	\$m	£m	£m	£m	£m	£m
US Residential Mortgages							
ABS CDO Super Senior	2,535	2,844	1,615	1,842	(14)	(131)	(145)
US sub-prime and Alt-A2	1,621	2,134	1,033	1,381	52	(9)	43
Commercial Mortgages							
	6,655	8,228	4,240	5,329	81	-	81

Commercial real estate loans and properties Commercial Mortgaged Backed Securities ²	1,208	1,578	770	1,022	54	-	54
Monoline protection on CMBS	10	14	6	9	-	-	-
Other Credit Market Leveraged Finance ³	6,090	6,278	3,880	4,066	(28)	7	(21)
SIVs, SIV -Lites and CDPCs	-	9	-	6	(1)	-	(1)
Monoline protection on CLO and other	1,351	1,729	861	1,120	(47)	-	(47)
CLO and Other assets ²	450	596	287	386	44	-	44
Total	19,920	23,410	12,692	15,161	141	(133)	8

- Investment Bank credit market exposures arose before the market dislocation in mid-2007 and now primarily relate to commercial real estate and leveraged finance

- Credit market exposures decreased by £2,469m to £12,692m, reflecting net sales and paydowns and other movements of £2,221m, foreign exchange movements of £256m, offset by net fair value gains and impairment charges of £8m. Net sales, paydowns and other movements of £2,221m included:

- £1,020m of commercial real estate loans and properties including sale of 100% stake in Archstone for £857m (\$1,338m)
- £362m US sub-prime and Alt-A
- £290m commercial mortgage-backed securities
- £193m monoline protection on CLO and other
- £161m leveraged finance, primarily relating to one counterparty

- Barclays has entered into an agreement to sell Baubecon, a real estate portfolio, for approximately €1.2bn (£1bn) with completion expected in Q3 2012

1 As the majority of exposure is held in US Dollars, the exposures above are shown in both US Dollars and Sterling.

2 Collateral assets of £1,695m (31 December 2011: £2,272m) previously underlying the Protium loan are now included within the relevant asset classes as the assets are now managed alongside similar credit market exposures. These assets comprised: US sub-prime and Alt-A £679m (31 December 2011: £965m), commercial mortgage-backed securities £729m (31 December 2011: £921m), CLO and Other assets £287m (31 December 2011: £386m).

3 Includes undrawn commitments of £201m (31 December 2011: £180m).

Market Risk

Analysis of Investment Bank's Market Risk Exposure

- Investment Bank uses Daily Value at Risk (DVaR) as one of the measures for trading market risk management. The calculation is based on historical simulation of the most recent two years of data and is monitored daily. For internal risk management purposes DVaR is calculated at a 95% confidence interval

- Market risk appetite is reviewed and approved by the Board Risk Committee at least annually

DVaR (95%)	Half Year Ended 30.06.12			Half Year Ended 31.12.11			Half Year Ended 30.06.11		
	Daily Avg	High1	Low1	Daily Avg	High1	Low1	Daily Avg	High1	Low1
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Interest rate risk	13	22	8	13	21	7	22	47	11
Spread risk	38	68	28	56	69	32	33	49	25
Commodity risk	6	9	4	10	14	7	14	18	9
Equity risk	10	17	6	16	30	9	21	34	11
Foreign exchange risk	6	10	3	5	8	2	4	7	2
Diversification effect	(31)	na	na	(35)	na	na	(46)	na	na
Total DVaR	42	75	29	65	88	48	48	71	33
Expected shortfall ²	53	91	36	81	113	58	60	97	43
3W3	86	138	52	137	202	98	104	176	67

- Investment Bank's average total DVaR for H1 12 was 35% lower than H2 11. The decrease in total DVaR was primarily due to reductions in Spread, Equity and Commodity risk

- Average Expected Shortfall and 3W, measures of tail risk, were both lower than 2011. The reduction in risk measures reflects a more cautious risk profile in 2012

- 1 The high and low DVaR figures reported for each category did not necessarily occur on the same day as the high and low DVaR reported as a whole. Consequently a diversification effect balance for the high and low DVaR figures would not be meaningful and is therefore omitted from the above table.
- 2 The average of all one day hypothetical losses beyond the 95% confidence level DVaR.
- 3 The average of the three largest one day estimated losses.

Statement of Directors' Responsibilities

The Directors confirm to the best of their knowledge that the condensed consolidated interim financial statements set out on pages 9 to 13 and 73 to 90 have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by Disclosure and Transparency Rules 4.2.7 and 4.2.8 namely:

- An indication of important events that have occurred during the six months ended 30 June 2012 and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year
- Material related party transactions in the six months ended 30 June 2012 and any material changes in the related party transactions described in the last Annual Report

On behalf of the Board

Marcus Agius

Chris Lucas

Chairman
Director

Group Finance

Independent Auditors' Review Report to Barclays PLC

Introduction

We have been engaged by Barclays PLC to review the condensed set of consolidated interim financial statements in the interim results announcement for the six months ended 30 June 2012, which comprises the condensed consolidated income statement on page 9, condensed consolidated statement of profit or loss and other comprehensive income on page 10, condensed consolidated balance sheet on page 11, condensed consolidated statement of changes in equity on page 12, condensed consolidated cash flow statement on page 13 and related notes on pages 73 to 90. We have read the other information contained in the interim results announcement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial statements.

Directors' Responsibilities^{1,2}

The interim results announcement is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim results announcement in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in the 'Accounting Policies' section, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed consolidated interim financial statements included in this interim results announcement have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the company a conclusion on the condensed consolidated interim financial statements in the interim results announcement based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements in the interim results announcement for the six months ended 30 June 2012 are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants London,
United Kingdom
26 July 2012

- 1 The maintenance and integrity of the Barclays website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- 2 Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

1. Basis of preparation

The Results Announcement has been prepared in accordance with IAS 34 Interim Financial Reporting, using the same accounting policies and methods of computation as those used in the 2011 Annual Report.

There have been no accounting developments since those disclosed in the 2011 Annual Report that are expected to have a material impact on the Group's 2012 results. There have been and are expected to be a number of significant changes to the Group's financial reporting after 2012 as a result of amended or new accounting standards that have been or will be issued by the IASB. The most significant of these are as follows:

Effective from 1 January 2013:

- From 1 January 2013, the Group will adopt IAS 19 Employee Benefits revised. The main impact of the revision is the removal of the ability to defer actuarial gains and losses as part of its pension assets and liabilities.

The Group will also include changes in net pension liabilities or assets that do not arise from regular cost, interest (on the net pension liabilities or assets) or contributions, within Other Comprehensive Income.

Details of the financial and capital impact of these changes are detailed in note 15, page 81

- IFRS 10 Consolidated Financial Statements will require the Group to apply different criteria to determine the entities that are included in the Group's consolidated financial statements. It is not yet possible to estimate the financial effects of adopting the standard

Effective from 1 January 2015:

- IFRS 9 Financial Instruments will change the classification and therefore the measurement of its financial assets, the calculation of impairment and hedge accounting. In addition to these changes, the portion of gains

and losses arising from changes in the Group's credit rating included in changes in the value of the Group's issued debt securities held at fair value through profit or loss will be included in other comprehensive income

rather than the income statement. The proposals have yet to be finalised and it is therefore not yet possible to estimate the financial effects.

For more information on the changes, refer to the Barclays 2011 Annual Report.

Going Concern

The Group's business activities and financial position, the factors likely to affect its future development and performance, and its objectives and policies in managing the financial risks to which it is exposed and its capital are discussed in the Results by Business, Performance Management and Risk Management sections.

The Directors confirm they are satisfied that the Group has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing accounts.

