

BARCLAYS PLC  
Form POS AM  
September 14, 2007

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As filed with the US Securities and Exchange Commission on September 14, 2007

Registration No. 333-143666

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

POST-EFFECTIVE AMENDMENT NO. 2  
to  
FORM F-4  
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

**Barclays PLC**

**Barclays (Netherlands) N.V.**

*(Exact name of registrant as specified in its charter)*

**N/A**

*(Translation of registrant's name into English)*

Barclays PLC England  
Barclays (Netherlands) N.V.  
The Netherlands  
*(State or other jurisdiction of  
incorporation or organization)*

**6029**  
*(Primary Standard Industrial  
Classification Code Number)*

**None**  
*(IRS Employer  
Identification Number)*

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**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable after this registration statement becomes effective.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_\_\_\_\_

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_\_\_\_\_

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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<b>Each Ordinary Share</b>	<b>Offer to Exchange</b>	<b>Each American Depositary Share</b>
	of	
	<b>ABN AMRO Holding N.V.</b>	
	for	
<b>2.13 Ordinary Shares and 13.15 in cash</b>		<b>0.5325 American Depositary Shares and 13.15 in cash (paid in US dollars)</b>
	of	
	<b>Barclays PLC</b>	

On April 23, 2007, Barclays PLC, a public limited company organized under the laws of England ( Barclays ), entered into a merger protocol (the Merger Protocol ) with ABN AMRO Holding N.V., a public limited liability company organized under the laws of The Netherlands ( ABN AMRO ), providing for a combination of their businesses. The terms under which the proposed combination would take place, as well as the Merger Protocol, were revised on July 23, 2007, and the Merger Protocol was further revised on July 30, 2007 and, by a letter agreement, on August 3, 2007. The proposed combination of ABN AMRO and Barclays will create one of the world's leading universal banks. Barclays will be the holding company of the combined group. ABN AMRO's business will be brought under the combined group umbrella through an exchange offer by Barclays for all outstanding ABN AMRO ordinary shares, nominal value 0.56 per share, including all ABN AMRO American Depositary Shares, each representing one ABN AMRO ordinary share ( ABN AMRO ADSs ).

This document is being sent to holders of ABN AMRO ordinary shares located in the United States and Canada and holders of ABN AMRO ADSs located in any Offer Jurisdiction (as defined on page i of this document) to effect the exchange offer. Separate offering documentation is being made available to holders of ABN AMRO ordinary shares located in Offer Jurisdictions other than the United States and Canada. Subject to a mix-and-match facility described in this document, Barclays is offering to exchange in the manner set out in this document (a) 2.13 Barclays ordinary shares, nominal value 25p per share, and 13.15 in cash for each ABN AMRO ordinary share, and (b) 0.5325 Barclays American Depositary Shares, each representing four Barclays ordinary shares ( Barclays ADSs ), and 13.15 in cash (paid in US dollars) for each ABN AMRO ADS, in each case that is validly tendered (or defectively tendered provided that such defect has been waived by Barclays) and not properly withdrawn. The cash consideration paid in respect of each ABN AMRO ADS that is validly tendered (or defectively tendered provided that such defect has been waived by Barclays) and not properly withdrawn, will be US dollars, based on the conversion of the Euro consideration into US dollars, net of any applicable fees and expenses, at the average exchange rate obtainable by The Bank of New York, as the ADS exchange agent, for the five business days preceding the date on which the cash consideration is received by the ADS exchange agent for delivery in respect of such ABN AMRO ADSs.

The exchange offer is being made on the terms and pursuant to the conditions set forth in this document and, for ABN AMRO ordinary shares, the related form of acceptance, and, for the ABN AMRO ADSs, in the related letter of transmittal. Following the exchange offer, it is expected that, subject to applicable law, Barclays will take steps in order to cause ABN AMRO to become a direct or indirect wholly owned subsidiary of Barclays, as described in Post-Closing Restructuring .

**The exchange offer will commence in the United States and Canada at 9:00 a.m. New York City Time (3:00 p.m. Amsterdam Time), on August 7, 2007, and expire at 9:00 a.m. New York City Time (3:00 p.m. Amsterdam Time), on October 4, 2007, unless the exchange offer is extended or terminated prior to that time.**

Upon completion of the exchange offer, and assuming that all of the outstanding ABN AMRO ordinary shares and ABN AMRO ADSs are validly tendered (or defectively tendered provided that such defect has been waived by Barclays) and not withdrawn, existing holders of Barclays ordinary shares and Barclays ADSs and former holders of ABN AMRO ordinary shares and ABN AMRO ADSs will own approximately 56% and 35%, respectively, of the outstanding Barclays ordinary shares (including Barclays ordinary shares represented by Barclays ADSs). Based on the current number of outstanding ABN AMRO ordinary shares (including ABN AMRO ordinary shares represented by ABN AMRO ADSs), Barclays will issue approximately 4,012,764,544 Barclays ordinary shares (including Barclays ordinary shares represented by Barclays ADSs) in the exchange offer.

Barclays ordinary shares and Barclays ADSs are listed on the New York Stock Exchange (the "NYSE"), where Barclays ADSs trade under the symbol "BCS", and ABN AMRO ordinary shares and ABN AMRO ADSs are listed on the NYSE, where ABN AMRO ADSs trade under the symbol "ABN". Barclays intends to apply to list the Barclays ordinary shares and the Barclays ADSs to be issued in the exchange offer on the NYSE, subject to official notice of issuance. Barclays will also make an application to the United Kingdom Listing Authority (the "UKLA") and the London Stock Exchange (the "LSE") for the Barclays ordinary shares to be issued in the exchange offer to be admitted to the Official List and to trading on the LSE, as well as to list such Barclays ordinary shares on the Tokyo Stock Exchange (the "TSE"). Barclays will also apply for a secondary listing on Eurolist by Euronext of Euronext Amsterdam N.V. ("Euronext"). If the exchange offer is declared unconditional by Barclays, ABN AMRO ordinary shares and ABN AMRO ADSs will be delisted from the NYSE and Euronext as soon as practicable thereafter.

The exchange offer is subject to the conditions set forth in "The Exchange Offer Conditions". **See Risk Factors for a discussion of various factors that you, as holders of ABN AMRO ordinary shares or ABN AMRO ADSs, should consider about the exchange offer.**

**Neither the Securities and Exchange Commission ("SEC") nor any state securities commission has approved or disapproved of the securities to be issued in the transactions described herein or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.**

The Dealer Manager for the Exchange Offer in the United States is  
**Deutsche Bank Securities**

The date of this document is August 6, 2007, as supplemented on September 14, 2007.

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**ADDITIONAL INFORMATION**

This document incorporates important business and financial information about ABN AMRO and Barclays from documents filed with the SEC that have not been included in, or delivered with, this document. See [Where You Can Find More Information](#) . Documents filed with or furnished to the SEC by Barclays or ABN AMRO on or after September 10, 2002 are available on the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). You may also request copies of these documents, without charge, upon written or oral request to Barclays information agent in the United States, Georgeson, at (212) 440-9800 or toll free at (888) 605-7547. **In order to ensure timely delivery, any request should be submitted no later than September 27, 2007.**

You can also get more information by visiting ABN AMRO's website at [www.abnamro.com](http://www.abnamro.com) and Barclays website at [www.barclays.com](http://www.barclays.com). Information contained in, or otherwise accessible through, these internet sites is not a part of this document and is not incorporated by reference herein. All references in this document to these internet sites are inactive textual references to these URLs and are for your information only. See [Where You Can Find More Information](#) .

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This document is being sent to holders of ABN AMRO ordinary shares located in the United States and Canada and holders of ABN AMRO ADSs located in every Offer Jurisdiction (as defined below) to effect the exchange offer. Separate offering documentation is being made available to holders of ABN AMRO ordinary shares located in Offer Jurisdictions other than the United States and Canada. The distribution of this document and any other documentation regarding the exchange offer may, in some jurisdictions, be restricted by law. Offering documentation regarding the exchange offer may not be distributed, directly or indirectly, in or into any jurisdiction other than The Netherlands, the United Kingdom, the United States, Austria, Belgium, Canada, France, Germany, Ireland, Luxembourg, Norway, Singapore, Spain and Switzerland, and any other jurisdictions in which Barclays determines that it may lawfully distribute offering documentation regarding the exchange offer in accordance with local law (together the Offer Jurisdictions ). However, acceptances by holders of ABN AMRO ordinary shares or ABN AMRO ADSs not resident in the Offer Jurisdictions will be accepted by Barclays if such acceptance complies with the acceptance procedure and requirements set out in this document (see [The Exchange Offer Procedure for Tendering and Electing](#) ). Persons not resident in the Offer Jurisdictions who come into possession of this document should inform themselves of and observe any laws and regulations applicable to such persons regarding acceptance of the exchange offer and receipt of the offer consideration. Neither Barclays nor any person acting on its behalf assumes any responsibility for any violation by any person of any such laws or regulations. Any holder of ABN AMRO ordinary shares or ABN AMRO ADSs who is in any doubt as to its position should consult an appropriate professional advisor without delay.

This document must not be distributed in whole or in part into Japan. This document and other documents related to the exchange offer may not be electronically provided to, nor accessed by, residents of Japan or persons who are in Japan. Copies of this document and any other documents related to the exchange offer are not being, and must not be, mailed or otherwise distributed or sent to any person or

company in or from Japan. Persons receiving this document (including custodians, nominees and trustees) or other documents related to the exchange offer must not distribute or send them to any person or company in or from Japan. The exchange offer is not being made, directly or indirectly, in or into or by the use of the mails or any other means or instrumentality (including, without limitation, facsimile transmission, telex, telephone or internet) of interstate or foreign commerce of, or any such facilities of a national securities exchange of, Japan and is not capable of acceptance by such use, means, instrumentality or facilities from or within Japan.

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The exchange offer has not received clearance from the *Commissione Nazionale per le Società e la Borsa* pursuant to Italian securities laws and implementing regulations (in particular under Section 102 of Italian Legislative Decree No. 58 dated 24 February 1998). Consequently, any form of solicitation (i.e. any offer, invitation to offer or promotional advertisement) of acceptances of the exchange offer by holders of ABN AMRO ordinary shares and/or ABN AMRO ADSs based in Italy will be contrary to Italian laws and regulations. Application for authorization by the relevant Italian authorities for the launching of an offer for ABN AMRO ordinary shares and/or ABN AMRO ADSs in the Republic of Italy has not yet been and is not currently intended to be made. Accordingly, Italian holders of ABN AMRO ordinary shares and/or ABN AMRO ADSs are hereby notified that, to the extent such holders of ABN AMRO ordinary shares and/or ABN AMRO ADSs are persons or entities resident and/or located in the Republic of Italy and until and to the extent that the relevant authorization has been obtained from the Italian authorities, the exchange offer is not made in or into Italy, as such would not be in compliance with local laws. Neither this document nor any other offering material related to the exchange offer or the ABN AMRO ordinary shares or ABN AMRO ADSs may be distributed or made available in the Republic of Italy.

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**QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFER**

*The following are some of the questions that you, as a holder of ABN AMRO ordinary shares or ABN AMRO ADSs, may have, along with answers to those questions. These questions and answers, as well as the following summary, are not meant to be a substitute for the information contained in the remainder of this document. Barclays urges you to read such documents in their entirety prior to making any decision as to your ABN AMRO ordinary shares or ABN AMRO ADSs.*

**Q: What is the purpose of this exchange offer?**

A: The purpose of the exchange offer is to enable Barclays (and/or its wholly owned subsidiaries) to acquire all of the outstanding ABN AMRO ordinary shares and ABN AMRO ADSs. The proposed combination of ABN AMRO and Barclays will create one of the world's leading universal banks. Both ABN AMRO and Barclays operate in a sector which is still fragmented in comparison to other global industries. The board of directors of Barclays (the Barclays Board) believes that universal banking is the model best equipped for success in an industry where customer needs are converging and where demand-led growth will be significant across the globe. Harmonization of customer needs is already well advanced in investment banking and investment management and is increasingly apparent in retail and commercial banking.

The proposed combination brings together two sets of high quality product capabilities and brands, which are well placed to create growth for shareholders from the relationship extension opportunities that exist in a combined base of 46 million personal and 1.4 million commercial customers.

**Q: What would I receive in exchange for my ABN AMRO ordinary shares or ABN AMRO ADSs?**

A: Barclays is offering to exchange in the manner set out in this document (a) 2.13 Barclays ordinary shares and 13.15 in cash for each outstanding ordinary share of ABN AMRO, and (b) 0.5325 Barclays ADSs and 13.15 (paid in US dollars) in cash for each ABN AMRO ADS, in each case that is validly tendered (or defectively tendered provided that such defect has been waived by Barclays) and not properly withdrawn. The cash consideration paid for ABN AMRO ADSs will be US dollars, based on the conversion of the Euro consideration into US dollars, net of any applicable fees and expenses, at the average exchange rate obtainable by the ADS exchange agent for the five business days preceding the date on which the cash consideration is received by the ADS exchange agent for delivery in respect of such ABN AMRO ADSs.

Holders of ABN AMRO ordinary shares or ABN AMRO ADSs may elect, subject to availability, to vary the proportions in which they receive Barclays ordinary shares or Barclays ADSs and cash in respect of their holdings of ABN AMRO ordinary shares or ABN AMRO ADSs under a mix-and-match facility (the Mix and Match Facility). That is, you may request that you receive a greater proportion of cash or Barclays ordinary shares or Barclays ADSs in respect of some or all of your ABN AMRO ordinary shares or ABN AMRO ADSs than you would receive under the default terms of the exchange offer.

The total number of Barclays ordinary shares, including those represented by Barclays ADSs, to be issued and the total amount of the cash consideration to be paid under the exchange offer will not be varied as a result of the Mix and Match Facility. Accordingly, satisfaction of elections by holders of ABN AMRO ordinary shares or ABN AMRO ADSs under the Mix and Match Facility will depend on the extent to which other holders of ABN AMRO ordinary shares or ABN AMRO ADSs (who together form one consideration pool) make offsetting elections. If elections cannot be satisfied in full, they will be scaled down on a pro rata basis. To the extent that elections can be satisfied, holders of ABN AMRO ordinary shares or ABN AMRO ADSs will receive Barclays ordinary shares or Barclays ADSs instead of cash or vice versa on the basis of a fixed rate of 11.87 for each Barclays ordinary share and the US dollar equivalent of 47.48 for each Barclays ADS.