2. Net Interest Income

	Half Year Ended 30.06.12	Half Year Ended 31.12.11	Half Year Ended 30.06.11
	£m	£m	£m
Cash and balances with central banks	169	206	186
Available for sale financial investments	1,683	1,029	1,108
Loans and advances to banks	185	192	158
Loans and advances to customers	8,471	8,681	8,590
Other	178	285	154
Interest income	10,686	10,393	10,196
Deposits from banks	(171)	(221)	(145)
Customer accounts	(1,864)	(1,494)	(1,032)
Debt securities in issue	(1,583)	(1,711)	(1,813)
Subordinated liabilities	(817)	(910)	(903)
Other	(139)	(45)	(114)
Interest expense	(4,574)	(4,381)	(4,007)
Net interest income	6,112	6,012	6,189

Financial Statement Notes

3. Staff Costs

	Half Year Ended 30.06.12	Half Year Ended 31.12.11	Half Year Ended 30.06.11
	£m	£m	£m
Current year bonus accrual ¹	539	99	856
Deferred bonus charge	655	537	458
Sales commissions, commitments and other incentives ¹	228	243	334
Performance costs	1,422	879	1,648
Salaries	2,991	3,113	3,164
Non-performance employee share plans	57	100	67
Social security costs ²	369	316	400
Post retirement benefits	315	380	347
Total compensation costs	5,154	4,788	5,626
Bank payroll tax	17	38	38
Other ³	298	471	446

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Non compensation costs	315	509	484
Total Staff costs	5,469	5,297	6,110
Total employees Full time equivalent	139,000	141,100	146,100

- Total staff costs reduced 10% to £5,469m, principally reflecting reductions in the current year bonus accrual and salaries, partially offset by the increased impact of prior year deferrals

- No awards have yet been granted in relation to the 2012 bonus pool as decisions regarding incentive awards are not taken by the Remuneration Committee until the performance for the full year can be assessed. The current year bonus charge for the first six months represents an accrual for estimated costs in accordance with accounting requirements

- Group performance costs reduced 14% to £1,422m, compared to a 13% increase in adjusted profit before tax

- The Group compensation: income ratio⁴ reduced to 33% (Full Year 2011: 37%; Half Year 2011: 37%)

- The deferred bonus charge increased 43% to £655m, principally reflecting the increased levels of deferrals relating to the 2011 bonus pool

- Investment Bank performance costs reduced 19% to £1,028m, compared to a 2% decrease in profit before tax

- Investment Bank compensation: income ratio reduced to 39% (Full Year 2011: 47%; Half Year 2011: 45%)

- Performance costs included a deferred bonus charge of £597m (2011: £432m)

- The expected charge relating to future periods for bonus awards granted but not yet expensed as at 30 June 2012 was £1.4bn (31 December 2011: £2.0bn)

- Salaries decreased 5% to £2,991m in line with the 5% reduction in total employees to 139,000. This reduction primarily related to restructuring activity in Europe RBB, Africa RBB and Corporate Banking outside of the UK

1 The total current year bonus cost for 2011 included £57m over accrual for the full year.

2 Includes social security costs relating to salaries, bonuses and other incentives.

3 Includes staff training, redundancy and recruitment.

4 Total compensation costs divided by total adjusted income net of insurance claims.

4

Financial Statement Notes

4. Administration and General Expenses

	Half Year Ended 30.06.12	Half Year Ended 31.12.11	Half Year Ended 30.06.11
	£m	£m	£m
Property and equipment	892	856	907
Outsourcing and professional services	1,023	971	898
Operating lease rentals	307	335	324
Marketing, advertising and sponsorship	257	323	262
Subscriptions, publications, stationery and communications	367	364	376
Travel and accommodation	157	168	160
Other administration and general expenses	468	209	191
Impairment of property, equipment and intangible assets	3	6	6
Administration and general expenses	3,474	3,232	3,124

Administration and general expenses increased 11% to £3,474 (2011: £3,124m) reflecting the higher regulatory costs and the £290m penalty relating to the industry wide investigation into the setting of interbank offered rates which is included within Other administration and general expenses.

5. UK Bank Levy

UK legislation was enacted in July 2011 to introduce an annual bank levy, which is calculated by reference to the Group's year end liabilities. The levy resulted in an additional operating expense of £325m for the year ended 31 December 2011. The total cost for 2012 is expected to be approximately £360m, all of which is due to be recognised on 31 December 2012 in accordance with IFRS.

6. Tax

The tax charge for H1 12 was £279m (2011: £661m) representing an effective tax rate of 36.8% (2011: 25.0%). The increase in the effective tax rate compared to 2011 reflects the recognition in 2011 of previously unrecognised deferred tax assets in the US branch of Barclays Bank PLC.

The effective tax rate for both periods differs from the UK tax rate of 24.5% (2011: 26.5%) because of non taxable gains and income, the effect of profits and losses outside of the UK being taxed at local statutory tax rates that are different to the UK statutory tax rate, non-creditable taxes and non-deductible expenses, and in H1 11, the impact of recognising deferred tax assets previously unrecognised.

Current and Deferred Tax Assets and Liabilities	Assets			Liabilities		
	30.06.12	31.12.11	30.06.11	30.06.12	31.12.11	30.06.11
	£m	£m	£m	£m	£m	£m
Current tax	266	374	265	(353)	(1,397)	(487)
Deferred tax	2,978	3,010	2,742	(1,024)	(695)	(613)
Total	3,244	3,384	3,007	(1,377)	(2,092)	(1,100)

The deferred tax asset of £2,978m (31 December 2011: £3,010m) mainly relates to amounts in the Barclays Group US Inc. tax group, the US Branch of Barclays Bank Plc and the Spanish tax group. As at 30 June 2012, the deferred tax asset in the Spanish tax group is recoverable, as supported by the latest business forecasts updated for the current economic environment in Spain. The asset has reduced to £608m (31 December 2011: £696m) reflecting a lower anticipated tax recovery rate.

Financial Statement Notes

7. Non-controlling Interests

	Profit Attributable to Non-controlling Interest			Equity Attributable to Non-controlling Interest		
	Half Year Ended	Half Year Ended	Half Year Ended	Half Year Ended	Half Year Ended	Half Year Ended
	30.06.12	31.12.11	30.06.11	30.06.12	31.12.11	30.06.11
	£m	£m	£m	£m	£m	£m
Barclays Bank PLC Issued:						
- Preference shares	232	234	231	5,942	5,929	5,948
- Reserve Capital Instruments (RCIs)	-	12	34	-	-	529
- Upper Tier 2 instruments	2	2	1	589	586	586
Absa Group Limited	154	204	197	2,842	2,861	3,110
Other non-controlling interests	22	7	22	112	231	244
Total	410	459	485	9,485	9,607	10,417

RCIs with a nominal value of \$1.25bn and \$0.75bn were redeemed at Barclays option in June and December 2011 respectively.

8. Earnings Per Share

	Half Year Ended 30.06.12	Half Year Ended 31.12.11	Half Year Ended 30.06.11
	£m	£m	£m
Profit attributable to equity holders of the parent	70	1,509	1,498
Dilutive impact of convertible options	-	2	(2)
Profit attributable to equity holders of the parent including dilutive impact of convertible options	70	1,511	1,496
Impact of adjusting items ¹	2,589	(525)	839
Adjusted Profit attributable to equity holders of the parent including dilutive impact of convertible options	2,659	986	2,335
Basic weighted average number of shares in issue ²	12,215m	11,976m	11,938m
Number of potential ordinary shares	317m	511m	651m
Diluted weighted average number of shares	12,532m	12,487m	12,589m
Basic earnings per ordinary share	0.6p	12.6p	12.5p
Diluted earnings per ordinary share	0.6p	12.1p	11.9p
Adjusted earnings per ordinary share	21.8p	8.2p	19.6p

9. Dividends on Ordinary Shares

It is Barclays policy to declare and pay dividends on a quarterly basis. The first interim cash dividend for 2012 of 1p per share was paid on 8 June 2012. The Board has decided to pay on 7 September 2012, a second dividend for 2012 of 1p per ordinary share to shareholders on the share register on 10 August 2012, making a total for the first half of 2012 of 2p (2011: 2p).

Dividends Paid During the Period	Half Year Ended 30.06.12		Half Year Ended 31.12.11		Half Year Ended 30.06.11	
	Per Share	Total	Per Share	Total	Per Share	Total
	Pence	£m	Pence	£m	Pence	£m
Final dividend paid during period	3.0p	366	-	-	2.5p	298
Interim dividends paid during period	1.0p	122	2.0p	241	1.0p	121

For qualifying US and Canadian resident ADR holders, the interim dividend of 1p per ordinary share becomes 4p per ADS (representing four shares). The ADR depository will post the interim dividend on 7 September 2012 to ADR holders on the record at close of business on 10 August 2012.

1 Adjusted performance measures exclude the impact of own credit, gains on debt buy-backs, impairment and gain/(loss) on disposal of BlackRock investment, provision for PPI redress, provision for interest rate hedging products redress, goodwill impairment and (losses) on acquisitions and disposals as detailed on page 8. The tax impact of these items is a charge of £879m (H2 11: credit of £845m; H1 11: charge of £242m).

2 The number of basic weighted average number of shares excludes Treasury shares held in employee benefit trusts for trading.

Financial Statement Notes

10. Derivative Financial Instruments

As at 30.06.12	Contract Notional Amount £m	Fair Value	
		Assets £m	Liabilities £m
Foreign exchange derivatives	5,067,266	58,663	(63,369)
Interest rate derivatives	38,549,480	374,353	(357,665)
Credit derivatives	1,926,860	48,100	(46,539)
Equity and stock index and commodity derivatives	1,504,099	31,582	(34,917)
Derivative assets/(liabilities) held for trading	47,047,705	512,698	(502,490)
Derivatives in Hedge Accounting Relationships			
Derivatives designated as cash flow hedges	210,141	2,760	(1,414)
Derivatives designated as fair value hedges	133,581	2,121	(3,388)
Derivatives designated as hedges of net investments	10,246	106	(59)
Derivative assets/(liabilities) designated in hedge accounting relationships	353,968	4,987	(4,861)
Total recognised derivative assets/(liabilities)	47,401,673	517,685	(507,351)
As at 31.12.11			
Foreign exchange derivatives	4,452,874	63,822	(67,280)
Interest rate derivatives	35,541,980	372,570	(357,440)
Credit derivatives	1,886,650	63,312	(61,348)
Equity and stock index and commodity derivatives	1,214,487	35,602	(38,484)
Derivative assets/(liabilities) held for trading	43,095,991	535,306	(524,552)
Derivatives in Hedge Accounting Relationships			
Derivatives designated as cash flow hedges	157,149	2,150	(1,726)
Derivatives designated as fair value hedges	74,375	1,447	(1,238)

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Derivatives designated as hedges of net investments	12,010	61	(394)
Derivative assets/(liabilities) designated in hedge accounting relationships	243,534	3,658	(3,358)
Total recognised derivative assets/(liabilities)	43,339,525	538,964	(527,910)
As at 30.06.11			
Foreign exchange derivatives	3,965,712	54,186	(57,176)
Interest rate derivatives	37,739,893	238,645	(220,854)
Credit derivatives	2,085,191	45,883	(44,169)
Equity and stock index and commodity derivatives	1,268,250	39,090	(41,907)
Derivative assets/(liabilities) held for trading	45,059,046	377,804	(364,106)
Derivatives in Hedge Accounting Relationships			
Derivatives designated as cash flow hedges	164,846	891	(848)
Derivatives designated as fair value hedges	98,245	1,077	(1,116)
Derivatives designated as hedges of net investments	15,405	82	(466)
Derivative assets/(liabilities) designated in hedge accounting relationships	278,496	2,050	(2,430)
Total recognised derivative assets/(liabilities)	45,337,542	379,854	(366,536)

The fair value of gross derivative assets decreased by 4% to £518bn (31 December 2011: £539bn) reflecting the impact of optimisation initiatives to reduce gross derivative exposures, and the tightening of credit spreads, offset by decreases in the major forward curves.

Derivative asset exposures would be £477bn (31 December 2011: £492bn) lower than reported under IFRS if netting were permitted for assets and liabilities with the same counterparty or for which we hold cash collateral. Derivative liabilities would be £463bn (31 December 2011: £478bn) lower reflecting counterparty netting and collateral placed.

Financial Statement Notes

11. Financial Instruments Held at Fair Value

The table below shows the financial assets and liabilities that are recognised and measured at fair value analysed by level within the fair value hierarchy.

Valuations Based on		
Quoted	Significant	
Market	Observable	Unobservable
Prices	Inputs	Inputs

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	(Level 1)	(Level 2)	(Level 3)	Total
	£m	£m	£m	£m
As at 30.06.12				
Trading portfolio assets	71,695	86,130	8,475	166,300
Financial assets designated at fair value	9,469	28,919	7,540	45,928
Derivative financial assets	1,902	507,126	8,657	517,685
Available for sale assets	31,377	34,571	2,974	68,922
Total Assets	114,443	656,746	27,646	798,835
Trading portfolio liabilities	(25,387)	(26,251)	(109)	(51,747)
Financial liabilities designated at fair value	(51)	(92,002)	(2,802)	(94,855)
Derivative financial liabilities	(1,887)	(498,776)	(6,688)	(507,351)
Total Liabilities	(27,325)	(617,029)	(9,599)	(653,953)
As at 31.12.11				
Trading portfolio assets	61,530	81,449	9,204	152,183
Financial assets designated at fair value	4,179	24,091	8,679	36,949
Derivative financial assets	2,550	525,147	11,267	538,964
Available for sale assets	30,857	34,761	2,873	68,491
Total Assets	99,116	665,448	32,023	796,587
Trading portfolio liabilities	(26,155)	(19,726)	(6)	(45,887)
Financial liabilities designated at fair value	(39)	(84,822)	(3,136)	(87,997)
Derivative financial liabilities	(2,263)	(517,066)	(8,581)	(527,910)
Total Liabilities	(28,457)	(621,614)	(11,723)	(661,794)
As at 30.06.11				
Trading portfolio assets	53,259	117,703	10,837	181,799
Financial assets designated at fair value	5,875	22,304	10,943	39,122
Derivative financial assets	3,001	368,690	8,163	379,854
Available for sale assets	44,945	34,139	2,753	81,837
Total Assets	107,080	542,836	32,696	682,612
Trading portfolio liabilities	(36,919)	(40,282)	(7)	(77,208)
Financial liabilities designated at fair value	(100)	(88,862)	(3,511)	(92,473)
Derivative financial liabilities	(2,424)	(358,930)	(5,182)	(366,536)
Total Liabilities	(39,443)	(488,074)	(8,700)	(536,217)

Financial Statement Notes

11. Financial Instruments Held at Fair Value (continued)

There were no material transfers between Level 1 and Level 2 during the period.

The significant movements in the Level 3 positions during the period ended 30 June 2012 are as follows:

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- Purchases of £3.7bn primarily comprising £1.7bn in non asset backed debt instruments, £0.6bn in asset backed products, £0.4bn in commercial real estate loans and £0.1bn in equity products

- Sales of £4.3bn primarily comprising £1.4bn of non asset backed debt instruments, £0.9bn in private equity, £0.7bn of asset backed products and £0.1bn of commercial real estate loans

- Settlements of £1bn including £0.3bn on commercial real estate loans, £0.3bn on other loans, £0.2bn on non asset backed debt instruments, £0.1bn on FX products and £0.1bn on interest rate products

- Net transfers out of £0.4bn, primarily comprising transfers of credit products, interest rate products and non asset backed debt instruments, for which fair values have become more observable

Net losses on the fair value of Level 3 assets recognised in the income statement totalled £0.6bn (30 June 2011: loss of £0.3bn)

Unrecognised gains as a result of the use of valuation models using unobservable inputs

The amount that has yet to be recognised in income that relates to the difference between the transaction price (the fair value at initial recognition) and the amount that would have arisen had valuation models using unobservable inputs been used on initial recognition, less amounts subsequently recognised, was as follows:

	Half Year Ended 30.06.12	Half Year Ended 31.12.11	Half Year Ended 30.06.11
	£m	£m	£m
Opening balance	117	146	137
Additions	35	68	25
Amortisation and releases	(8)	(97)	(16)
Closing balance	144	117	146

As part of our risk management processes stress tests on the significant unobservable parameters are applied to generate a range of potentially possible alternative valuations. The results of the most recent stress test showed a potential to increase the fair values by up to £1.5bn (2011: £2.0bn) or to decrease the fair values by up to £1.6bn (2011: £2.1bn) with substantially all the potential effect being recorded in the income statement rather than equity. It is not possible to reliably stress the £1.9bn receivable included within Level 3 assets arising from the Lehman acquisition since its value is dependent in large part on the outcome of legal proceedings. Further detail is provided in note 19.

The stresses applied take account of the nature of valuation techniques used, as well as the availability and reliability of observable proxy and historical data. In all cases, an assessment is made to determine the suitability of available data. The sensitivity methodologies are based on a range, standard deviation or spread data of a reliable reference source or a scenario based on alternative market views. The level of shift or scenarios applied is considered for each

product and varies according to the quality of the data and variability of underlying markets.