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These figures reflect the exchange price announced in the July 23, 2007 announcement of the revised offer of £8.00 per Barclays ordinary share (or \$64.94 per Barclays ADS) using the exchange rate of £1.00 = 1.4839 and £1.00 = \$2.0293 as published in the Financial Times on August 2, 2007. Barclays ordinary shares may be trading at a lower or higher price than £8.00 at the settlement date. Holders of ABN AMRO ordinary shares or ABN AMRO ADSs who make an election under the Mix and Match Facility will not know the exact number of Barclays ordinary shares or Barclays ADSs or the amount of cash that they will receive until settlement of the consideration under the exchange offer. An announcement will be made of the extent to which elections under the Mix and Match Facility have been satisfied.

If holders of ABN AMRO ordinary shares make no election, they will receive the default entitlement of 13.15 in cash and 2.13 Barclays ordinary shares in respect of each ABN AMRO ordinary share tendered. If holders of ABN AMRO ADSs make no such election, they will receive the default entitlement of 13.15 (paid in US dollars) in cash and 0.5325 Barclays ADS in respect of each ABN AMRO ADS tendered.

See The Exchange Offer Mix and Match Facility for more detail

**Q: How long do I have to decide whether to tender and can the exchange offer be extended?**

A: You may tender your ABN AMRO ordinary shares or ABN AMRO ADSs into the exchange offer until 9:00 a.m. New York City Time (3:00 p.m. Amsterdam Time) on October 4, 2007, which is the scheduled expiration date of the initial offer period, unless Barclays decides to extend the initial offer period.

**Q: How will I be notified if the exchange offer is extended?**

A: Barclays will announce by press release any extension of the initial offer period no later than the third day on which Euronext is open for trading (each day on which Euronext is open for trading is referred to as a Euronext trading day ) after the previously scheduled expiration date.

**Q: When will I be notified of the results of the exchange offer?**

A: Unless the initial offer period is extended, Barclays will determine within five Euronext trading days following the expiration of the initial offer period on October 4, 2007, whether the exchange offer conditions have been fulfilled or are to be waived and will announce whether (i) the exchange offer has been declared unconditional, (ii) there is still uncertainty as to the fulfilment of any of the exchange offer conditions, or (iii) the exchange offer is terminated, as a result of the exchange offer conditions not having been fulfilled or waived.

**Q: Under what circumstances will there be a subsequent offering period?**

A: If the minimum acceptance condition is satisfied or waived and the exchange offer is successful and declared unconditional, Barclays may elect to provide a subsequent offering period. A subsequent offering period, if one is provided, will be an additional period of time after Barclays has acquired ABN AMRO ordinary shares and ABN AMRO ADSs in the exchange offer, during which holders of ABN AMRO ordinary shares and ABN AMRO ADSs may tender, but not withdraw, their ABN AMRO ordinary shares and ABN AMRO ADSs. If Barclays determines to provide a subsequent offering period, it will publicly disclose its intentions and such subsequent offering period will commence immediately after the exchange offer is declared unconditional.

**Q: Will holders of ABN AMRO ordinary shares or ABN AMRO ADSs receive the same consideration if they tender in the subsequent offering period as if they tender during the initial offering period?**

A: In the event of a subsequent offering period, the exchange ratios will be the same as in the initial offering period. Because the exchange ratios are fixed, however, the market value of the consideration paid in the subsequent offering period may differ from the

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consideration paid in the initial offering period. Moreover, holders making an election under the Mix and Match Facility may receive a different proportion of their preferred consideration than those holders who accepted during the initial offer period, as it may have been extended, or during the subsequent offering period.

**Q: What will holders of depositary receipts for ABN AMRO convertible preference finance shares and holders of the ABN AMRO formerly convertible preference finance shares receive?**

A: In addition to the exchange offer for the ABN AMRO ordinary shares and ABN AMRO ADSs described in this document, Barclays is offering to acquire all of the outstanding depositary receipts for convertible preference finance shares with a par value of 0.56 per share of ABN AMRO ( ABN AMRO DR Preference Shares ). Barclays is also offering to acquire all of the outstanding formerly convertible preference finance shares with a par value of 2.24 per share of ABN AMRO ( ABN AMRO Formerly Convertible Preference Shares ). Any holder of ABN AMRO DR Preference Shares and ABN AMRO Formerly Convertible Preference Shares should refer solely to the separate offer document and prospectus, dated the same date as this document, for the terms and conditions of those offers.

**Q: How long will it take to complete the combination?**

A: Barclays expects to complete the proposed combination as soon as possible after completion of the exchange offer.

**Q: What are the most significant conditions to the exchange offer?**

A: The exchange offer is subject to the satisfaction or waiver of a number of conditions, including, among others:  
At least 80% of the issued ABN AMRO ordinary shares (including ABN AMRO ordinary shares underlying ABN AMRO ADSs) have been tendered under the exchange offer or are otherwise held by Barclays;

No material adverse change in respect of Barclays or ABN AMRO;

No third party has indicated an intention to take any frustrating action (as defined in the Merger Protocol);

All necessary filings, notifications, and applications in connection with the exchange offer have been made and all authorizations and consents have been obtained and relevant waiting periods have expired;

The agreement (the LaSalle Agreement ) between ABN AMRO Bank N.V. ( ABN AMRO Bank ) and Bank of America Corporation ( Bank of America ) for the sale of ABN AMRO North America Holding Company (and certain of its subsidiaries, including LaSalle Bank Corporation) (collectively, LaSalle ), but excluding ABN AMRO WCS Holding Company and its subsidiaries, has been completed in accordance with its terms or a purchase and sale agreement with another party with respect to sale of LaSalle has been completed in accordance with its terms;

The competent regulatory authorities in The Netherlands have given their declaration of no objection and the Financial Services Authority (the FSA ) in the United Kingdom has notified its approval of each person who will acquire control over any United Kingdom authorized person which is a member of the combined group or the relevant waiting period has expired;

No materially burdensome regulatory condition (as defined in the Merger Protocol) having been imposed or being reasonably likely to be imposed;

Barclays and ABN AMRO have received confirmation from the Dutch Central Bank (*De Nederlandsche Bank N.V.*) that it has no objection to the parties' proposal for the composition of the managing board and supervisory board of ABN AMRO Bank N.V. and the FSA has approved the appointment of the proposed directors to the Barclays Board and the board of directors of Barclays Bank PLC ( Barclays Bank )

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All approvals have been received or notices have been filed under US federal or state banking laws that are necessary for completion of the exchange offer, and all required waiting periods have expired;

The European Commission has declared the exchange offer compatible with the common market or has granted its approval to the exchange offer and the applicable waiting period under the US Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended (the HSR Act ) in relation to the exchange offer has expired or been terminated;

Neither Barclays nor ABN AMRO has received any notification from the Dutch Central Bank or the FSA that there is likely to be a change in the supervisory, reporting or regulatory capital arrangements that will apply to the combined group;

The tax clearances from the relevant United Kingdom and Dutch tax authorities have not been withdrawn or amended;

Confirmation has been given that the Barclays ordinary shares being offered will be admitted to the Official List of the UKLA, admitted to trading on the main market for listed securities on the LSE, authorized for listing on Euronext and the TSE and the Barclays ordinary shares being offered and the Barclays ADSs representing such shares or a portion thereof have been approved for listing on the NYSE;

The general meetings of shareholders of ABN AMRO and Barclays have passed all agreed or required resolutions;

There has been no event, circumstance or series of linked events or circumstances that was not fairly disclosed in the 2006 annual reports and the annual accounts of either ABN AMRO or Barclays, respectively, or otherwise disclosed and that can reasonably be expected to have a negative impact of 5% or more on the respective 2006 consolidated operating income of ABN AMRO or Barclays;

The Merger Protocol has not been terminated;

Relevant regulatory consents to the investments by China Development Bank in Barclays ordinary shares have been obtained;

To the extent required, the De Nederlandsche Bank ( DNB ) has given consent to ABN AMRO and ABN AMRO Bank in relation to a distribution relating to the LaSalle proceeds following the exchange offer;

The obligation of Barclays to declare the exchange offer unconditional shall be subject to the condition precedent that no third party declares or reaffirms that it makes or intends to make an offer or an amended offer for shares in ABN AMRO (excluding the current offer by the Royal Bank of Scotland Group PLC, Fortis N.V. and Fortis S.A./N.V. and Banco Santander, S.A., acting together as a consortium, on the terms and conditions announced on July 20, 2007); and

The ABN AMRO Managing Board and the ABN AMRO Supervisory Board have confirmed in writing, and have made an appropriate press release confirming, their unanimous recommendation of the exchange offer for acceptance by the holders of ABN AMRO ordinary shares and the ABN AMRO ADSs.

These and other conditions to the exchange offer are discussed in this document under The Exchange Offer Conditions .

**Q: What percentage of Barclays ordinary shares and Barclays ADSs will former holders of ABN AMRO ordinary shares or ABN AMRO ADSs own after the exchange offer?**



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A: After completion of the exchange offer, and assuming that all of the outstanding ABN AMRO ordinary shares and ABN AMRO ADSs are validly tendered and not withdrawn, former holders of ABN AMRO ordinary shares and ABN AMRO ADSs would own approximately 35.1% of the outstanding Barclays ordinary shares (including Barclays ordinary shares underlying Barclays ADSs).

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**Q: How do I participate in the exchange offer?**

A: If you hold your ABN AMRO ordinary shares as the registered holder, you may participate in the exchange offer by tendering your ABN AMRO ordinary shares to ABN AMRO Bank, the Dutch listing and exchange agent, in accordance with the procedures set forth in the appropriate version of the ordinary share deed of transfer you received with this document.

If you hold your ABN AMRO ADSs as the registered holder, either in the form of ABN AMRO American Depositary Receipts ( ADRs ) or in uncertificated form through the Direct Registration System ( DRS ), you may participate in the exchange offer by tendering your ABN AMRO ADSs to the ADS exchange agent in accordance with the procedures set forth in the ADS letter of transmittal you received with this document.

If you hold your ABN AMRO ordinary shares or ABN AMRO ADSs in street name , which means that a bank, broker or other nominee is the registered holder of the ABN AMRO ordinary shares or ABN AMRO ADSs on your behalf, you must follow the procedures of your bank, broker or other nominee in order to participate in the exchange offer.

See The Exchange Offer Procedure for Tendering and Electing for more information on the procedures for tendering your ABN AMRO ordinary shares or ABN AMRO ADSs.

**Q: Will I have to pay any fees or commissions?**

A: It is expected that you will not have to pay any brokerage commissions if:

your ABN AMRO ordinary shares are registered in your name and you tender them to the Dutch listing and exchange agent, or

your ABN AMRO ADSs are registered in your name and you tender them directly to the ADS exchange agent.

If your ABN AMRO ordinary shares or ABN AMRO ADSs are held in street name through a bank, broker or other nominee, you are advised to consult with your bank, broker or other nominee as to whether or not they charge any transaction fee or service charge.

Holders of ABN AMRO ADSs will not have to pay any fees or incur any expenses in connection with the issuance of Barclays ADSs in the manner described in this document (except, any fees that may be charged by a holder's bank, broker or other nominee, which will be determined, and communicated to the holder, directly by such holder's bank, broker or other nominee).

**Q: Until what time may I withdraw previously tendered ABN AMRO ordinary shares or ABN AMRO ADSs?**

A: The tender of your ABN AMRO ordinary shares or ABN AMRO ADSs may generally be withdrawn at any time prior to the expiration of the exchange offer, which is 9:00 a.m. New York City Time (3:00 p.m. Amsterdam Time) on October 4, 2007 unless Barclays decides to extend the exchange offer. However, there will be no withdrawal rights during any subsequent offering period. See The Exchange Offer Withdrawal Rights for more information.

**Q: How do I withdraw previously tendered ABN AMRO ordinary shares or ABN AMRO ADSs?**

A: If you hold your ABN AMRO ordinary shares as the registered holder and tendered them to the Dutch listing and exchange agent, you may withdraw your ABN AMRO ordinary shares by delivering a properly completed and duly executed notice of withdrawal to the Dutch listing and exchange agent prior to the expiration of the initial offer period (or such earlier date as announced by Barclays if Barclays reduces or waives the minimum condition as described in this document).

If you hold your ABN AMRO ADSs as the registered holder, either in ADR form or through DRS, and you tendered them to the ADS exchange agent, you may withdraw your ABN AMRO ADSs by delivering a properly completed and duly executed notice of withdrawal (guaranteed by an eligible guarantor institution if you were required to obtain a signature guarantee for the ADS letter of transmittal pursuant to which you ten-

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dered you ABN AMRO ADSs) to the ADS exchange agent prior to the expiration of the initial offer period (or such earlier date as announced by Barclays if Barclays reduces or waives the minimum condition as described in this document).

If you hold your ABN AMRO ordinary shares or ABN AMRO ADSs in street name through a bank, broker or other nominee and you tendered them pursuant to the procedures of your bank, broker or other nominee, you must follow the bank's, broker's or other nominee's, procedures in order to withdraw your ABN AMRO ordinary shares or ABN AMRO ADSs.

See [The Exchange Offer](#) [Withdrawal Rights](#) for more information about the procedures for withdrawing your previously tendered ABN AMRO ordinary shares or ABN AMRO ADSs.

**Q: Will US holders be taxed on the consideration that they receive?**

A: US holders of ABN AMRO ordinary shares or ABN AMRO ADSs will recognize gain or loss for United States federal income tax purposes on the surrender of their ABN AMRO ordinary shares or ABN AMRO ADSs pursuant to the exchange offer equal to the difference between the fair market value of Barclays ordinary shares or Barclays ADSs (and any cash in lieu of fractional Barclays ordinary shares or Barclays ADSs) they receive and their tax basis in their ABN AMRO ordinary shares or ABN AMRO ADSs. See [Taxation](#) [Material United States Federal Income Tax Considerations](#) .