Financial Statement Notes

12. Goodwill and Intangible Assets

	As at 30.06.12	As at 31.12.11	As at 30.06.11
	£m	£m	£m
Goodwill	5,295	5,305	6,107
Intangible assets	2,566	2,541	2,434
Total	7,861	7,846	8,541

Goodwill principally comprised £3,144m held in UK RBB (31 December 2011: £3,145), £922m in Africa RBB (31 December 2011: £947m), £529m in Barclaycard (31 December 2011: £505m) and £391m in Wealth and Investment Management (31 December 2011: £391m).

Goodwill is reviewed for indicators of impairment quarterly and tested for impairment on an annual basis by comparing the carrying value to its recoverable amount. There has been no goodwill impairment during 2012. Impairment charges of £597m were recognised during 2011 against goodwill in FirstPlus and Spain.

13. Subordinated Liabilities

	As at 30.06.12	As at 31.12.11	As at 30.06.11
	£m	£m	£m
Opening balance as at 1 January	24,870	28,499	28,499
Issuances	-	880	880
Redemptions	(2,153)	(5,116)	(2,434)
Other	(628)	607	(159)
Total dated and undated subordinated liabilities as at period end	22,089	24,870	26,786

During the six months ended 30 June 2012 redemptions comprised: Callable Floating Rate Subordinated Notes 2017 (\$1,500m) of £946m and (€1,500m) of £1,200m and other redemptions of £7m. There were no new issuances during 2012.

14. Provisions

	As at 30.06.12	As at 31.12.11	As at 30.06.11
	£m	£m	£m
Redundancy and restructuring	163	216	317
Undrawn contractually committed facilities and guarantees	222	230	219
Onerous contracts	107	116	67
Payment Protection Insurance redress	406	565	998
Interest rate hedging product redress	450	-	-
Litigation	187	140	117
Sundry provisions	316	262	356
Total	1,851	1,529	2,074

Payment protection insurance redress

Following the conclusion of the Judicial Review, a provision for PPI redress of £1bn was raised in Q2 11 based on FSA guidelines and industry experience in resolving such claims. In early 2012 Barclays observed an increase in PPI claim volumes and consequently, a further £0.3bn was provided in Q1 12. As of 30 June 2012, £0.9bn of the total £1.3bn had been utilised leaving a residual provision of £0.4bn.

As previously disclosed, the provision calculations are based on a number of assumptions, many of which remain subjective. The most significant assumption continues to be customer claims volumes, which remain unpredictable, although have recently been trending downwards. Based upon the review of experience to date, the remaining provision is considered the best estimate to cover expected future settlements. It is possible the eventual outcome may differ from the current management estimates.

Financial Statement Notes

14. Provisions (continued)

Interest rate hedging product redress

On 29 June 2012, the FSA announced that it had reached agreement with a number of UK banks (including Barclays) in relation to a review and redress exercise to be carried out in respect of interest rate hedging products sold to small and medium sized enterprises. A provision of £450m, reflecting £350m for the costs of redress and £100m to reflect the widening of credit spreads since the original products were entered into (and which we expect to unwind over the life of the new arrangements), has been recognised. The ultimate cost of this exercise is uncertain and the provision is based on a number of initial estimates relating to the appropriate implementation of the agreement. These estimates primarily relate to the number of customers that will be subject to the review, and to the extent and nature of any redress payable. In this context, the appropriate provision level will be kept under ongoing review.

15. Retirement Benefits

The Group's IAS 19 pension deficit across all schemes as at 30 June 2012 was £1.3bn (31 December 2011: £0.2bn). This reflects net recognised assets of £2.0bn (31 December 2011: £1.5bn) and unrecognised actuarial losses of £3.2bn (31 December 2011: £1.7bn). The net recognised assets comprised retirement benefit assets of £2.5bn (31 December 2011: £1.8bn) and liabilities of £0.5bn (31 December 2011: £0.3bn).

The Group's main scheme is the UK Retirement Fund (UKRF). As at 30 June 2012, the UKRF had £2.2bn assets recognised on the balance sheet (31 December 2011: £1.7bn) and on an IAS 19 basis the scheme liabilities exceeded the assets by £0.7bn (31 December 2011: surplus of £0.3bn). The most significant reason for the change in the IAS 19 position was a reduction in the net discount rate, driven by falls in AA corporate bond yields, partially offset by the deficit contribution paid over in the year.

The latest triennial funding valuation of the UKRF was carried out with an effective date of 30 September 2010, and showed a deficit of £5.0bn. The Bank and Trustee agreed a funding plan to eliminate the deficit in the fund. As part of this plan, deficit contributions of £1.8bn were paid to the fund in December 2011 and a further £0.5bn in April 2012. Further deficit contributions are payable from 2017 to 2021 starting at £0.7bn for 2017 and increasing by approximately 3.5% per annum until 2021. These deficit contributions are in addition to the regular contributions to meet the Group's share of the cost of benefits accruing over each year.

The latest annual funding update prepared by the Scheme Actuary as at 30 September 2011 showed a funding deficit of £6.4bn, which was prior to the payment of contributions referred to above in December 2011.

As indicated in Note 1, from 1 January 2013, the Group will adopt IAS 19 revised. Had the Group adopted the revisions in these interim financial statements the net recognised position would reduce by £3.2bn (31 December 2011: £1.7bn) resulting in a liability of £1.2bn (31 December 2011: £0.2bn). Profit after tax for the period ended 30 June 2012 would have been lower by £11m (H2 11: £41m; H1 11: £42m) and other comprehensive income lower by £1.1bn (H2 11: £0.2bn; H1 11: £1.0bn). Shareholders equity would have been reduced by £2.4bn (31 December 2011: £1.3bn) and additional deferred tax assets of £0.8bn (31 December 2011: £0.5bn) would have been recognised. Due to uncertainties surrounding market factors, such as interest rates, it is not possible to estimate the impact on the full year financial statements.

16. Share Capital and Warrants

Called up share capital comprises 12,235 million (2011: 12,199 million) ordinary shares of 25p each.

As at 30 June 2012, there were unexercised warrants to subscribe for 379.2 million (2011: 379.2 million) new ordinary shares at a price of £1.97775. The warrants may be exercised at any time up to close of business on 31 October 2013.

17. Other Reserves

Currency Translation Reserve

Currency translation movements in 2012 of £614m (30 June 2011: £790m), including £71m (30 June 2011: £182m) associated with non-controlling interests, were largely due to the depreciation of the US Dollar, Rand and Euro against Sterling. During the period, £20m gain (2011: £3m loss) from the currency translation reserve was recognised in the income statement.

Financial Statement Notes

17. Other Reserves (continued)

Available for Sale Reserve

The available for sale reserve decreased £218m (30 June 2011: increased £323m), largely driven by £511m gains transferred to the income statement, including the disposal of BlackRock, Inc., a £130m decrease due to the impact of current and deferred tax movements, offset by £423m net gains from changes in fair value.

Cash Flow Hedge Reserve

The cash flow hedge reserve represents the cumulative gains and losses on effective cash flow hedging instruments that will be recycled to the income statement when hedged transactions affect profit or loss.

The increase in the cash flow hedge reserve of £234m (30 June 2011: £48m decrease) principally reflected increases in the fair value of interest rate swaps held for hedging purposes partially offset by gains transferred to net profit.

Treasury Shares

During the period £955m (2011: £553m) net purchases of treasury shares were made principally reflecting the increase in shares held for the purposes of employee share schemes, and £912m (2011: £423m) was transferred from retained earnings reflecting the vesting of deferred share based payments.

18. Contingent Liabilities and Commitments

	As at 30.06.12 £m	As at 31.12.11 £m	As at 30.06.11 £m
Securities lending arrangements	42,609	35,996	32,977
Guarantees and letters of credit pledged as collateral security	14,995	14,181	12,886
Performance guarantees, acceptances and endorsements	7,120	8,706	9,257
Contingent liabilities	64,724	58,883	55,120
Documentary credits and other short-term trade related transactions	1,299	1,358	1,392
Standby facilities, credit lines and other commitments	245,853	240,282	232,624

Securities Lending Arrangements

Up to the disposal of Barclays Global Investors on 1 December 2009, the Group facilitated securities lending arrangements for its managed investment funds whereby securities held by funds under management were lent to third parties. Borrowers provided cash or investment grade assets as collateral equal to 100% of the market value of the securities lent plus a margin of 2%-10%. The Group agreed with BlackRock, Inc. to continue to provide indemnities to support these arrangements until the 30 November 2012. The fair value of the collateral held as at 30 June 2012 was £43,773m (31 December 2011: £37,072m) and that of the stock lent was £42,609m (31 December 2011: £35,996m).