US holders of ABN AMRO ordinary shares or ABN AMRO ADSs who realise capital gains pursuant to the exchange offer will generally not be subject to Dutch taxation on such capital gains unless the capital gains are attributable to an enterprise or part thereof that is either (a) effectively managed in The Netherlands or (b) carried on through a permanent establishment or a permanent representative in The Netherlands. However, other exceptions may apply which may result in US holders becoming subject to Dutch taxation on the capital gains concerned. See [Taxation](#) [Material Dutch Tax Consequences](#) .

US holders of ABN AMRO ordinary shares or ABN AMRO ADSs, who are neither resident nor ordinarily resident in the UK for tax purposes, should not be subject to tax in the United Kingdom in respect of the exchange of their ABN AMRO ordinary shares or ABN AMRO ADSs pursuant to the exchange offer. See

[Taxation](#) [Material United Kingdom Tax Consequences](#) .

**Q: Is Barclays financial condition relevant to my decision to tender my ABN AMRO ordinary shares or ABN AMRO ADSs in the exchange offer?**

A: Yes, ABN AMRO ordinary shares or ABN AMRO ADSs accepted in the exchange offer will be exchanged for Barclays ordinary shares or Barclays ADSs, cash or some combination of Barclays ordinary shares or Barclays ADSs and cash. Consequently, you should consider Barclays financial condition before you participate in the exchange offer, even if you elect to receive cash, because you may become a holder of Barclays ordinary shares or Barclays ADSs through the exchange offer. In considering Barclays financial condition, you should review the documents incorporated by reference in this document because they contain detailed business, financial and other information about Barclays.

**Q: Will there be transfer restrictions on the Barclays ordinary shares or Barclays ADSs that are delivered in respect of tendered ABN AMRO ordinary shares or ABN AMRO ADSs?**

A: No, the Barclays ordinary shares and Barclays ADSs issued in the exchange offer will not be subject to transfer restrictions.

**Q: What happens if the exchange offer is terminated or not successful?**

A: If the exchange offer is not completed:

if you hold your ABN AMRO ordinary shares as the registered holder and tendered them to the Dutch listing and exchange agent, your ABN AMRO ordinary shares will be returned to you by the Dutch listing and exchange agent;

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if you hold your ABN AMRO ADSs as the registered holder, either in ADR form or through DRS, and you tendered them to the ADS exchange agent, your ABN AMRO ADSs will be returned to you by the ADS exchange agent in the form in which you held them prior to tendering them;

if you hold your ABN AMRO ordinary shares or ABN AMRO ADSs in street name through a bank, broker or other nominee, your ABN AMRO ordinary shares or ABN AMRO ADSs will be returned to you by your bank, broker or other nominee in accordance with its procedures.

**Q: If I decide not to tender, how will the exchange offer affect my ABN AMRO ordinary shares and ABN AMRO ADSs?**

A: The purpose of the exchange offer is to enable Barclays (and/or its wholly owned subsidiaries) to acquire all of the outstanding ABN AMRO ordinary shares and ABN AMRO ADSs.

The acquisition by Barclays of ABN AMRO ordinary shares and ABN AMRO ADSs in the exchange offer will reduce the number of ABN AMRO ordinary shares and ABN AMRO ADSs that might otherwise trade publicly and will reduce the number of holders of ABN AMRO ordinary shares and ABN AMRO ADSs, which could adversely affect the liquidity and market value of the remaining ordinary shares and ABN AMRO ADSs held by the public. It is also currently intended that the ABN AMRO ordinary shares and ABN AMRO ADSs will be delisted from the stock exchanges on which they currently trade in the event that the exchange offer is completed. In addition, ABN AMRO may cease to make filings with the SEC or otherwise cease to be required to comply with the SEC's rules relating to publicly held companies, to the extent permitted.

In addition, Barclays currently intends to take steps following the completion of the exchange offer in order to cause ABN AMRO to become a direct or indirect wholly owned subsidiary of Barclays. The following is a summary of the steps Barclays currently intends to take depending on the percentage of ABN AMRO's issued and outstanding share capital that Barclays acquires in the exchange offer.

***Barclays acquires 95% or more of the issued and outstanding share capital of ABN AMRO***

If 95% or more of the issued and outstanding share capital of ABN AMRO is tendered in the exchange offer, Barclays currently intends to initiate squeeze-out proceedings in accordance with section 2:92a of the Dutch Civil Code (the Ordinary Squeeze-Out) to acquire 100% of the issued and outstanding share capital of ABN AMRO. If and when the squeeze out proceedings are included in Dutch law, implementing the EU Takeover Directive (2004/25/EC) (the Takeover Squeeze-Out), Barclays also intends to initiate the Takeover Squeeze-Out to acquire 100% of one or more specific classes of shares of the issued and outstanding share capital of ABN AMRO. Barclays may also first initiate the Takeover Squeeze-Out and (if this leads to Barclays acquiring 95% or more of the total issued and outstanding share capital of ABN AMRO) and subsequently initiate the Ordinary Squeeze-Out. In both proceedings, the price to be paid would be paid in cash only (which is different in form from the exchange offer consideration), in an amount determined by the Enterprise Chamber of the Amsterdam Court of Appeals, which amount may be lower than the consideration that holders of ABN AMRO ordinary shares, including ABN AMRO ordinary shares represented by ABN AMRO ADSs, received in the exchange offer.

***Other Post-Closing Restructuring Measures***

If Barclays is unable to acquire 95% or more of the issued and outstanding share capital of ABN AMRO by the use of the Ordinary Squeeze-Out or the Takeover Squeeze-Out, Barclays currently intends to implement other post-closing restructuring measures intended to eliminate any minority interest in ABN AMRO remaining after completion of the exchange offer. Such other post-closing restructurings can include a cross-border legal merger between ABN AMRO and Barclays, a sale and/or transfer of other assets and liabilities of ABN AMRO and/or ABN AMRO Bank) and other possible measures. If Barclays decides to pursue a cross border



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legal merger with a legal entity in another European jurisdiction, Barclays intends to follow the valuation procedures set out in the EU Takeover Directive as implemented in the relevant jurisdiction and to pay a fair consideration, but such consideration may, depending on the circumstances at the time of the relevant valuations, be substantially lower and/or different in form than the consideration that holders of ABN AMRO ordinary shares, including ABN AMRO ordinary shares represented by ABN AMRO ADSs, received in the exchange offer. Whether Barclays will implement any of such post-closing restructuring measures (and the form thereof) will depend on the number of ABN AMRO ordinary shares (including ABN AMRO ordinary shares represented by ABN AMRO ADSs) which are acquired by Barclays after completion of the exchange offer and the means available in a particular jurisdiction to achieve the objective of enabling Barclays (and/or its wholly owned subsidiaries) to acquire all of the outstanding ABN AMRO ordinary shares and ABN AMRO ADSs.

### ***Protection of Minority Shareholders***

In addition, if Barclays does not acquire 95% or more of the issued and outstanding ordinary share capital of ABN AMRO, two supervisory directors independent from Barclays will be appointed to the supervisory boards of ABN AMRO and ABN AMRO Bank. They will have full supervisory responsibility as well as having the special responsibility of safeguarding the interests of the minority ABN AMRO shareholders in all transactions between ABN AMRO and Barclays, directly or indirectly, outside the ordinary course of business (including transactions with any Barclays group company), including with respect to the implementation of any of the measures described in the section **Post-Closing Restructuring Other Post-Closing Restructuring Measures**. The appointment of these independent directors is subject to the applicable regulatory approval and employee consultation.

### ***General considerations***

Post-closing restructuring measures may have adverse tax consequences for shareholders or certain groups of shareholders. For example, distributions made by ABN AMRO, whether as a dividend or a repayment of capital, in cash or in kind, and whether or not in the context of its dissolution, might give rise to a liability to Dutch dividend withholding tax. Application of the Dutch dividend withholding tax could cause the net value of the consideration received by holders of ABN AMRO ordinary shares or ABN AMRO ADSs in any post-closing reorganization to be substantially less than the net value of the consideration such holders would have received had they tendered their ABN AMRO ordinary shares or ABN AMRO ADSs in the exchange offer.

It is possible that Barclays may not be able to implement the post-closing restructuring promptly after the settlement date, that such restructuring is delayed or that such restructuring cannot take place at all. If Barclays decides not to, or is not able to, implement any post-closing restructuring measures, minority shareholders will remain shareholders of ABN AMRO. See **Post Closing Restructuring** for a summary of the reasons why Barclays may not be able to implement the post-closing restructuring, such restructuring may be delayed or why such restructuring cannot take place at all.

Assuming Barclays is able to implement post-closing restructuring measures of the type described above, Barclays believes that it is unlikely that it would choose not to do so. However, in the event that the costs of implementing such measures would outweigh the expected benefits of doing so, required regulatory approvals cannot be obtained or would be too burdensome to obtain, or changes in the business climate or economic environment would make the implementation of such measures inadvisable, Barclays may decide not to implement such measures. If Barclays decides not to implement any post-closing restructuring measures, the holders of ABN AMRO ordinary shares or ABN AMRO ADSs who did not exchange their ABN AMRO ordinary shares or ABN AMRO ADSs in the exchange offer will continue to hold a minority interest in ABN AMRO. As discussed above, it is currently intended that the ABN AMRO ordinary shares and ABN AMRO ADSs will be delisted from the stock exchanges on which they cur-



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rently trade in the event that the exchange offer is completed.

See Post-Closing Restructuring .

**Q: Are appraisal rights available to holders of ABN AMRO ordinary shares or ABN AMRO ADSs?**

You are not entitled to appraisal rights or dissenters' rights in connection with the exchange offer. However, if 95% or more of the issued and outstanding share capital of ABN AMRO is tendered in the exchange offer and Barclays elects to initiate the Ordinary Squeeze-Out or the Takeover Squeeze-Out, the consideration to be paid to holders of ABN AMRO ordinary shares, including ABN AMRO ordinary shares represented by ABN AMRO ADSs, in such circumstances would be determined by the Enterprise Chamber of the Amsterdam Court of Appeals. The Amsterdam Court of Appeals may appoint one or three experts to advise the Court on the value of the minority shares. The Amsterdam Court of Appeals determines the squeeze out price. In the Ordinary Squeeze-Out proceedings following a public bid, the Amsterdam Court of Appeals usually sets the price for the minority shares at an amount equal to the price offered in the preceding public bid (or in case of an exchange offer, its value reflected is cash). However, the Amsterdam Court of Appeals may also set a lower price. The Amsterdam Court of Appeals usually determines the price for the shares as of the date of its decision, but it is at liberty to choose an earlier reference date if it believes such a date to be more appropriate. In Takeover Squeeze-Out proceedings, the consideration offered in the exchange offer is presumed fair if 90% or more of the shares in a public offer were acquired by the offeror. Takeover Squeeze-Out proceedings must be initiated within three months after the initial offer period has expired. See also The Exchange Offer-Appraisal Rights .

**Q: Where can I find out more information about Barclays and ABN AMRO?**

A: You can find out information about Barclays and ABN AMRO from the sources described under Where You Can Find More Information .

**Q: Who can I call with questions about the exchange offer?**

A: You can contact Barclays information agent in the United States, Georgeson, at (212) 440-9800, for banks, brokers and other nominees, or toll free at (888) 605-7547, for all other holders, or the dealer manager in the United States, Deutsche Bank Securities Inc., toll free at (877) 221-7676.

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*You should take note of the dates and times set forth in the schedule below in connection with the exchange offer. These dates and times may be changed by Barclays in accordance with the terms and conditions of the exchange offer, as described in this document.*

<b>Event</b>	<b>Calendar Date</b>
Beginning of exchange offer period	9:00 a.m. New York City Time (3:00 p.m. Amsterdam Time) on August 7, 2007
Extraordinary general meeting of Barclays shareholders	10:00 a.m. London Time on September 14, 2007
Barclays ordinary shareholder class meeting	10:15 a.m. London Time on September 14, 2007
Expiration of initial exchange offer period	9:00 a.m. New York City Time (3:00 p.m. Amsterdam Time) on October 4, 2007 <sup>(a)</sup>
Announcement by Barclays of the results of the exchange offer	Not later than five Euronext trading days after the expiration of the initial exchange offer period, <sup>(a)</sup>
Settlement Date	Not later than five Euronext trading days after the announcement of the results of the exchange offer <sup>(a)(b)</sup>
Barclays ordinary shares to be issued in the exchange offer begin trading on the LSE	On or about the Settlement Date
Barclays ordinary shares to be issued in the exchange offer begin trading on Euronext	On or about the Settlement Date
Barclays ordinary shares to be issued in the exchange offer begin trading on the TSE	On or, about the Settlement Date
Barclays ADSs to be issued in the exchange offer begin trading on the NYSE	On or about the Settlement Date

(a) If Barclays decides to extend the exchange offer, it will make an announcement to that effect no later than the third Euronext trading day after the previously scheduled expiration date of the exchange offer. If the exchange offer is declared unconditional, Barclays reserves the right to provide a subsequent offer period of not less than three US business days and up to 15 Euronext trading days but, in no event more than 20 US business days in length, following the date that the exchange offer is declared unconditional.

(b) In the event that Barclays announces that the exchange offer is declared unconditional, holders of ABN AMRO ordinary shares who have tendered and delivered their ABN AMRO ordinary shares to Barclays will receive, within five Euronext trading days following the date on which the exchange offer was declared unconditional, Barclays ordinary shares and cash for ABN AMRO ordinary shares, calculated in the manner set forth in this document. Tendering holders of ABN AMRO ADSs will receive Barclays ADSs and cash as soon as practicable after the Barclays ordinary shares which the Barclays ADSs will represent have been delivered to the custodian of The Bank of New York as depository for the Barclays ADR facility. If a subsequent offering period is announced, holders of ABN AMRO ordinary shares and ABN AMRO ADSs who have tendered and delivered their securities to Barclays during the subsequent offering period will receive their Barclays ordinary shares or Barclays ADSs and cash promptly following the expiration of the subsequent offering period.

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**SUMMARY**

*This summary does not contain all of the information that is important to holders of ABN AMRO ordinary shares and ABN AMRO ADSs. To fully understand the exchange offer, holders of ABN AMRO ordinary shares and ABN AMRO ADSs should carefully read this entire document and all other documents to which this document refers.*

**Information About Barclays, Barclays (Netherlands) and ABN AMRO**

***Barclays***

Barclays PLC is a public limited company registered in England under company number 48839. The company, originally named Barclay & Company Limited, was incorporated in England on July 20, 1896 under the Companies Acts 1862 to 1890 as a company limited by shares. The company name was changed to Barclays Bank Limited on February 17, 1917, and it was reregistered in 1982 as a public limited company under the Companies Acts 1948 to 1980. On January 1, 1985, the company changed its name to Barclays PLC. Barclays is listed on the NYSE, LSE and TSE. Barclays principal executive offices are at 1 Churchill Place, London E14 5HP, United Kingdom and its telephone number is +44 20 7116 1000.

Barclays is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. It is one of the largest financial services companies in the world by market capitalization. Barclays operates in over 50 countries and employs 127,700 people. Barclays moves, lends, invests and protects money for over 27 million customers and clients worldwide. For further information about Barclays, please visit its website at [www.barclays.com](http://www.barclays.com).

Based on the closing price of Barclays ADSs on the NYSE on August 2, 2007, Barclays market capitalization was approximately \$91.9 billion. As of July 30, 2007, there were 6,545,671,873 Barclays ordinary shares issued and outstanding, and there were outstanding options to purchase 97,948,735 Barclays ordinary shares. According to the Barclays Annual Report on Form 20-F for the year ended December 31, 2006, filed with the SEC on March 26, 2007 (the Barclays 2006 Form 20-F), at December 31, 2006, Barclays had total assets of £996,787 million (\$1,950,912 million) and deposits from banks and customers accounts of £336,316 million (\$658,238 million), using the exchange rate of £1 = \$1.9572 as published by the Financial Times on January 2, 2007. As set forth in the Barclays Form 6-K for the period ended June 30, 2007, filed with the SEC on August 2, 2007, at June 30, 2007 Barclays had total assets of £1,158,262 million (\$2,323,937 million) and deposits from banks and customers accounts of £379,873 million (\$762,177 million), using the exchange rate of £1 = \$2.0064 as published by the Financial Times on June 30, 2007.

***Barclays (Netherlands)***

Barclays (Netherlands) N.V. ( Barclays (Netherlands) ) was incorporated on May 2, 2007 as a public company with limited liability under the laws of The Netherlands. Its statutory seat is in Amsterdam, The Netherlands and its registered office is at Fred. Roeskestraat 123-1, 1076 EE Amsterdam, The Netherlands, telephone number +31-20-5771177. It is registered with the trade register under number 34 27 30 29. The Barclays (Netherlands) Articles were last amended on June 8, 2007.

Barclays owns the entire issued share capital in Barclays Investments (Netherlands) which, in turn, owns the entire issued share capital of Barclays (Netherlands). The Barclays (Netherlands) ordinary shares are admitted into the book-entry system operated by Euroclear Nederland on the basis of the Dutch Securities Giro Act and are administered in the securities account of Barclays Investments (Netherlands) held with the Dutch listing and exchange agent. Barclays (Netherlands) is indirectly owned by Barclays. The registered office of Barclays Investments (Netherlands) is at Fred. Roeskestraat 123-1, 1076 EE Amsterdam, The Netherlands.

**Table of Contents****ABN AMRO**

ABN AMRO Holding N.V. was incorporated under the laws of The Netherlands by deed of May 30, 1990 as the holding company of ABN AMRO Bank. The articles of association of ABN AMRO were last amended by a notarial deed executed by Mr. van Helden, civil law notary in Amsterdam, on June 9, 2005. ABN AMRO's main purpose is to own ABN AMRO Bank and its subsidiaries. ABN AMRO owns 100% of the shares of ABN AMRO Bank and is jointly and severally liable for all liabilities of ABN AMRO Bank. ABN AMRO Bank is the result of the merger of Algemene Bank Nederland N.V. and Amsterdam-Rotterdam Bank N.V. in 1990. ABN AMRO Bank traces its origin to the formation of the Nederlandsche Handel-Maatschappij, N.V. in 1825, pursuant to a Dutch Royal Decree of 1824. ABN AMRO is listed on Euronext and the NYSE. ABN AMRO's principal executive offices are at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands, and its telephone number is +31 20 628 9393.

ABN AMRO is a prominent international bank with a clear focus on consumer and commercial clients in ABN AMRO's local regions and globally on selected multinational corporations and financial institutions, as well as private clients.

ABN AMRO is the eighth largest bank in Europe and thirteenth in the world based on total assets, with more than 4,500 branches in 56 countries and territories, a staff of more than 110,300 full-time equivalents, total assets (including LaSalle) of 987 billion (\$1,302 billion) (LaSalle contributed 86 billion (\$113 billion)) as at December 31, 2006, and pro forma total assets, excluding LaSalle, of 901 billion (\$1,188 billion) as at December 31, 2006, using the exchange rate of 1 = \$1.3187 as published by the Financial Times on January 2, 2007. Net profits for ABN AMRO for 2006, including LaSalle, were 4,780 million (\$6,004 million) (LaSalle contributed 899 million (\$1,129 million)), using the average world market exchange rate for 2006 of 1 = \$1.256097. At June 30, 2007, ABN AMRO had total assets of 1,120.1 billion (\$1,512.7 billion), using the exchange rate of 1 = \$1.3505 as published by the Financial Times on June 30, 2007). Net profits for ABN AMRO for the half year ended June 30, 2007 were 2,220 million (\$2,951.7 million), using average world market exchange rate for the first half of 2007 of 1 = \$1.3296.

Based on the closing price of ABN AMRO ADSs on the NYSE on August 2, 2007, ABN AMRO's market capitalization was approximately \$89.5 billion. As of July 30, 2007, there were 1,846,114,758 ABN AMRO ordinary shares issued and outstanding (adjusted for treasury shares). As at July 30, 2007, there were outstanding options to purchase 30,136,303 ABN AMRO ordinary shares and there were conditional share awards payable in shares representing 7,675,955 ABN AMRO ordinary shares.

**The Combined Group (see page 70)**

The proposed combination of ABN AMRO and Barclays will create one of the world's leading universal banks. Both ABN AMRO and Barclays operate in a sector which is still fragmented in comparison to other global industries. The Barclays Board believes that universal banking is the model best equipped for success in an industry where customer needs are converging and where demand-led growth will be significant across the globe.

The proposed combination brings together two sets of what Barclays believes are high quality product capabilities and brands, which are well placed to create growth for shareholders from the relationship extension opportunities that exist in a combined base of approximately 46 million personal and 1.4 million commercial customers.

There will be two principal business groupings within the combined group, Global Retail and Commercial Banking (GRCB) and Investment Banking and Investment Management (IBIM). The holding company of the combined group will be Barclays.

**The Transaction (see page 55)**

Pursuant to the Merger Protocol, Barclays (through its wholly owned subsidiaries) is seeking to acquire ownership of ABN AMRO's business through this exchange offer, and the businesses of the two

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groups will be combined through a combination under Dutch law. As soon as practicable after the successful completion of the exchange offer, Barclays intends to effectuate a post-closing reorganization to effect the combination of the two businesses. Such post-closing restructuring may include a statutory squeeze-out procedure under Dutch law, a legal merger under Dutch law, and other measures.

The combination will be effected through the use of Barclays (Netherlands) N.V. ( Barclays (Netherlands) ), a public limited liability company organized under the laws of The Netherlands, which will be the direct holding company for ABN AMRO following consummation of the exchange offer. Prior to the date on which the exchange offer becomes effective, Barclays will own, directly or indirectly, 100% of the shares of Barclays (Netherlands). Barclays (Netherlands) shares are held in the Euroclear Nederland clearance system.

**Investments by China Development Bank and Temasek (see page 90)**

***Investment by China Development Bank***

China Development Bank will invest a total of 8.5 billion (£5.8 billion) in the combined group and has entered into a strategic partnership with Barclays which establishes a framework for their strategic co-operation. Barclays will assist and advise China Development Bank in its evolution into a commercially operated financial institution, and the two parties will jointly exploit international business opportunities.

Barclays and China Development Bank have agreed that:

China Development Bank will invest 2.2 billion (£1.5 billion) in Barclays through an unconditional subscription of 201 million new Barclays ordinary shares, or approximately 3.1% of Barclays existing issued share capital, at a price of £7.20 per share on August 14, 2007;

China Development Bank will also invest a further 6.4 billion (£4.3 billion) (using the exchange rate of £1.00 = 1.4839, as published by the Financial Times on August 2, 2007) in Barclays through a conditional investment agreement at a price of £7.40 per new ordinary share conditional on the combination with ABN AMRO completing (it is a condition to the conditional investment of 6.4 billion (£4.3 billion), and the consummation of the exchange offer, that the relevant regulatory consents to China Development Bank's investment be obtained);

On July 23, 2007 China Development Bank purchased warrants in respect of 61 million new Barclays ordinary shares with an exercise price of £7.80 per share.

The warrants become exercisable only if the exchange offer becomes unconditional and are exercisable for a period of two years thereafter. If the warrants were exercised in full, China Development Bank's shareholding in the combined group would rise by approximately 0.5%;

China Development Bank will be entitled to nominate a non-executive director to the Barclays Board;

China Development Bank will be free to acquire additional shares in Barclays on the open market subject to a standstill agreement limiting its shareholding to below 10% for three years from July 23, 2007; and

China Development Bank has agreed not to enter into a business collaboration agreement of a similar nature with another major banking institution with global operations.

***Investment by Temasek***

Temasek Holdings (Private) Limited ( Temasek ) has agreed to become a major shareholder in Barclays and will invest a total of 3.1 billion (£2.1 billion) in the combined group. Barclays and Temasek have agreed that:

Temasek will invest 1.4 billion (£1.0 billion) (using the exchange rate of £1.00 = 1.4839, as published by the Financial Times on August 2, 2007), or approximately 2.1% of Barclays existing



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issued share capital, in Barclays through an unconditional placing of 135 million new Barclays ordinary shares at a price of £7.20 per share on August 14, 2007;

Temasek will also invest a further 1.7 billion (£1.1 billion) in Barclays shares at a price of £7.40 per share conditional on the merger completing;

On July 23, 2007 Temasek purchased warrants in respect of 61 million Barclays ordinary shares with an exercise price of £7.80 per share. The warrants become exercisable only if the exchange offer becomes unconditional and are exercisable for a period of two years thereafter. If the warrants were exercised in full, Temasek's shareholding would rise by approximately 0.5%; and

Temasek will be entitled to nominate a non-executive director to the Barclays Board if the merger becomes unconditional.

### ***Clawback Placing***

Of the Barclays ordinary shares which China Development Bank and Temasek have conditionally agreed to acquire, up to 229,729,730 were made available by way of a clawback placing, targeted at certain Barclays shareholders outside of the United States, at a price of £7.40 per share. Applications for subscription under the clawback placing resulted in the allocation of 153,772,445 shares at a price of £7.40 per share (representing 1.7 billion (£1.1 billion) (using the exchange rate of £1.00 = 1.4839, as published by the Financial Times on August 2, 2007) of Barclays ordinary shares) to certain existing Barclays shareholders and certain other institutional investors. As a result of this placing, China Development Bank and Temasek have been scaled back such that conditional upon the completion of the exchange offer, China Development Bank will now subscribe for a total of 582 million Barclays ordinary shares at a price of £7.40 per share (representing 6.4 billion (£4.3 billion) of Barclays ordinary shares), and Temasek will subscribe for a total of 153 million Barclays ordinary shares at a price of £7.40 per share (representing 1.7 billion (£1.1 billion) of Barclays ordinary shares). Assuming that the exchange offer is completed, China Development Bank will, upon completion, own approximately 6.8% and Temasek will own approximately 2.5% of the issued share capital of the combined group.

### ***Share Buy-Back Program***

The total proceeds from the unconditional issuance of Barclays ordinary shares to China Development Bank and Temasek on August 14, 2007 will amount to 3.6 billion (£2.4 billion), and this amount is unconditionally committed. In the event that the exchange offer is not consummated, China Development Bank and Temasek nonetheless will already have purchased the first unconditional tranche of their investment, equal to approximately 5.2% of Barclays existing share capital. The share buy-back program will occur irrespective of whether the exchange offer is completed. On July 23, 2007, the Barclays Board announced the share buy-back program to minimize the dilutive effect on the existing Barclays shareholders of the issuance of Barclays ordinary shares to China Development Bank and Temasek. The share buy-back program will commence on August 6, 2007 and will be conducted in full compliance with applicable U.K. and Dutch laws and regulations and will be subject to oversight by the U.K. Financial Services Authority. The share buy-back program will be conducted on market by JPMorgan Cazenove Limited ( JPMorgan Cazenove ) as an independent third party on behalf of Barclays pursuant to Barclays existing general shareholder authority. Pursuant to the share buy-back program, JPMorgan Cazenove has been instructed to repurchase a number of Barclays ordinary shares equal to the lesser of: (1) such number of Barclays ordinary shares as will be issued to China Development Bank and Temasek in the unconditional portion of their subscription (336.8 million shares) and (2) such numbers of Barclays ordinary shares as JPMorgan Cazenove is able to acquire using the proceeds from the proceeds from the unconditional subscription by China Development Bank and Temasek ( 3.6 billion (£2.4 billion)). The existing authority for Barclays to purchase its own shares was granted at the Barclays Annual General Meeting on April 26, 2007, and, if a resolution is passed at the Barclays Extraordinary General Meeting, will

(subject to the combination becoming effective) be substituted by the authority granted pursuant to such resolution. The share buy-back program will be suspended during the 10 trading days prior to the

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expiration of the exchange offer acceptance period (as it may be extended from time to time) through the expiration of the subsequent offering period, if one is provided.

**Reasons for the Transaction (see page 65)**

Based on the reasons for the combination described in this document (see The Transaction Reasons for the Transaction ), the Barclays Board is recommending the exchange offer because it believes that the exchange offer is in the best interests of the shareholders of both companies. The proposed combination of ABN AMRO and Barclays will create a strong and competitive combination for their clients with superior products and extensive distribution. Barclays believes that the combined group will generate significant and sustained future incremental earnings growth for shareholders.

In deciding to revise the terms of the exchange offer, Barclays took into account the investments by China Development Bank and Temasek. The Barclays Board believes that the unconditional investments are an important endorsement of the Barclays strategy and management team. In addition, the Barclays Board believes that the conditional investments underscore the confidence of China Development Bank and Temasek in the value potential of the combination.