The Financial Services Compensation Scheme

The Financial Services Compensation Scheme (the FSCS) is the UK's compensation scheme for customers of authorised institutions that are unable to pay claims. It provides compensation to depositors in the event that UK licensed deposit taking institutions are unable to meet their claims. The FSCS raises levies on UK licensed deposit taking institutions to meet such claims based on their share of UK deposits on 31 December of the year preceding the scheme year (which runs from 1 April to 31 March).

Compensation has previously been paid out by the FSCS funded by loan facilities totalling approximately £18bn provided by HM Treasury to FSCS in support of FSCS's obligations to the depositors of banks declared in default. In April 2012, the FSCS agreed revised terms on the loan facilities including a 70bps increase in the interest rate payable to 12 month LIBOR plus 100 basis points. The facilities are expected to be repaid wholly from recoveries from the failed deposit takers, except for an estimated shortfall of £0.8bn which the FSCS has announced it intends to collect in annual levies for 2013, 2014 and 2015, in addition to the ongoing interest changes on the outstanding loans.

Financial Statement Notes

18 Contingent Liabilities and Commitments (continued)

Investment Bank US Mortgage Activities

Barclays activities within the US residential mortgage sector during the period of 2005 through 2008 included: sponsoring and underwriting of approximately \$39bn of private-label securitisations; underwriting of approximately \$34bn of other private-label securitisations; sales of approximately \$150m of loans to government sponsored enterprises (GSEs); and sales of approximately \$3bn of loans to others. Some of the loans sold to Barclays were originated by a Barclays subsidiary. Barclays also performed servicing activities through its US residential mortgage servicing business which Barclays acquired in Q4 2006 and subsequently sold in Q3 2010.

In connection with Barclays loan sales and some of its sponsored private-label securitisations, Barclays made certain loan level representations and warranties (R&Ws) generally relating to the underlying borrower, property and/or mortgage documentation. Under certain circumstances, Barclays may be required to repurchase the related loans or make other payments related to such loans if the R&Ws are breached. As of 30 June 2012, Barclays R&Ws in respect of approximately \$1bn of loans sold to others had expired. The R&Ws with respect to the balance of the loans sold to others were not subject to expiration provisions. However, such loans were generally sold at significant discounts and contained more limited R&Ws than loans sold to GSEs. Third party originators provided loan level R&Ws directly to the securitisation trusts for approximately \$34bn of the \$39bn in Barclays sponsored securitisations. Barclays or a subsidiary provided loan level R&Ws to the securitisation trusts for approximately \$5bn of the Barclays sponsored securitisations. R&Ws made by Barclays in respect of such securitised loans, and the loans sold by Barclays to GSEs, are not subject to expiration provisions. Total unresolved repurchase requests associated with all loans sold to others and private-label activities were \$24m at 30 June 2012. Current provisions are adequate to cover estimated losses associated with outstanding repurchase claims. However, based upon a large number of defaults occurring in US residential mortgages, there is a potential for additional claims for repurchases.

Claims against Barclays as an underwriter of RMBS (Residential Mortgage Backed Securities) offerings have been brought in certain civil actions. See Note 19 - Legal Proceedings. Additionally, Barclays has received inquiries from various regulatory and governmental authorities regarding its mortgage-related activities and is cooperating with such inquiries.

It is not practicable to provide an estimate of the financial impact of the potential exposure in relation to the foregoing matters.

19. Legal Proceedings

Lehman Brothers Holdings Inc.

On 15 September 2009, motions were filed in the United States Bankruptcy Court for the Southern District of New York (Bankruptcy Court) by Lehman Brothers Holdings Inc. (LBHI), the SIPA Trustee for Lehman Brothers Inc. (Trustee) and the Official Committee of Unsecured Creditors of Lehman Brothers Holdings Inc. (Committee). All three motions challenged certain aspects of the transaction pursuant to which BCI and other companies in the Group acquired most of the assets of Lehman Brothers Inc. (LBI) in September 2008 and the Court Order approving such sale (Sale). The claimants were seeking an order voiding the transfer of certain assets to BCI; requiring BCI to return to the LBI estate alleged excess value BCI received; and declaring that BCI is not entitled to certain assets that it claims pursuant to the sale documents and Order approving the Sale (Rule 60 Claims). On 16 November 2009, LBHI, the Trustee and the Committee filed separate complaints in the Court asserting claims against BCI based on the same underlying allegations as the pending motions and seeking relief similar to that which is requested in the motions. On 29 January 2010, BCI filed its response to the motions and also filed a motion seeking delivery of certain assets that LBHI and LBI have failed to deliver as required by the sale documents and the Court Order approving the Sale (together with the Trustee's competing claims to those assets, the Contract Claims). Approximately \$4.3bn (£2.8bn) of the assets acquired as part of the acquisition had not been received by 30 June 2012, approximately \$3.0bn (£1.9bn) of which were recognised as part of the accounting for the acquisition and are included in the balance sheet as at 30 June 2012. This results in an effective provision of \$1.3bn (£0.8bn) against the uncertainty inherent in the litigation.

Financial Statement Notes

19. Legal Proceedings (continued)

On 22 February 2011, the Bankruptcy Court issued its Opinion in relation to these matters, rejecting the Rule 60 Claims and deciding some of the Contract Claims in the Trustee's favour and some in favour of BCI. On 15 July 2011, the Bankruptcy Court entered final Orders implementing its Opinion. Barclays and the Trustee each appealed the Bankruptcy Court's adverse rulings on the Contract Claims to the United States District Court for the Southern District of New York (District Court). LBHI and the Committee did not pursue an appeal from the Bankruptcy Court's ruling on the Rule 60 Claims. After briefing and argument, the District Court issued its Opinion on 5 June 2012 in which it reversed one of the Bankruptcy Court's rulings on the Contract Claims that had been adverse to Barclays and affirmed the Bankruptcy Court's other rulings on the Contract Claims. On 17 July 2012, the District Court issued an amended Opinion, correcting certain errors but not otherwise affecting the rulings, and an agreed Judgment implementing the rulings in the Opinion. Barclays and the Trustee have each filed a notice of appeal from the adverse rulings of the District Court to the United States Court of Appeals for the Second Circuit.

Under the Judgment of the District Court, Barclays is entitled to receive:

- \$1.1bn (£0.7bn) from the Trustee in respect of "clearance box" assets;

- property held at various institutions to secure obligations under the exchange-traded derivatives transferred to Barclays in the Sale (the ETD Margin), subject to the proviso that Barclays will be entitled to receive \$507m (£0.3bn) of the ETD Margin only if and to the extent the Trustee has assets available once the Trustee has satisfied all of LBI's customer claims; and

- \$769m (£0.5bn) from the Trustee in respect of LBI's 15c3-3 reserve account assets only if and to the extent the Trustee has assets available once the Trustee has satisfied all of LBI's customer claims.

A portion of the ETD Margin which has not yet been recovered by Barclays or the Trustee is held or owed by certain institutions outside the United States (including several Lehman affiliates that are subject to insolvency or similar proceedings). Barclays cannot reliably estimate at this time how much of the ETD Margin held or owed by such institutions Barclays is ultimately likely to receive. Further, Barclays cannot reliably estimate at this time if and to the extent the Trustee will have assets remaining available to it to pay Barclays the \$507m (£0.3bn) in respect of ETD Margin or the \$769m (£0.5bn) in respect of LBI's 15c3-3 reserve account assets after satisfying all of LBI's customer claims. If the District Court's rulings were to be unaffected by future proceedings, Barclays estimates that after taking into account the effective provision of \$1.3bn (£0.8bn) its loss would be approximately \$0.9bn (£0.6bn), conservatively assuming no recovery by Barclays of any of the ETD Margin not yet recovered by Barclays or the Trustee that is held or owed by institutions outside the United States and no recovery by Barclays of the \$507m (£0.3bn) in respect of ETD Margin or the \$769m (£0.5bn) in respect of LBI's 15c3-3 reserve account assets. Any such loss, however, is not considered probable and Barclays is satisfied with the current level of provision.