**Third-Party Acquisition Proposals (see page 127)**

On April 25, 2007, ABN AMRO received an indicative proposal from the Royal Bank of Scotland Group PLC, Fortis N.V. and Fortis S.A./N.V. and Banco Santander, S.A., acting together as a consortium (the Consortium ), to acquire ABN AMRO. On May 29, 2007, the Consortium announced a proposed offer for ABN AMRO. On July 16, 2007, the Consortium announced a revised offer for ABN AMRO, and the Consortium commenced its offer on July 20, 2007. See The Transaction Background to the Transaction .

On July 30, 2007 the managing board of ABN AMRO (the ABN AMRO Managing Board ) and the supervisory board of ABN AMRO (the ABN AMRO Supervisory Board ) announced that they, after having considered the advice of outside legal counsel and financial advisors, acting in good faith and observing their fiduciary duties, concluded not to continue to recommend the exchange offer for acceptance to the shareholders of ABN AMRO from a financial point of view, but to continue to support the strategic rationale of the exchange offer. On that same day, the ABN AMRO Managing Board and the ABN AMRO Supervisory Board also announced that they are not currently in a position to recommend the Consortium s offer for acceptance to ABN AMRO shareholders.

Under the Merger Protocol, as amended on July 30, 2007, ABN AMRO is entitled to engage in discussions or negotiations with the Consortium and to provide the Consortium with certain confidential information without ABN AMRO having to notify Barclays that the ABN AMRO Managing Board and the ABN AMRO Supervisory Board have concluded that the offer announced by the Consortium on July 20, 2007 would be reasonably likely to constitute or develop into a Competing Offer (as defined in the Merger Protocol).

Subject to certain exceptions, the Merger Protocol generally restricts the ability of ABN AMRO to solicit or enter into discussions or negotiations with a third party regarding a proposal to acquire a significant interest in ABN AMRO. ABN AMRO may, however, continue any discussions with a third party existing on April 23, 2007. Further, ABN AMRO may have contacts with any third party to understand the contents of any proposal, provided that it notifies Barclays. Under certain circumstances, the ABN AMRO Managing Board and the ABN AMRO Supervisory Board may withdraw any recommendation of the exchange offer if those boards, acting in good faith and observing their fiduciary duties under applicable law, determine an alternative offer to be more beneficial than the exchange offer. Under the terms of the Merger Protocol, in the event of a competing offer being made by a third party to ABN AMRO, ABN AMRO must allow Barclays a five business day period to make a revised proposal, prior to which the ABN AMRO Managing Board and the ABN AMRO Supervisory Board may not withdraw or modify their respective recommendations or terminate the Merger Protocol.



**Table of Contents****The Exchange Offer (see page 79)**

Under the terms of the exchange offer, Barclays will, in the manner set out in this document and subject to the Mix and Match Facility, exchange 2.13 newly issued Barclays ordinary shares and 13.15 in cash for each issued and outstanding ABN AMRO ordinary share and 0.5325 Barclays ADSs and 13.15 in cash (paid in U.S. dollars) for each ABN AMRO ADS that is validly tendered (or defectively tendered provided that such defect has been waived by Barclays) and not properly withdrawn. The cash consideration paid in respect of ABN AMRO ADSs will be US dollars, based on the conversion of the Euro consideration into US dollars, net of any applicable fees and expenses, at the average exchange rate obtainable by the ADS exchange agent for the five business days preceding the date on which the cash consideration is received by the ADS exchange agent for delivery in respect of such ABN AMRO ADSs.

The exchange offer values each ABN AMRO ordinary share at 34.83 (\$47.64) and each ABN AMRO ADS at \$47.87, and values ABN AMRO at approximately 65.6 billion (\$89.7 billion), based on the fully-diluted number of ABN AMRO ordinary shares outstanding (excluding ordinary shares held as treasury shares, but including options and share awards), the share price of Barclays ordinary shares of £6.86 on August 2, 2007, the latest practicable date prior to the date of this document and using the exchange rates of £1 = 1.4839 and 1 = \$1.3676, as published by the Financial Times on August 2, 2007.

At the time of the announcement of the revised offer on July 23, 2007, the exchange offer valued each ABN AMRO ordinary share at 35.73 (\$49.43) and each ABN AMRO ADS at \$49.41 based on the closing share price of Barclays ordinary shares of £7.135 on July 20, 2007, the last business day before the announcement of the revised offer and using the exchange rates of £1 = 1.4856 and 1 = \$1.3835, as published by the Financial Times on July 21, 2007. On this basis, the total consideration was valued as of July 23, 2007 at 67.5 billion (\$93.4 billion), with approximately 37% of this consideration as cash.

Pursuant to the Mix and Match Facility, holders of ABN AMRO ordinary shares and holders of ABN AMRO ADSs are being offered the opportunity to elect, subject to availability, to change the proportions in which they receive Barclays ordinary shares or Barclays ADSs and cash in respect of their holdings of ABN AMRO ordinary shares or ABN AMRO ADSs under the Mix and Match Facility. However, the total number of Barclays ordinary shares and Barclays ADSs to be issued and the maximum aggregate amount of cash to be paid under the exchange offer will not be varied as a result of elections under the Mix and Match Facility.

Under the terms of the exchange offer, following completion existing ABN AMRO ordinary shareholders (including holders of ABN AMRO ADSs) will own approximately 35.1% of the issued ordinary share capital of the combined group and existing Barclays shareholders (including holders of Barclays ADSs) will own approximately 55.6% of the issued ordinary share capital of the combined group. In addition, after giving effect to the applications for subscriptions under the clawback placing, Temasek will own approximately 2.5% of the issued ordinary share capital of the combined group and China Development Bank approximately 6.8%. These figures assume that all of the ABN AMRO ordinary shares (including ABN AMRO ADSs) currently in issue (on a fully-diluted basis, excluding shares held as treasury shares, but including share options and share awards) are tendered into the exchange offer.

The ABN AMRO ordinary share and ABN AMRO ADS exchange ratios will be adjusted to reflect certain transactions, which may be undertaken by either Barclays or ABN AMRO prior to the settlement date of the exchange offer, as well as certain other matters. See The Exchange Offer Adjustment of Exchange Ratio .

In addition to the exchange offer for the ABN AMRO ordinary shares and ABN AMRO ADSs described in this document, Barclays is offering to acquire all of the outstanding ABN AMRO DR Preference Shares. Barclays is also offering to acquire all of the outstanding ABN AMRO Formerly Convertible Preference Shares. Any holder of ABN AMRO DR Preference Shares and ABN AMRO Formerly Convertible Preference Shares should refer solely to the separate offer document and prospectus, dated the same date as this document, for the terms and conditions of those offers.



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**Initial Offer Period (see page 93)**

The initial offer period of the exchange offer begins on August 7, 2007 and ends, unless Barclays extends the initial offer period, on October 4, 2007 at 9:00 a.m., New York City Time (3:00 p.m. Amsterdam Time). If you hold your ABN AMRO ordinary shares or ABN AMRO ADSs through a bank, broker or other nominee, you should find out from such bank, broker or other nominee what its deadline is to receive your instructions to tender your ABN AMRO ordinary shares or ABN AMRO ADSs.

**Extensions of the Initial Offer Period (see page 93)**

Barclays may extend the initial offer period, in which case all references in this document to the closing date shall, unless the context requires otherwise, be deemed to refer to the latest date and time to which the initial offer period has been extended. If Barclays extends the initial offer period, a public announcement to that effect shall be made not later than the third Euronext trading day following the date on which the initial offer period would otherwise have expired. Any ABN AMRO ordinary shares or ABN AMRO ADSs previously tendered and not withdrawn will remain subject to the exchange offer, subject to the right of each holder of ABN AMRO ordinary shares or ABN AMRO ADSs to withdraw the ABN AMRO ordinary shares or ABN AMRO ADSs that he or she has already tendered.

**Announcement of the Results of the Exchange Offer and Declaring the Exchange Offer Unconditional (see page 93)**

Unless the initial offer period is extended, Barclays will determine within five Euronext trading days following the expiration of the initial offer period on October 4, 2007, whether the exchange offer conditions have been fulfilled or are to be waived and will announce whether (i) the exchange offer has been declared unconditional, (ii) there is still uncertainty as to the fulfilment of any of the exchange offer conditions, or (iii) the exchange offer is terminated, as a result of the exchange offer conditions not having been fulfilled or waived.

**Subsequent Offering Period (see page 95)**

If the exchange offer is declared unconditional, Barclays reserves the right to provide a subsequent offering period of not less than three US business days and up to 15 Euronext trading days but, in no event, more than 20 US business days in length, following the date that the exchange offer is declared unconditional. In the event that Barclays waives the minimum acceptance condition at a percentage in excess of 50% pursuant to the procedure described in the second paragraph under **The Exchange Offer Exchange Offer Period Reduction of Minimum Acceptance Condition**, Barclays will be required to provide such a subsequent offering period. A subsequent offering period is an additional period of time, commencing immediately after the exchange offer is declared unconditional, during which any holder of ABN AMRO ordinary shares or ABN AMRO ADSs may tender their ABN AMRO ordinary shares or ABN AMRO ADSs not tendered in the exchange offer. A subsequent offering period, if one is provided, is not an extension of the initial offer period, which already will have expired, and ABN AMRO ordinary shares or ABN AMRO ADSs previously tendered and accepted for exchange in the initial offer period will not have any further withdrawal rights during the subsequent offering period. A subsequent offering period, if one is provided, will not affect the timing of the acceptance and delivery of ABN AMRO ordinary shares or ABN AMRO ADSs previously tendered and accepted for exchange in the initial offer period, as described below under the heading **The Exchange Offer Settlement and Delivery of Securities**. During the subsequent offering period, tendering shareholders will not have withdrawal rights. The exchange ratios will be the same during any subsequent offering period as during the initial offer period, and the Mix and Match Facility will be available during any subsequent offering period. The extent to which a holder who makes an election under the Mix and Match Facility during a subsequent offering period receives the consideration that the holder elected for will depend on the elections made by other holders tendering during the subsequent offering period (and not on elections made by holders who tendered during the initial offer period).



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**Election of Exchange Alternatives (see page 79)**

Holders of ABN AMRO ordinary shares are presented with two options under the exchange offer: (1) the primary offer (the Primary Exchange ); or (2) the direct exchange alternative (the Alternative Exchange ). Holders of ABN AMRO ordinary shares tendering their ABN AMRO ordinary shares without opting validly for the Primary Exchange or the Alternative Exchange will be deemed to have accepted the Primary Exchange. The ultimate consideration for accepting holders of ABN AMRO ordinary shares will, in both cases, be such number of Barclays ordinary shares and such amount of cash as may be determined in accordance with the ABN AMRO ordinary share exchange ratio and any successful elections made under the Mix and Match Facility. The Primary Exchange is likely to be the preferred option for most holders of ABN AMRO ordinary shares. This is because the Barclays ordinary shares issued under the Primary Exchange will be issued into Euroclear Nederland via the CREST account of Euroclear Nederland and accordingly, for so long as these shares remain held in the Euroclear Nederland system and certain conditions are satisfied, these shares may be sold without any charge to United Kingdom stamp duty reserve tax or (in practice) stamp duty. In contrast, Barclays ordinary shares issued under the Alternative Exchange will be issued via CREST (by crediting a CREST member s account) or in certificated form rather than being issued into Euroclear Nederland via the CREST account of Euroclear Nederland and accordingly on any subsequent sale of those shares United Kingdom stamp duty or stamp duty reserve tax is likely to be payable.

However, electing for the Alternative Exchange may enable certain holders of ABN AMRO ordinary shares to obtain a tax deferral in certain jurisdictions on the exchange of their ABN AMRO ordinary shares for Barclays ordinary shares pursuant to the exchange offer. Holders of ABN AMRO ordinary shares should carefully consider the discussion under Taxation in this document.

The Primary Exchange will be effected through the use of Barclays (Netherlands), which is the company that is the intended direct holding company for ABN AMRO following completion of the exchange offer. Prior to the settlement date Barclays (indirectly) owns, and after completion of all steps of the exchange offer, Barclays will (directly or indirectly) own, 100 percent of the shares of Barclays (Netherlands), which shares are held in the Euroclear Nederland system. The Primary Exchange will be effected through the use of Barclays Nominees (No. 1) Limited acting as appointed nominee for holders of ABN AMRO ordinary shares and the Dutch listing and exchange agent who will effect transactions through Euroclear Nederland.

The steps involved in the Primary Exchange will be effected consecutively on the settlement date and are as follows,

- (a) By accepting the Primary Exchange, a holder of ABN AMRO ordinary shares
  - (i) irrevocably instructs the nominee via his bank or broker to receive on such shareholder s behalf, such number of Barclays (Netherlands) shares as will, after the transfer contemplated in paragraph (ii) below, as have a market value equal to the ABN AMRO ordinary shares he or she undertakes to tender,
  - (ii) irrevocably instructs the Dutch listing and exchange agent to transfer his or her ABN AMRO ordinary shares to Barclays (Netherlands) in return, and
  - (iii) irrevocably instructs the nominee to transfer, immediately after receipt by the nominee, the Barclays (Netherlands) shares to Barclays.
- (b) In exchange for the transfer to it of the Barclays (Netherlands) shares, Barclays will issue new Barclays ordinary shares and/or pay cash (as appropriate) to the ABN AMRO ordinary shareholder, completing the transaction for ABN AMRO ordinary shareholder.

Consequently, the end result of all these steps is that the ABN AMRO ordinary shares tendered are held by Barclays (Netherlands), the Barclays (Netherlands) shares which are initially transferred to the nominee are ultimately transferred to Barclays, and Barclays ordinary shares are issued and cash is paid to

tendering holders of ABN AMRO ordinary shares. The number of Barclays ordinary shares issued and the

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amount of cash paid in exchange for the transfer of the Barclays (Netherlands) shares will be determined by applying the ordinary share exchange ratio and any successful elections made under the Mix and Match Facility to the number of ABN AMRO ordinary shares transferred by the holders of ABN AMRO ordinary shares to Barclays (Netherlands). The ultimate consideration for accepting holders of ABN AMRO ordinary shares will, in both cases, be the number of Barclays ordinary shares issued pursuant to the exchange offer and such amount of cash, as may be determined in accordance with the ordinary share exchange ratio and any successful elections made under the Mix and Match Facility. The Barclays ordinary shares issued in the Primary Exchange will be issued into the Euroclear Nederland System via the CREST account of Euroclear Nederland. All irrevocable instructions are subject to applicable withdrawal rights under the exchange offer.

A holder of ABN AMRO ordinary shares who selects the Alternative Exchange will tender his ABN AMRO ordinary shares via his bank or broker directly to Barclays via the Dutch listing and exchange agent and in return Barclays will issue new Barclays ordinary shares and/or pay cash (as appropriate) to the tendering ABN AMRO ordinary shareholders. The new Barclays ordinary shares issued directly to holders of ABN AMRO ordinary shares pursuant to the Alternative Exchange will be issued via CREST (by crediting a CREST member's account) or in certificated form, rather than into Euroclear Nederland via the CREST account of the Euroclear Nederland system, and accordingly United Kingdom stamp duty reserve tax is likely to be payable on any subsequent sale of those shares.

Holders of ABN AMRO ordinary shares tendering pursuant to the Primary or Alternative Exchange should carefully consider the discussion under Taxation.

Holders of ABN AMRO ADSs will not be permitted to elect exchange alternatives. Instead, ABN AMRO ADSs that have been validly tendered (or defectively tendered provided that such defect has been waived by Barclays) and not withdrawn will be exchanged for Barclays ADSs and cash in the following manner. The ADS exchange agent will surrender all such ABN AMRO ADSs to the custodian of J.P. Morgan Chase Bank, N.A., as the depositary for ABN AMRO's ADR facility (the ABN AMRO Depositary), in exchange for the ABN AMRO ordinary shares underlying them. The ADS exchange agent will then tender those ABN AMRO ordinary shares to the Dutch listing and exchange agent and will elect the Primary Exchange in respect of all of them. The Barclays ordinary shares issued and cash paid in respect of those ABN AMRO ordinary shares will be delivered to the custodian of The Bank of New York, as the depositary for Barclays ADR facility (the Depositary). The Depositary will then issue to the ADS exchange agent Barclays ADSs in respect of the Barclays ordinary shares it has received and transmit to the ADS exchange agent the cash it has received, and the ADS exchange agent will distribute the Barclays ADSs and cash to former holders of ABN AMRO ADSs.

**Mix and Match Facility (see page 81)**

Holders of ABN AMRO ordinary shares or ABN AMRO ADSs may elect, subject to availability, to change the proportions in which they receive Barclays ordinary shares or Barclays ADSs and cash in respect of their holdings of ABN AMRO ordinary shares or ABN AMRO ADSs under the Mix and Match Facility. That is, holders of ABN AMRO ordinary shares or ABN AMRO ADSs may request that they receive a greater proportion of cash or Barclays ordinary shares or Barclays ADSs in respect of some or all of their ABN AMRO ordinary shares or ABN AMRO ADSs than they would receive under the default terms of the exchange offer. Making an election under the Mix and Match Facility will not affect the ability of holders of ABN AMRO ordinary shares to choose between the Primary Exchange and the Alternative Exchange.

The total number of Barclays ordinary shares, including those represented by Barclays ADSs, to be issued and the total amount of the cash consideration to be paid under the exchange offer will not be varied as a result of Mix and Match Facility. Accordingly, satisfaction of elections by holders of ABN AMRO ordinary shares or ABN AMRO ADSs under the Mix and Match Facility will depend on the extent to which other holders of ABN AMRO ordinary shares or ABN AMRO ADSs (who together form one consideration pool) make offsetting elections. If elections cannot be satisfied in full, they will be scaled down on a pro rata basis. To the extent that elections can be satisfied, holders of ABN AMRO ordinary





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shares or ABN AMRO ADSs will receive Barclays ordinary shares or Barclays ADSs instead of cash or vice versa on the basis of a fixed rate of 11.87 for each Barclays ordinary share and the US dollar equivalent of 47.48 for each Barclays ADS. Barclays ordinary shares may be trading at a lower or higher price than £8.00 (or \$64.94 per Barclays ADS) at the applicable settlement date. These figures reflect the exchange price announced in the July 23, 2007 announcement of the revised offer of £8.00 per Barclays ordinary share using the exchange rate of £1.00 = 1.4839 and £1.00 = \$2.0293 as published in the Financial Times on August 2, 2007. Electing holders of ABN AMRO ordinary shares will receive the same amount of their elections regardless of whether they choose the Primary Exchange or the Alternative Exchange.

Holders of ABN AMRO ordinary shares or ABN AMRO ADSs who make an election to receive a greater proportion of cash will receive a basic entitlement of 13.15 per ABN AMRO ordinary share or the US dollar equivalent thereof per ABN AMRO ADS tendered under this election. Holders of ABN AMRO ordinary shares or ABN AMRO ADSs who elect the Mix and Match Facility will then further receive additional cash to the extent that this has been made available by other holders of ABN AMRO ordinary shares or ABN AMRO ADSs. If there is not enough cash given up to give all of a holder's consideration in cash, then holders who elect this Mix and Match Facility will receive the balance in Barclays ordinary shares or Barclays ADSs.

If holders of ABN AMRO ordinary shares or ABN AMRO ADSs make an election to receive a greater proportion of Barclays ordinary shares or Barclays ADSs, such holders will receive a basic entitlement of 2.13 Barclays ordinary shares per ABN AMRO ordinary share tendered under this election, or 0.5325 Barclays ADS per ABN AMRO ADS that was tendered. Such holders will then further receive additional Barclays ordinary shares or Barclays ADSs to the extent that they have been made available by other holders of ABN AMRO ordinary shares or ABN AMRO ADSs who elect to receive their exchange offer consideration in cash. If there are not enough Barclays ordinary shares or Barclays ADSs given up to give all of a holder's consideration in Barclays ordinary shares or Barclays ADSs, then such holders will receive the balance in cash.

As a result, holders of ABN AMRO ordinary shares or ABN AMRO ADSs who make an election under the Mix and Match Facility will not know the exact number of Barclays ordinary shares or Barclays ADSs or the amount of cash that they will receive until settlement of the consideration under the exchange offer. The definitive announcement of the extent to which elections under the Mix and Match Facility have been satisfied will be made no later than the applicable settlement date.

If holders of ABN AMRO ordinary shares make no election, they will receive the default entitlement of 13.15 in cash and 2.13 Barclays ordinary shares in respect of each ABN AMRO ordinary share tendered. If holders of ABN AMRO ADSs make no such election, they will receive the default entitlement of 13.15 (paid in US dollars) in cash and 0.5325 Barclays ADS in respect of each ABN AMRO ADS tendered.

The cash consideration paid in respect of ABN AMRO ADSs will be US dollars, based on the conversion of the Euro consideration into US dollars, net of any applicable fees and expenses, at the average exchange rate obtainable by the ADS exchange agent for the five business days preceding the date on which the cash consideration is received by the ADS exchange agent for delivery in respect of such ABN AMRO ADSs.

**Fractional Shares (see page 99)**

No fractional entitlements to Barclays ordinary shares or Barclays ADSs issued in the exchange offer will be issued to persons who validly tender and deliver ABN AMRO ordinary shares or ABN AMRO ADSs in the exchange offer. Each admitted institution of Euroclear Nederland (an Admitted Institution) that receives newly-issued Barclays ordinary shares as part of the exchange process (or, in the case of registered holders of ABN AMRO ordinary shares, the Dutch listing and exchange agent), and the ADS exchange agent as recipient of the newly-issued Barclays ADSs, will round down any fractional entitlements in accordance with their usual practice and sell the aggregate fractional entitlements in the secondary market and remit cash in lieu of any fractional entitlements (although in certain cases an Admitted Institution may have in place arrangements with its clients that would allow it to round up



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fractional entitlements instead and receive payment from the clients in respect of the differential). The amount in Euro (in case of the Primary Exchange discussed below), pounds sterling (in case of the Alternative Exchange discussed below) or dollars (in the case of fractional Barclays ADSs) that holders will receive in respect of fractional entitlements will be based on the average price, net of expenses, at which the fractional entitlements are sold in the secondary market.

**Settlement (see page 99)**

In the event that Barclays announces that the exchange offer is declared unconditional, holders of ABN AMRO ordinary shares who have tendered and delivered their ABN AMRO ordinary shares to Barclays will receive, within five Euronext trading days following the date on which the exchange offer was declared unconditional, Barclays ordinary shares and cash for ABN AMRO, calculated in the manner set forth in this document. Tendering holders of ABN AMRO ADSs will receive Barclays ADSs and cash as soon as practicable after the Barclays ordinary shares which the Barclays ADSs will represent have been delivered to the custodian of the Depository for the Barclays ADR facility. If a subsequent offering period is announced, holders of ABN AMRO ordinary shares and ABN AMRO ADSs who have tendered and delivered their securities to Barclays during the subsequent offering period will receive their Barclays ordinary shares or Barclays ADSs and cash promptly following the expiration of the subsequent offering period.

**Post-Closing Restructuring (see page 109)**

If the exchange offer is successfully completed, Barclays intends to effect a post-closing restructuring of ABN AMRO and its subsidiaries that is intended to have the effect of acquiring ABN AMRO ordinary shares and ABN AMRO ADSs that remain outstanding after the exchange offer and, consequently, result in ABN AMRO becoming a wholly owned subsidiary of Barclays.

**Financing of the Exchange Offer (see page 93)**

Barclays will finance the 24.8 billion cash consideration portion of the exchange offer consideration (the Cash Consideration ) from the following sources:  
*Proceeds of the sale of LaSalle*

Barclays proposes to use approximately 12 billion of capital released from the sale of LaSalle to Bank of America, previously intended to be returned to shareholders of the combined group after the combination, to repay debt incurred to fund part of the Cash Consideration.

*China Development Bank and Temasek Conditional Investment*

8.1 billion of the Cash Consideration will be funded by the conditional investment of China Development Bank and Temasek; 1.7 billion will be funded by the conditional subscriptions pursuant to the clawback placing to certain existing Barclays shareholders and other institutional investors.

**Table of Contents***Available Cash Resources*

Barclays will fund approximately 3 billion of the Cash Consideration from available cash resources.

**ABN AMRO Ordinary Shares held by Barclays and members of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board (see page 76)**

Shareholdings of Barclays as at June 30, 2007 are as follows:

<b>Barclays Entity</b>	<b>Number of ABN AMRO ordinary shares</b>	<b>Percentage of outstanding ABN AMRO ordinary shares</b>
Barclays Global Investors	47,237,444	2.48%
Barclays Capital	4,735,790	0.25%
Other Barclays entities	10,285,980	0.54%
<b>Total</b>	<b>62,259,214</b>	<b>3.27%</b>

None of Barclays directors and officers held any ABN AMRO ordinary shares or ABN AMRO ADSs as of June 30, 2007.

Shareholdings of the members of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board as at July 30, 2007 are as follows:

<b>ABN AMRO Managing Board</b>	<b>Number of ABN AMRO ordinary shares</b>	<b>Number of options for ABN AMRO ordinary shares</b>
Mr. Groenink	87,062	684,789
Mr. Jiskoot	69,679	410,011
Mr. Kuiper	72,668	410,011
Mr. Boumeester	85,168	213,372
Mr. Overmars	41,590	293,372
Mr. Teerlink	35,615	312,403
<b>Total</b>	<b>391,782</b>	<b>2,323,958</b>

<b>ABN AMRO Supervisory Board</b>	<b>Number of ABN AMRO ordinary shares</b>
Mr. Martinez	3,000
Mr. Olijslager	3,221
Mr. Pratini de Moreas	5,384
Mr. van den Bergh	13,112
Mr. Ruys	2,898
Mr. Scaroni	18,451

Total	46,066
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**Interests of ABN AMRO Directors and Officers in the Combination (see page 76)**

You should be aware that members of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board have relationships, agreements or arrangements that provide them with interests in the combination that may be in addition to or different from your interests. These interests include:

- the continued employment of some members of the ABN AMRO Managing Board by the combined group;

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the continued positions of certain members of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board as directors of the combined group;

employment agreements with certain members of the ABN AMRO Managing Board, which include terms regarding severance payments in accordance with Dutch labor laws in the event of termination of those agreements; and

the indemnification of former members of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board by the combined company.

**The Exchange Offer Is Subject to the Various Conditions (see page 84)**

The exchange offer is subject to various conditions. All conditions to the completion of the exchange offer must be satisfied or waived prior to the exchange offer being declared unconditional and the expiration of the initial offer period, as it may be extended pursuant to the terms of the exchange offer described in this document.

Certain of these conditions to the exchange offer may be waived (either in whole or in part) by Barclays by written notice to ABN AMRO, certain may be waived (either in whole or in part) by ABN AMRO by written notice to Barclays, and certain may be waived (either in whole or in part) by either Barclays or ABN AMRO, subject to agreement in writing from respectively either ABN AMRO or Barclays.

A waiver by Barclays of the minimum acceptance conditions will require approval of the ABN AMRO Supervisory Board in the event the tendered ABN AMRO ordinary shares (including ABN AMRO ordinary shares underlying ABN AMRO ADSs), together with the ABN AMRO ordinary shares already held by Barclays at the closing date would represent less than 50% plus one of the voting rights represented by ABN AMRO s issued and outstanding share capital, consisting of ordinary shares, underlying preference shares and formerly convertible shares, and would represent less than 50% plus one of the ABN AMRO ordinary shares in ABN AMRO s issued and outstanding ordinary share capital (excluding any ABN AMRO ordinary shares or ABN AMRO ADSs held by ABN AMRO or its subsidiaries).

***Financial and Other Regulatory Authorities***

The completion of the exchange offer is subject to the receipt of the following approvals, among others: The competent regulatory authorities in The Netherlands shall have given their declaration of no objection and the FSA shall have notified its approval of each person who will acquire control over any United Kingdom authorized person which is a member of the combined group or the relevant waiting period has expired;

Barclays and ABN AMRO shall have received confirmation from the Dutch Central Bank that it has no objection to the parties, proposal for the composition of the managing board and supervisory board of ABN AMRO Bank, and the FSA shall have approved the nomination of the proposed directors to the board of the combined group (the Group Board of Directors );

Neither Barclays nor ABN AMRO shall have received any notification from the Dutch Central Bank or the FSA that there is likely to be a change in the supervisory, reporting or regulatory capital arrangements that will apply to the combined group and;

Confirmation has been given that the Barclays ordinary shares being offered will be admitted to the Official List of the UKLA, admitted to trading on the main market for listed securities of the LSE, authorized for listing on Euronext and the TSE, and the Barclays ordinary shares and the Barclays ADSs have been approved for listing on the NYSE.