American Depositary Shares

Barclays Bank PLC, Barclays PLC and various current and former members of Barclays PLC's Board of Directors have been named as defendants in five proposed securities class actions (which have been consolidated) pending in the United States District Court for the Southern District of New York (the Court). The consolidated amended complaint, dated 12 February 2010, alleges that the registration statements relating to American Depositary Shares representing Preferred Stock, Series 2, 3, 4 and 5 (the ADS) offered by Barclays Bank PLC at various times between 2006 and 2008 contained misstatements and omissions concerning (amongst other things) Barclays portfolio of mortgage-related (including US subprime-related) securities, Barclays exposure to mortgage and credit market risk and Barclays financial condition. The consolidated amended complaint asserts claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933. On 5 January 2011, the Court issued an Order and, on 7 January 2011, judgment was entered, granting the defendants' motion to dismiss the complaint in its entirety and closing the case. On 4 February 2011, the plaintiffs filed a motion asking the Court to reconsider in part its dismissal order. On 31 May 2011, the Court denied in full the plaintiffs' motion for reconsideration. The plaintiffs have appealed both decisions (the grant of the defendants' motion to dismiss and the denial of the plaintiffs' motion for reconsideration) to the United States Court of Appeals for the Second Circuit.

Barclays considers that these ADS-related claims against it are without merit and is defending them vigorously. It is not practicable to estimate Barclays possible loss in relation to these claims or any effect that they might have upon operating results in any particular financial period.

Financial Statement Notes

19. Legal Proceedings (continued)

US Federal Housing Finance Agency and Other Residential Mortgage-Backed Securities Litigation

The United States Federal Housing Finance Agency (FHFA), acting for two US government sponsored enterprises, Fannie Mae and Freddie Mac (collectively, the GSEs), filed lawsuits against 17 financial institutions in connection with the GSEs' purchases of residential mortgage-backed securities (RMBS). The lawsuits allege, amongst other things, that the RMBS offering materials contained materially false and misleading statements and/or omissions. Barclays Bank PLC and/or certain of its affiliates or former employees are named in two of these lawsuits, relating to sales between 2005 and 2007 of RMBS, in which Barclays Capital Inc. was lead or co-lead underwriter.

Both complaints demand, amongst other things: rescission and recovery of the consideration paid for the RMBS; and recovery for the GSEs' alleged monetary losses arising out of their ownership of the RMBS. The complaints are similar to other civil actions filed against Barclays Bank PLC and/or certain of its affiliates by other plaintiffs, including the Federal Home Loan Bank of Seattle, Federal Home Loan Bank of Boston, Federal Home Loan Bank of Chicago, Cambridge Place Investment Management, Inc., HSH Nordbank AG (and affiliates), Sealink Funding Limited, Landesbank Baden-Württemberg (and affiliates), Deutsche Zentral-Genossenschaftsbank AG (and affiliates) and Stichting Pensioenfonds ABP, relating to their purchases of RMBS. Barclays considers that the claims against it are without merit and intends to defend them vigorously.

The original amount of RMBS related to the claims against Barclays in these cases totalled approximately \$7.6bn, of which approximately \$2.4bn was outstanding as at 30 June 2012. Cumulative losses reported on these RMBS as at 30 June 2012 were approximately \$0.2bn. If Barclays were to lose these cases it could incur a loss of up to the outstanding amount of the RMBS at the time of judgment (taking into account further principal payments after 30 June 2012) plus any cumulative losses on the RMBS at such time and any interest, fees and costs, less the market value of the RMBS at such time. Barclays has estimated the total market value of the RMBS as at 30 June 2012 to be approximately \$1.3bn. Barclays may be entitled to indemnification for a portion of any losses.

Devonshire Trust

On 13 January 2009, Barclays commenced an action in the Ontario Superior Court seeking an order that its early terminations earlier that day of two credit default swaps under an ISDA Master Agreement with the Devonshire Trust (Devonshire), an asset-backed commercial paper conduit trust, were valid. On the same day, Devonshire purported to terminate the swaps on the ground that Barclays had failed to provide liquidity support to Devonshire's commercial paper when required to do so. On 7 September 2011, the Court ruled that Barclays early terminations were invalid, Devonshire's early terminations were valid and, consequently, Devonshire was entitled to receive back from Barclays cash collateral of approximately Canadian \$533m together with accrued interest thereon. Barclays is appealing the Court's decision. If the Court's decision were to be unaffected by future proceedings, Barclays estimates that its loss would be approximately Canadian \$500m, less any impairment provisions taken by Barclays for this matter.

LIBOR Civil Actions

Barclays and other banks have been named as defendants in class action lawsuits filed in United States Federal Courts in connection with their roles as contributor panel banks to US Dollar LIBOR, the first of which was filed on 15 April 2011. The complaints are substantially similar and allege, amongst other things, that Barclays and the other banks individually and collectively violated various provisions of the Sherman Act, the Commodity Exchange Act and various state laws by suppressing US Dollar LIBOR rates. Barclays is also named along with other banks in three individual lawsuits by Charles Schwab & Co., Inc. and/or its affiliates, which allege substantially similar claims, as well as violations of the Racketeer Influenced and Corrupt Organizations Act (RICO). The lawsuits seek an unspecified amount of damages and trebling of damages under the Sherman and RICO Acts.

An additional class action was commenced on 30 April 2012 in the United States District Court for the Southern District of New York (SDNY) against Barclays and other Japanese Yen LIBOR panel banks by plaintiffs involved in exchange-traded derivatives. The complaint also names members of the Japanese Bankers Association's Euroyen TIBOR panel, of which Barclays is not a member. The complaint alleges, amongst other things, manipulation of the Euroyen TIBOR and Yen LIBOR rates and breaches of US antitrust laws between 2006 and 2010.

Financial Statement Notes

19. Legal Proceedings (continued)

A further class action was commenced on 6 July 2012 in the SDNY against Barclays and other EURIBOR panel banks by plaintiffs that purchased or sold EURIBOR-related financial instruments. The complaint alleges, amongst other things, manipulation of the EURIBOR rate and breaches of the Sherman Act and the Commodity Exchange Act beginning as early as 1 January 2005 and continuing through to 31 December 2009. Barclays has been granted conditional leniency from the Antitrust Division of the Department of Justice (DOJ) in connection with potential US antitrust law violations with respect to financial instruments that reference EURIBOR. As a result of that grant of conditional leniency, Barclays is eligible for (i) a limit on liability to actual rather than treble damages if damages were to be awarded in any civil antitrust action under US antitrust law based on conduct covered by the conditional leniency and (ii) relief from potential joint-and-several liability in connection with such civil antitrust action, subject to Barclays satisfying the DOJ and the court presiding over the civil litigation of its satisfaction of its cooperation obligations.

Barclays has also been named as a defendant along with a current and former member of its Board of Directors in a proposed securities class action pending in the SDNY in connection with Barclays role as a contributor panel bank to LIBOR. The complaint alleges that Barclays Annual Reports for the years 2006-2011 contained misstatements and omissions concerning (amongst other things) Barclays compliance with its operational risk management processes and certain laws and regulations. The complaint is brought on behalf of a proposed class consisting of all persons or entities (other than the defendants) that purchased Barclays sponsored American Depositary Receipts on an American securities exchange between 10 July 2007 and 27 June 2012. The complaint asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act 1934.

It is not practicable to provide an estimate of the financial impact of the potential exposure of any of the actions described or what effect, if any, that they might have upon operating results, cash flows or Barclays financial position in any particular period.

See also page 87.

Other

Barclays is engaged in various other legal proceedings both in the United Kingdom and a number of overseas jurisdictions, including the United States, involving claims by and against it which arise in the ordinary course of business, including debt collection, consumer claims and contractual disputes. Barclays does not expect the ultimate resolution of any of these proceedings to which Barclays is party to have a material adverse effect on its results of operations, cash flows or the financial position of the Group and Barclays has not disclosed the contingent liabilities associated with these claims either because they cannot reliably be estimated or because such disclosure could be prejudicial to the conduct of the claims. Provisions have been recognised for those cases where Barclays is able reliably to estimate the probable loss where the probable loss is not de minimis.