***Competition and Antitrust***

Competition and regulatory notifications and approvals are required from certain European authorities. In particular, competition consent has been sought from the European Commission under Article 6(1)(b) of

the EU Merger Regulation, to declare the exchange offer compatible with the Common

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Market without attaching to its decision any conditions or obligations. Barclays and ABN AMRO are also required to make notifications under the US HSR Act and the rules promulgated thereunder by the Federal Trade Commission.

While Barclays and ABN AMRO believe that they will receive the requisite competition and regulatory approvals for the combination, they can give no assurance that a challenge to the combination will not be made or, if made, would be unsuccessful. Obtaining certain government approvals applicable to the exchange offer is a condition to the combination.

***Shareholder Approvals and Other Conditions***

The completion of the exchange offer is also subject to the satisfaction or waiver of additional conditions in the Merger Protocol, including the following conditions:

The extraordinary general meeting of shareholders of Barclays and the class meeting of Barclays ordinary shareholders shall have passed all agreed or required resolutions;

No material adverse change in respect of Barclays or ABN AMRO;

No third party shall have indicated an intention to take any frustrating action (as defined in the Merger Protocol);

The LaSalle Agreement shall have been completed in accordance with its terms or a purchase and sale agreement with another party with respect to the sale of LaSalle shall have been completed in accordance with its terms;

There shall have been no event, circumstance or series of linked events or circumstances that was not fairly disclosed in the 2006 annual reports and annual accounts of either ABN AMRO or Barclays, respectively, or otherwise disclosed and that can reasonably be expected to have a negative impact of 5% or more on the respective 2006 consolidated operating income of ABN AMRO or Barclays;

The obligation of Barclays to declare the exchange offer unconditional shall be subject to the condition precedent that no third party declares or reaffirms that it makes or intends to make an offer or an amended offer for shares in ABN AMRO (excluding the current offer by the Consortium on the terms and conditions announced on July 20, 2007); and

The ABN AMRO Managing Board and the ABN AMRO Supervisory Board have confirmed in writing, and have made an appropriate press release confirming, their unanimous recommendation of the exchange offer for acceptance by the holders of ABN AMRO ordinary shares and the ABN AMRO ADSs.

**Barclays Extraordinary General Meeting and Class Meeting (see page 115)**

At 10:00 a.m., London Time and 10:15 a.m., London Time respectively, on September 14, 2007, the extraordinary general meeting of the shareholders of Barclays and the class meeting of Barclays ordinary shareholders will be convened at 1 Churchill Place, London E14 5HP. At the meetings, the relevant Barclays shareholders will be asked to consider the resolutions described in Barclays Extraordinary General Meeting and Class Meeting.

**Approvals for Certain Purchases of ABN AMRO and Barclays Securities During the Exchange Offer (see page 102)**

ABN AMRO, Barclays and their respective financial advisors applied to the SEC for exemptive relief from the provisions of Rule 14e-5 under the Securities Exchange Act of 1934, as amended (the Exchange Act ). The SEC granted the requested relief on April 24, 2007, with the relief taking effect retroactively on April 23, 2007. Rule 14e-5, among other things, prohibits a person making a cash tender offer or exchange



offer for an equity security, as well as any person acting, directly or indirectly, in concert

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with such person (or certain advisors or dealer-managers of such person), from purchasing, directly or indirectly, or making any arrangement to purchase such security or any related security except pursuant to such tender offer or exchange offer. ABN AMRO, Barclays and their respective financial advisors intend to carry on certain transactions in ABN AMRO securities outside of the exchange offer as permitted by Rule 14e-5 and the relief granted by the SEC. In particular, Barclays may acquire ABN AMRO ordinary shares outside of the exchange offer outside of the United States and in accordance with Dutch and other applicable laws.

ABN AMRO and Barclays have applied to the SEC for exemptive and no-action relief from the provisions of Rule 102 of Regulation M. Barclays received certain of this relief on August 2, 2007, and ABN AMRO and Barclays expect to receive the remainder of the relief on or about August 6, 2007. Rule 102 provides that, subject to certain exceptions, in connection with a distribution of securities effected by or on behalf of an issuer or selling security holder, it is unlawful for such person, or any affiliated purchaser of such person, directly or indirectly, to bid for, purchase, or attempt to induce any person to bid for or purchase, a covered security during the applicable restricted period. ABN AMRO and Barclays believe that the exchange offer may constitute a distribution, that Barclays affiliates and ABN AMRO and its affiliates may be deemed affiliated purchasers, and that if the exchange offer constitutes a distribution the restricted period would last from the commencement of the exchange offer until its expiration. The relief which ABN AMRO and Barclays have received or expect to receive would allow ABN AMRO and Barclays to bid for, purchase and induce others to purchase Barclays ordinary shares and Barclays ADSs in connection with specified activities.

**No Appraisal Rights in Connection with the Exchange Offer (see page 107)**

Under Dutch law, holders of ABN AMRO ordinary shares or ABN AMRO ADSs will not be entitled to appraisal rights in connection with the exchange offer. However, if 95% or more of the nominal value of the issued outstanding share capital of ABN AMRO is tendered in the exchange offer, and Barclays elects to initiate a compulsory acquisition procedure under Dutch law, the consideration to be paid to holders of ABN AMRO ordinary shares, including ABN AMRO ordinary shares represented by ABN AMRO ADSs, in such circumstances would be determined by the Enterprise Chamber of the Amsterdam Court of Appeals. The Amsterdam Court of Appeals may appoint one or three experts to advise the Court on the value of the minority shares. The Amsterdam Court of Appeals determines the squeeze out price. In the Ordinary Squeeze-Out proceedings following a public bid, the Amsterdam Court of Appeals usually sets the price for the minority shares at an amount equal to the price offered in the preceding public bid (or in case of an exchange offer, its value reflected is cash). However, the Amsterdam Court of Appeals may also set a lower price. The Amsterdam Court of Appeals usually determines the price for the shares as of the date of its decision, but it is at liberty to choose an earlier reference date if it believes such a date to be more appropriate. In Takeover Squeeze-Out proceedings, the consideration offered in the exchange offer is presumed fair if 90% or more of the shares in a public offer were acquired by the offeror. Takeover Squeeze-Out proceedings must be initiated within three months after the initial offer period has expired.

**Directors and Management of Barclays Following the Combination (see page 143)**

The combined group will have a UK corporate governance structure with a unitary Group Board of Directors. Following the combination, the Group Board of Directors will initially consist of 19 members, with 10 members from Barclays and nine members from ABN AMRO. In addition, China Development Bank has the right to nominate a Barclays non-executive director and, subject to the combination becoming completed, Temasek will also have the right to nominate a Barclays non-executive director. In addition to the Chairman, the Deputy Chairman and the non-executive directors to be nominated by China Development Bank and Temasek, there will be 12 non-executive directors, with five initially nominated by Barclays and seven initially nominated by ABN AMRO. In the event that the number of directors of the Barclays Board shall in the two years following the consummation of the exchange offer be reduced, the pro rata representation of directors nominated by Barclays and ABN AMRO shall remain the same. It is expected that Mr. Hoffman, Dr. Cronjé, Professor Dame Sandra Dawson, Sir An-



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drew Likierman, Mr. Russell and Sir John Sunderland will retire from the Barclays Board with effect from the settlement date, and that, following the settlement date, the Group Board of Directors composition will be as follows:

<b>Chairman</b>	<b>Position as from the settlement date of the combination</b>
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Mr. Martinez	Chairman
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**Non-Executive Directors**

Mr. Agius	Deputy Chairman
Mr. Booth	Non-Executive Director
Sir Richard Broadbent	Non-Executive Director
Mr. Clifford	Non-Executive Director
Mr. Conti	Non-Executive Director
Mr. Groenink	Non-Executive Director
Mr. Kramer	Non-Executive Director
Ms. Maas-de Brouwer	Non-Executive Director
Mr. Olijslager	Non-Executive Director
Sir Nigel Rudd	Non-Executive Director
Mr. Ruys	Non-Executive Director
Mr. Scaroni	Non-Executive Director
Mr. van den Bergh	Non-Executive Director

**Executive Directors**

Mr. Varley	Group Chief Executive
Mr. Boumeester	Group Chief Administrative Officer
Mr. Diamond	President of Barclays and CEO of IBIM
Mr. Lucas	Group Finance Director
Mr. Seegers	CEO of GRCB

Mr. Agius is expected to become Deputy Chairman of the combined group and will remain Chairman of Barclays Bank. It is expected that he will succeed Mr. Martinez as Chairman of the combined group when Mr. Martinez retires.

From the settlement date, Mr. Groenink is expected to cease to be Chairman of the ABN AMRO Managing Board, Mr. Hoffman is expected to cease to be the Group Vice-Chairman and Mr. Boumeester, successor to Mr. Scott-Barrett as Chief Financial Officer of ABN AMRO from July 1, 2007, is expected to cease to hold such office following the settlement date.

The head office of the combined group will be located in Amsterdam. Day to day management of the combined group will be the responsibility of Mr. Varley, working with the Group Executive Committee, which is expected to consist of:

<b>Group Executive Committee Member</b>	<b>Position as from the settlement date of the combination</b>
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Mr. Varley	Group Chief Executive
Mr. Diamond	Barclays President and CEO of IBIM
Mr. Seegers	CEO of GRCB
Mr. Overmars	CEO of Continental Europe and Asia, GRCB

Mr. Teerlink	Chief Operating Officer of GRCB
Mr. Idzik	Group Chief Operating Officer
Mr. Lucas	Group Finance Director
Mr. Boumeester	Group Chief Administrative Officer

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**Exchange Listing (see page 104)**

ABN AMRO ordinary shares are listed and trade on Euronext under the symbol AABA . ABN AMRO ordinary shares and ABN AMRO ADSs are listed on the NYSE, and ABN AMRO ADSs trade under the symbol ABN . Upon the completion of the exchange offer, it is intended that ABN AMRO s listing of ABN AMRO ordinary shares on Euronext and its listing of ABN AMRO ADSs on the NYSE will be terminated as soon as practicable thereafter.

Barclays intends to apply to list the Barclays ordinary shares and the Barclays ADSs to be issued in the exchange offer on the NYSE, and Barclays will also make an application to the FSA and the LSE for the Barclays ordinary shares to be issued in the exchange offer to be admitted to the Official List and to trading on the LSE, as well as to list such Barclays ordinary shares on the TSE. Barclays will also apply for a secondary listing on Euronext.

ABN AMRO and Barclays have received confirmation from the FTSE and Euronext that, following the settlement date, Barclays ordinary shares are expected to qualify for inclusion with a full weighting in the UK Series of the FTSE indices, including the FTSE 100 Index, and in the AEX-Index (subject to a maximum weighting of 15%), respectively.

**Material Differences in Rights of Shareholders (see page 215)**

The governing documents of Barclays and ABN AMRO vary, and to that extent, former holders of ABN AMRO ordinary shares will have different rights once they become holders of Barclays ordinary shares. Similarly, the laws of The Netherlands, where ABN AMRO is incorporated, differ from those of England, where Barclays is incorporated, in certain respects. The differences are described in more detail under

Comparison of Rights of Holders of Barclays Ordinary Shares and ABN AMRO Ordinary Shares . Holders of Barclays ADSs are not treated as holders of Barclays ordinary shares and do not have the same rights as holders of Barclays ordinary shares. The Depositary will be the holder of the Barclays ordinary shares underlying the Barclays ADSs. Holders of Barclays ADSs have rights as holders of Barclays ADSs, which are set out in Barclays deposit agreement (the Deposit Agreement ). The Deposit Agreement also sets out the rights and obligations of the Depositary. New York law governs the Deposit Agreement and the Barclays ADSs. See Description of Barclays American Depositary Shares .

**Dividend Election Mechanism (see page 101)**

Following implementation of the combination, the combined group will present financial statements in Euro and will declare dividends in Euro. Holders of ordinary shares in the combined group will be able to elect to receive dividends paid in Euro or Sterling (converted at the then prevailing market rate). Unless they validly elect otherwise, accepting holders of ABN AMRO ordinary shares who receive Barclays ordinary shares pursuant to the Primary Exchange will receive dividends paid in Euro. Unless they validly elect otherwise, accepting holders of ABN AMRO ordinary shares who receive Barclays ordinary shares pursuant to the Alternative Exchange will receive dividends paid in Sterling (converted at the then prevailing market rate). Existing holders of Barclays ordinary shares will continue to receive dividends paid in Sterling (converted at the then prevailing market rate), unless they validly elect to receive dividends paid in Euro. The availability of the dividend currency election may be suspended or terminated by the Barclays Board at any time without notice, for any reason and without financial recompense.

Holders of Barclays ADSs representing Barclays ordinary shares in the combined group will receive dividends paid in US dollars converted at the then prevailing market exchange rate and will not be able to elect to receive dividends in any other currencies. Existing holders of Barclays ADSs will continue to receive dividends paid in US dollars or can elect to have their dividends reinvested. Accepting holders of ABN AMRO ADSs who receive Barclays ADSs pursuant to the exchange offer will also receive dividends paid in US dollars or can elect to have their dividends reinvested.

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**Material Tax Consequences (see page 134)**

US holders of ABN AMRO ordinary shares or ABN AMRO ADSs will recognize gain or loss on the surrender of their ABN AMRO ordinary shares or ADSs pursuant to the exchange offer equal to the difference between the fair market value of Barclays ordinary shares or ADSs (and any cash in lieu of fractional Barclays ordinary shares or ADSs) they receive and their tax basis in their ABN AMRO ordinary shares or ADSs. See Taxation Material United States Federal Income Tax Considerations .

US holders of ABN AMRO ordinary shares or ABN AMRO ADSs who realize capital gains pursuant to the exchange offer will generally not be subject to Dutch taxation on such capital gains unless the capital gains are attributable to an enterprise or part thereof that is either (a) effectively managed in The Netherlands or (b) carried on through a permanent establishment or a permanent representative in The Netherlands. However, other exceptions may apply which may result in US holders becoming subject to Dutch taxation on the capital gains concerned. See Taxation Material Dutch Tax Consequences .