20. Competition and Regulatory Matters

This note highlights some of the key competition and regulatory challenges facing Barclays, many of which are beyond our control. The extent of the impact of these matters on Barclays and the impact on Barclays of any other competition and regulatory matters in which Barclays is or may in the future become involved cannot always be predicted but may materially impact our businesses and earnings.

Regulatory change

The scale of regulatory change remains challenging with a significant tightening of regulation and changes to regulatory structures globally, especially for banks that are deemed to be of systemic importance. Concurrently, there is continuing political and regulatory scrutiny of the operation of the banking and consumer credit industries which, in some cases, is leading to increased or changing regulation which is likely to have a significant effect on the industry. Examples include Basel 3, the emerging proposals on bank resolution regimes and proposals relating to over-the-counter derivatives clearing and global systemically important banks.

Financial Statement Notes

20. Competition and Regulatory Matters (continued)

In the UK, the FSA's current responsibilities are to be reallocated between the Prudential Regulatory Authority (a subsidiary of the Bank of England) and a new Financial Conduct Authority. In addition, the Independent Commission

on Banking (the ICB) completed its review of the UK banking system and published its final report on 12 September 2011. The ICB recommended (amongst other things) that: (i) the UK and EEA retail banking activities of a UK bank or building society should be placed in a legally distinct, operationally separate and economically independent entity (so-called "ring-fencing"); and (ii) the loss-absorbing capacity of ring-fenced banks and UK-headquartered global systemically important banks (such as Barclays Bank PLC) should be increased to levels higher than the Basel 3 proposals. The UK Government published a white paper setting out its proposals for taking forward implementation of the ICB recommendations in June 2012 and indicated that primary and secondary legislation will be completed by May 2015, with UK banks required to be compliant by 1 January 2019. Furthermore, in July 2012, the UK Parliament established a Parliamentary Commission on Banking Standards, which will consider and report on the professional standards and culture of the UK banking sector and corporate governance, transparency and conflicts of interest. The Parliamentary Commission is due to report in December 2012 its findings and proposals for any legislative changes.

The US Dodd-Frank Wall Street Reform and Consumer Protection Act contains far reaching regulatory reform. The full impact on Barclays businesses and markets will not be known until the principal implementing rules are adopted in final form by governmental authorities, a process which is underway and which will take effect over several years.

Interchange

The Office of Fair Trading, as well as other competition authorities elsewhere in Europe, continues to investigate Visa and MasterCard credit and debit interchange rates. These investigations may have an impact on the consumer credit industry as well as having the potential for the imposition of fines. Timing is uncertain but outcomes may be known within the next 2-4 years.

London Interbank Offered Rate (LIBOR)

The FSA, the US Commodity Futures Trading Commission (the CFTC), the SEC, the US Department of Justice Fraud Section (the DOJ-FS) and Antitrust Division and the European Commission are amongst various authorities conducting investigations (the Investigations) into submissions made by Barclays and other panel members to the bodies that set various interbank offered rates, such as LIBOR and the Euro Interbank Offered Rate (EURIBOR).

On 27 June 2012, Barclays announced that it had reached settlements with the FSA, the CFTC and the DOJ-FS in relation to the Investigations and Barclays has agreed to pay total penalties of £290m (Sterling equivalent), which have been reflected in operating expenses for 2012. The settlements were made by entry into a Settlement Agreement with the FSA, a Non-Prosecution Agreement with the DOJ-FS and a Settlement Order Agreement with the CFTC. In addition, Barclays has been granted conditional leniency from the Antitrust Division of the Department of Justice in connection with potential US antitrust law violations with respect to financial instruments that reference EURIBOR.

See also page 86.

On 6 July 2012, the UK Serious Fraud Office announced that it had decided formally to accept the LIBOR matter for investigation.

Interest Rate Hedging Products

See page 81.

Other disclosure matters

The FSA has commenced an investigation involving Barclays and four current and former senior employees, including Chris Lucas, Group Finance Director. The FSA is investigating the sufficiency of disclosure in relation to fees payable under certain commercial agreements and whether these may have related to Barclays capital raisings in June and November 2008.

Barclays considers that it satisfied its disclosure obligations and confirms that it will cooperate fully with the FSA's investigation.

Financial Statement Notes

21. Related Party Transactions

Related party transactions in the half year ended 30 June 2012 were similar in nature to those disclosed in the Group's 2011 Annual Report. No related party transactions that have taken place in the six months to 30 June 2012 have materially affected the financial position or the performance of the Group during this period and there were no changes in the related parties transactions described in the 2011 Annual Report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

22. Post Balance Sheet Events

On 2 July 2012, Marcus Agius announced his resignation as Chairman of Barclays PLC, confirming that a search would commence, with immediate effect, for an appropriate successor. Mr Agius would remain in post until an orderly succession is assured and Sir Michael Rake was appointed Deputy Chairman. In addition, and in response to the findings from the investigations by various regulatory authorities into submissions made by Barclays and other Panel members into the setting of various interbank offered rates, the Board confirmed that it would undertake an independent, third party review of Barclays business practices.

On 3 July, and with immediate effect, Bob Diamond resigned from the Boards of Barclays PLC and Barclays Bank PLC, and from his role as Chief Executive, and Jerry Del Missier resigned as Chief Operating Officer and relinquished his membership of the Executive Committee. Mr Agius assumed the role of full-time Chairman and chair of the Executive Committee and is leading the search for a new Chief Executive, supported by Sir Michael Rake.

On 10 July, the Board announced that it had accepted Mr Diamond's voluntary offer to waive all of his unvested deferred bonus awards and long-term incentive share awards, with no compensation made in respect of the lapsed awards. The Board also asked Mr Diamond to support the transition to the new Chief Executive as necessary, to

which he agreed. Consistent with his contract of employment, Mr Diamond will receive up to 12 months' salary, pension allowance and other benefits; and he agreed to forgo his contractual entitlement to tax equalisation going forward. The Board agreed with Mr Diamond that he will not receive any future bonus or incentive awards; nor will he receive any further compensation payment in connection with the termination of his employment.

On 24 July, the Board announced that Anthony Salz would lead an independent, third party, review of business practices. This global review will 1) assess the bank's current values, principles and standard of operation; 2) test how well these are reflected in the bank's decision-making processes; 3) assess whether or not the appropriate training, development, incentives, and disciplinary processes are in place; and 4) determine to what extent each of these aspects need to change. The review's findings and recommendations will be published, based on evidence gathered through extensive engagement with all of the bank's stakeholders and a thorough review of all pertinent documentary evidence.

Financial Statement Notes

23. Segmental Reporting

There have been two changes to the Barclays business structure since 31 December 2011.

Single Barclays Brand

Following the move to a single Barclays brand certain business segments have been renamed as follows:

- Barclays Capital has been renamed Investment Bank

- Barclays Corporate has been renamed Corporate Banking

- Barclays Wealth has been renamed Wealth and Investment Management

- Head Office and Other Operations includes the results previously reported as the Investment Management segment comprising Barclays previous investment in BlackRock, Inc. and the residual elements relating to Barclays Global Investors

Restructure of Corporate Banking Activities in Africa

Certain corporate banking activities in Africa, previously reported under Africa RBB, are now included within Corporate Banking. These activities include approximately 800 clients as well as the Trade Finance and Electronic Banking channels relating to large corporate clients. This change has been made to further align client coverage and product ownership to better serve clients needs, and to align Africa to the reporting approach for the UK and Europe. The total amount of profit before tax transferred for the six months ended 31 December 2011 was £41m and for the six months ended 30 June 2011 was £37m.

The impacts of the transfers are considered to be immaterial and were disclosed in the 31 March 2012 Interim Management Statement. They have no impact on the overall Barclays results.

The tables set out below analyse the results by business under the revised business structure.

Analysis of results by business	UK RBB	Europe RBB	Africa RBB	Barclaycard	RBB Total
Half Year Ended 30 June 2012	£m	£m	£m	£m	£m
Total income net of insurance claims	2,205	486	1,625	2,026	6,342
Credit impairment charges and other provisions	(122)	(157)	(321)	(460)	(1,060)
Net operating income	2,083	329	1,304	1,566	5,282
Operating expenses	(1,637)	(428)	(1,033)	(830)	(3,928)
Other income/(losses) ¹	-	7	3	17	27
Profit /(loss) before tax	446	(92)	274	753	1,381
Total assets	130,776	48,109	47,398	34,596	260,879
			Wealth and	Head Office	
Analysis of results by business	Investment Bank	Corporate Banking	Investment Management	and Other Operations	Group Total
Half Year Ended 30 June 2012 continued	£m	£m	£m	£m	£m
Total income net of insurance claims	6,496	1,527	892	(2,500)	12,757
Credit impairment charges and other provisions	(323)	(425)	(19)	(5)	(1,832)
Net operating income	6,173	1,102	873	(2,505)	10,925
Operating expenses	(3,933)	(1,204)	(751)	(425)	(10,241)
Other income/(losses) ¹	28	(2)	(1)	23	75
Profit /(loss) before tax	2,268	(104)	121	(2,907)	759
Total assets	1,225,409	87,758	22,205	35,014	1,631,265

¹ Other income/(losses) represents: share of post-tax results of associates and joint ventures; profit or (loss) on disposal of subsidiaries, associates and joint ventures; and gains on acquisitions.

Financial Statement Notes

23. Segmental Reporting (continued)

Analysis of results by business	UK RBB	Europe RBB	Africa RBB	Barclaycard	RBB Total
Half Year Ended 31 December 2011	£m	£m	£m	£m	£m
Total income net of insurance claims	2,402	622	1,801	2,123	6,948
Credit impairment charges and other provisions	(261)	(145)	(196)	(611)	(1,213)
Net operating income	2,141	477	1,605	1,512	5,735
Operating expenses	(1,427)	(981)	(1,118)	(888)	(4,414)
Other income/(losses) ¹	2	4	3	13	22
Profit /(loss) before tax	716	(500)	490	637	1,343

Total assets	127,845	51,310	48,243	33,838	261,236
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Analysis of results by business	Investment Bank	Corporate Banking	Investment Management	Wealth and Head Office and Other Operations	Group Total
Half Year Ended 31 December 2011 continued	£m	£m	£m	£m	£m
Total income net of insurance claims	4,072	1,540	896	3,506	16,962
Credit impairment charges and other provisions	(204)	(535)	(22)	-	(1,974)
Impairment of investment in BlackRock, Inc	-	-	-	(1,800)	(1,800)
Net operating income	3,868	1,005	874	1,706	13,188
Operating expenses	(3,216)	(981)	(753)	(584)	(9,948)
Other income/(losses) ¹	3	(6)	(2)	(22)	(5)
Profit /(loss) before tax	655	18	119	1,100	3,235

Total assets	1,158,350	91,190	20,866	31,885	1,563,527
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Analysis of results by business	UK RBB	Europe RBB	Africa RBB	Barclaycard	RBB Total
Half Year Ended 30 June 2011	£m	£m	£m	£m	£m
Total income net of insurance claims	2,254	604	1,770	1,972	6,600
Credit impairment charges and other provisions	(275)	(116)	(270)	(648)	(1,309)
Net operating income	1,979	488	1,500	1,324	5,291
Operating expenses	(1,675)	(657)	(1,161)	(1,418)	(4,911)
Other income/(losses) ¹	-	8	3	18	29
Profit /(loss) before tax	304	(161)	342	(76)	409

Total assets	123,745	56,699	55,064	32,513	268,021
			Wealth and Head Office		
	Investment Bank	Corporate Banking	Investment Management	and Other Operations	Group Total
Analysis of results by business Half Year Ended 30 June 2011 continued	£m	£m	£m	£m	£m
Total income net of insurance claims	6,263	1,568	848	51	15,330
Credit impairment charges and other provisions	111	(612)	(19)	1	(1,828)
Net operating income	6,374	956	829	52	13,502
Operating expenses	(4,073)	(901)	(740)	(204)	(10,829)
Other income/(losses) ¹	9	(65)	(1)	(1)	(29)
Profit/(loss) before tax	2,310	(10)	88	(153)	2,644
Total assets	1,076,018	87,132	19,814	41,937	1,492,922

¹ Other income/(losses) represents: share of post-tax results of associates and joint ventures; profit or (loss) on disposal of subsidiaries, associates and joint ventures; and gains on acquisitions.

Shareholder Information

Results Timetable ¹	Date
Ex-dividend date	8 August 2012
Dividend Record date	10 August 2012
Dividend Payment date	7 September 2012
Q3 2012 Interim Management Statement	31 October 2012

	Half Year Ended	Half Year Ended	Half Year Ended	Change	Change
	30.06.12	31.12.11	30.06.11	31.12.11	30.06.11
Exchange Rates ²					
Period end - US\$/£	1.57	1.54	1.61	(2%)	3%
Average - US\$/£	1.58	1.59	1.62	1%	3%
Period end - €/£	1.24	1.19	1.11	(4%)	(10%)
Average - €/£	1.22	1.15	1.15	(5%)	(5%)

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Period end - ZAR/£	12.83	12.52	10.87	(2%)	(15%)
Average - ZAR/£	12.52	12.08	11.14	(4%)	(11%)

Share Price Data		30.06.12	31.12.11	30.06.11
Barclays PLC (p)		162.85	176.05	256.45
Absa Group Limited (ZAR)		141.20	141.00	134.81

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Registrar

The Registrar to Barclays, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom.

Tel: 0871 384 20554 from the UK or +44 121 415 7004 from overseas.

Listing

The principal trading market for Barclays PLC ordinary shares is the London Stock Exchange. Trading on the New York Stock Exchange is in the form of ADSs under the ticker symbol 'BCS'. Each ADS represents four ordinary shares of 25p each and is evidenced by an ADR. The ADR depository is JP Morgan Chase Bank, whose international telephone number is +1-651-453-2128, domestic telephone number is 1-800-990-1135 and address is JPMorgan Chase Bank, PO Box 64504, St. Paul, MN 55164-0504, USA.

Dividend Reinvestment Plan

Shareholders may have their dividends reinvested in Barclays shares by joining the Barclays Dividend Reinvestment Plan (DRIP). The DRIP is a straightforward and cost-effective way of using your dividends to build your shareholding in Barclays. For further details, including application information, please visit www.barclays.com or alternatively contact: The Plan Administrator to Barclays DRIP, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, or by telephoning 0871 384 20554 from the UK or +44 121 415 7004 from overseas.

- 1 Note that these announcement dates are provisional and subject to change.
- 2 The average rates shown above are derived from daily spot rates during the year used to convert foreign currency transactions into Sterling for accounting purposes.
- 3 The change is the impact to Sterling reported information.
- 4 Calls to this number are charged at 8p per minute if using a BT landline. Call charges may vary if using other providers.

Index

Africa Retail and Business Banking	18	Liquidity pool	40
Accounting policies	73	Loans and advances to customers and banks	46
Administration and general expenses	75	Margins and balances	34
Balance sheet	11	Market risk	70
Balance sheet leverage	39	Net interest income	73
Barclaycard	20	Non-controlling interests	76
Capital ratios	37	Other reserves	81
Capital resources	37	Performance highlights	2
Cash flow statement	13	Principal risks	36
Competition and regulatory matters	86	Provisions	80
Contingent liabilities and commitments	82	Results by quarter	8, 31
Corporate Banking	24	Results timetable	91
Country exposures (selected Eurozone)	58	Retail credit risk	51
Credit impairment charges and other credit provisions	48	Retail forbearance programmes	55
Credit market exposures	69	Retirement benefits	81
Credit risk	45	Returns and equity by business	33
Credit risk loans	49	Risk weighted assets	38
	77	Share capital	81

Derivative financial instruments			
Dividends on ordinary shares	76	Share price data	91
Earnings per share	76	Staff costs	74
Europe Retail and Business Banking	16	Statement of profit or loss and other comprehensive income	10
Financial instruments held at fair value	78	Statement of changes in equity	12
Finance Director's review	5	Taxation	75
Funding and liquidity	40	Tier 1 capital ratio	37
Head Office and Other Operations	30	Total assets	38, 45
Income statement	9	UK Retail and Business Banking	14
Investment Bank	22	Wealth and Investment Management	28
Legal proceedings	83	Wholesale credit risk	56

The glossary of terms can be found on :
<http://group.barclays.com/about-barclays/investor-relations#institutional-investors>