US holders of ABN AMRO ordinary shares or ABN AMRO ADSs, who are neither resident nor ordinarily resident in the UK for tax purposes and who receive Barclays (Netherlands) shares and/or Barclays ordinary shares or Barclays ADSs pursuant to the exchange, should not be subject to tax in the United Kingdom in respect of the exchange of their ABN AMRO ordinary shares or ABN AMRO ADSs pursuant to the exchange offer. See Taxation Material United Kingdom Tax Consequences .

**Summary Selected Historical Consolidated Financial Information of Barclays (see page 150)**

The following selected historical consolidated financial information of Barclays for the six months ended June 30, 2007 has been derived from the IFRS unaudited interim condensed consolidated financial statements and related notes, which were filed with the SEC on Form 6-K on August 2, 2007 and incorporated by reference into this document and from the US GAAP unaudited interim condensed consolidated financial statements and related notes, which were filed with the SEC on Form 6-K on September [14], 2007 and incorporated by reference into this document. The following selected historical consolidated financial information of Barclays for the years ended December 31, 2006, 2005, 2004, 2003 and 2002 has been derived from Barclays audited consolidated financial statements in the Barclays 2006 Form 20-F incorporated by reference into this document, and the Barclays Annual Report on Form 20-F for the year ended December 31, 2005, which was filed with the SEC on March 29, 2006 ( Barclays 2005 Form 20-F ), not incorporated by reference into this document. The data below should be read in conjunction with the consolidated financial statements, related notes and other financial information of Barclays incorporated by reference into this document. See Selected Historical Consolidated Financial Information of Barclays .

Table of Contents**Consolidated Income Statement Data of Barclays for the Six Months Ended June 30, 2007 and 2006**

	For the Six Months Ended June 30,	
	2007	2006
	£m	£m
Interest income	12,037	10,544
Interest expense	(7,448)	(6,140)
Net interest income	4,589	4,404
Fee and commission income	4,292	4,077
Fee and commission expense	(480)	(425)
Net fee and commission income	3,812	3,652
Net trading income	2,811	2,201
Net investment income	396	374
Principal transactions	3,207	2,575
Net premiums from insurance contracts	442	510
Other income	100	61
<b>Total income</b>	<b>12,150</b>	<b>11,202</b>
Net claims benefits incurred on insurance contracts	(248)	(233)
<b>Total income net of insurance claims</b>	<b>11,902</b>	<b>10,969</b>
Impairment charges	(959)	(1,057)
<b>Net income</b>	<b>10,943</b>	<b>9,912</b>
Operating expenses excluding amortisation of intangible assets	(6,760)	(6,206)
Amortisation of intangible assets	(87)	(63)
Operating expenses	(6,847)	(6,269)
Share of post-tax results of associates and joint ventures		30
Profit on disposal of subsidiaries, associates and joint ventures	5	
<b>Profit before tax</b>	<b>4,101</b>	<b>3,673</b>
Tax	(1,158)	(1,072)
<b>Profit after tax</b>	<b>2,943</b>	<b>2,601</b>
<b>Profit attributable to minority interests</b>	<b>309</b>	<b>294</b>
<b>Profit attributable to equity holders of the parent</b>	<b>2,634</b>	<b>2,307</b>
	<b>2,943</b>	<b>2,601</b>
Basic earnings per ordinary share	41.4p	36.3p
Diluted earnings per ordinary share	40.1p	35.1p
Dividends per ordinary share:		
Interim dividend	11.5	10.5
Final dividend		
<b>Dividend</b>	<b>£ 731m</b>	<b>£ 666m</b>





**Table of Contents*****Consolidated Balance Sheet Data of Barclays as at June 30, 2007***

As at June 30, 2007

	£m
<b>Assets</b>	
Cash and balances at central banks	4,785
Items in the course of collection from other banks	2,533
Trading portfolio assets	217,573
Financial assets designated at fair value:	
held on own account	46,171
held in respect of linked liabilities to customers under investment contracts	92,194
Derivative financial instruments	174,225
Loans and advances to banks	43,191
Loans and advances to customers	321,243
Available for sale financial investments	47,764
Reverse repurchase agreements and cash collateral on securities borrowed	190,546
Other assets	6,289
Current tax assets	345
Investments in associates and joint ventures	228
Goodwill	6,635
Intangible assets	1,228
Property, plant and equipment	2,538
Deferred tax assets	774
<b>Total assets</b>	<b>1,158,262</b>
<b>Liabilities</b>	
Deposits from banks	87,429
Items in the course of collection due to other banks	2,206
Customer accounts	292,444
Trading portfolio liabilities	79,252
Financial liabilities designated at fair value	63,490
Liabilities to customers under investment contracts	93,735
Derivative financial instruments	177,774
Debt securities in issue	118,745
Repurchase agreements and cash collateral on securities lent	181,093
Other liabilities	10,908
Current tax liabilities	1,003
Insurance contract liabilities, including unit-linked liabilities	3,770
Subordinated liabilities	15,067
Deferred tax liabilities	258
Provisions	527
Retirement benefit liabilities	1,840
<b>Total liabilities</b>	<b>1,129,541</b>

<b>Shareholders equity</b>	
Called up share capital	1,637
Share premium account	5,859
Other reserves	271
Retained earnings	13,461
Less: treasury shares	(255)
<b>Shareholders equity excluding minority interests</b>	<b>20,973</b>
<b>Minority interests</b>	<b>7,748</b>
<b>Total shareholders equity</b>	<b>28,721</b>
<b>Total liabilities and shareholders equity</b>	<b>1,158,262</b>

**Table of Contents****Consolidated Income Statement Data of Barclays for the years ending December 31, 2006, 2005 and 2004**

	For the year ended December 31,		
	2006	2005	2004(a)
	£m	£m	£m
<i>(IFRS)</i>			
<b>Continuing operations</b>			
Net interest income	9,143	8,075	6,833
Net fee and commission income	7,177	5,705	4,847
Principal transactions	4,576	3,179	2,514
Net premiums from insurance contracts	1,060	872	1,042
Other income	214	147	131
<b>Total income</b>	<b>22,170</b>	<b>17,978</b>	<b>15,367</b>
Net claims and benefits paid on insurance contracts	(575)	(645)	(1,259)
<b>Total income net of insurance claims</b>	<b>21,595</b>	<b>17,333</b>	<b>14,108</b>
Impairment charges	(2,154)	(1,571)	(1,093)
<b>Net income</b>	<b>19,441</b>	<b>15,762</b>	<b>13,015</b>
Operating expenses	(12,674)	(10,527)	(8,536)
Share of post-tax results of associates and joint ventures	46	45	56
Profit on disposal of subsidiaries, associates and joint ventures	323		45
<b>Profit before tax</b>	<b>7,136</b>	<b>5,280</b>	<b>4,580</b>
Tax	(1,941)	(1,439)	(1,279)
<b>Profit after tax</b>	<b>5,195</b>	<b>3,841</b>	<b>3,301</b>
Profit attributable to minority interests	624	394	47
Profit attributable to equity holders of the parent	4,571	3,447	3,254
	<b>5,195</b>	<b>3,841</b>	<b>3,301</b>

**Selected Financial Statistics of Barclays for the years ending December 31, 2006, 2005 and 2004**

Basic earnings per share	71.9p	54.4p	51.0p
Diluted earnings per share	69.8p	52.6p	49.8p
Dividends per ordinary share	31.0p	26.6p	24.0p
Dividend payout ratio	43.1%	48.9%	47.1%
Profit attributable to the equity holders of the parent as a percentage of:			
average shareholders equity	24.7%	21.1%	21.7%
average total assets	0.4%	0.4%	0.5%

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Cost: income ratio	59%	61%	61%
Cost: net income ratio	65%	67%	66%
Average US dollar exchange rate used in preparing the accounts	1.84	1.82	1.83
Average Euro exchange rate used in preparing the accounts	1.47	1.46	1.47
Average rand exchange rate used in preparing the accounts	12.47	11.57	11.83

(a) Does not reflect the application of IAS 32, IAS 39 and IFRS 4 which Barclays adopted January 1, 2005.

Table of Contents**Consolidated profit and loss account of Barclays for the years ending December 31, 2003 and 2002**

	For the year ended December 31,	
	2003	2002
	£m	£m
<i>(UK GAAP)</i>		
Interest receivable	12,427	12,044
Interest payable	(5,823)	(5,839)
Net interest income	6,604	6,205
Fees and commissions receivable	4,896	4,454
Less: fees and commissions payable	(633)	(529)
Dealing profits	1,054	833
Other operating income	490	364
Operating income	12,411	11,327
Administration expenses – staff costs	(4,295)	(3,755)
Administration expenses – other	(2,404)	(2,312)
Depreciation	(289)	(303)
Goodwill amortization	(265)	(254)
Operating expenses	(7,253)	(6,624)
Operating profit before provisions	5,158	4,703
Provisions for bad and doubtful debts	(1,347)	(1,484)
Provisions for contingent liabilities and commitments	1	(1)
Provisions	(1,346)	(1,485)
<b>Operating profit</b>	<b>3,812</b>	<b>3,218</b>
Profit/(loss) from joint ventures	1	(5)
Profit/(loss) from associates	28	(5)
Exceptional items	4	(3)
<b>Profit on ordinary activities before tax</b>	<b>3,845</b>	<b>3,205</b>
Tax on profit on ordinary activities	(1,076)	(955)
<b>Profit on ordinary activities after tax</b>	<b>2,769</b>	<b>2,250</b>
Minority interests (including non-equity interests)	(25)	(20)
<b>Profit for the financial year attributable to the members of Barclays PLC</b>	<b>2,744</b>	<b>2,230</b>
Dividends	(1,340)	(1,206)

<b>Profit retained for the financial year</b>	1,404	1,024
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***Selected Financial Statistics for Barclays for the years ending December 31, 2003 and 2002***

<i>(UK GAAP)</i>		
Basic earnings per share	42.3p	33.7p
Diluted earnings per share	42.1p	33.4p
Dividends per ordinary share	20.50p	18.35p
Dividend payout ratio	48.5%	54.5%
Attributable profit as a percentage of:		
average shareholders funds	17.0%	14.7%
average total assets	0.6%	0.5%
Average US dollar exchange rate used in preparing the accounts	1.64	1.50
Average Euro exchange rate used in preparing the accounts	1.45	1.59

Table of Contents**Consolidated Balance Sheet Data of Barclays as at December 31, 2006, 2005 and 2004**

	<b>As at December 31,</b>		
	<b>2006</b>	<b>2005</b>	<b>2004<sup>(a)</sup></b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<i>(IFRS)</i>			
<b>Assets</b>			
Cash and other short-term funds	9,753	5,807	3,525
Treasury bills and other eligible bills	n/a	n/a	6,658
Trading and financial assets designated at fair value	292,464	251,820	n/a
Derivative financial instruments	138,353	136,823	n/a
Debt securities and equity shares	n/a	n/a	141,710
Loans and advances to banks	30,926	31,105	80,632
Loans and advances to customers	282,300	268,896	262,409
Available for sale investments	51,703	53,497	n/a
Reverse repurchase agreements and cash collateral on securities borrowed	174,090	160,398	n/a
Property, plant and equipment	2,492	2,754	2,282
Other assets	14,706	13,257	40,965
<b>Total Assets</b>	<b>996,787</b>	<b>924,357</b>	<b>538,181</b>
<b>Liabilities</b>			
Deposits and items in the course of collection due to banks	81,783	77,468	112,229
Customer accounts	256,754	238,684	217,492
Trading and financial liabilities designated at fair value	125,861	104,949	n/a
Liabilities to customers under investment contracts	84,637	85,201	n/a
Derivative financial instruments	140,697	137,971	n/a
Debt securities in issue	111,137	103,328	83,842
Repurchase agreements and cash collateral on securities lent	136,956	121,178	n/a
Insurance contract liabilities, including unit-linked liabilities	3,878	3,767	8,377
Subordinated liabilities	13,786	12,463	12,277
Other liabilities	13,908	14,918	87,200
<b>Total liabilities</b>	<b>969,397</b>	<b>899,927</b>	<b>521,417</b>
<b>Shareholders equity</b>			
Shareholders equity excluding minority interests	19,799	17,426	15,870
Minority interests	7,591	7,004	894
<b>Total shareholders equity</b>	<b>27,390</b>	<b>24,430</b>	<b>16,764</b>
<b>Total liabilities and shareholders equity</b>	<b>996,787</b>	<b>924,357</b>	<b>538,181</b>



**Risk weighted assets and capital ratios**

Risk weighted assets	297,833	269,148	218,601
Tier 1 ratio <sup>(b)</sup>	7.7%	7.0%	7.6%
Risk asset ratio <sup>(b)</sup>	11.7%	11.3%	11.5%

**Selected financial statistics**

Net asset value per ordinary share	303p	269p	246p
Year-end US dollar exchange rate used in preparing the accounts	1.96	1.72	1.92
Year-end Euro exchange rate used in preparing the accounts	1.49	1.46	1.41
Year-end rand exchange rate used in preparing the accounts	13.71	10.87	10.86

- (a) Does not reflect the application of IAS 32, IAS 39 and IFRS 4 which Barclays adopted January 1, 2005.
- (b) Capital ratios for 2004 are based on UK GAAP and have not been restated as these remain as reported to the Financial Services Authority (FSA). As at January 1, 2005 the tier 1 ratio was 7.1% and the risk asset ratio was 11.8% reflecting the impact of IFRS, including the adoption of IAS 32, IAS 39 and IFRS 4 at this date.

**Table of Contents****Consolidated Balance Sheet Data of Barclays as at December 31, 2003 and 2002**

	As at December 31,	
	2003	2002
	£m	£m
<i>(UK GAAP)</i>		
<b>Assets</b>		
Loans and advances to banks and customers	288,743	260,572
Other assets	139,818	129,136
	428,561	389,708
Infrastructure	6,624	6,015
	435,185	395,723
Retail life-fund assets attributable to policyholders	8,077	7,284
<b>Total assets</b>	<b>443,262</b>	<b>403,007</b>
<b>Liabilities</b>		
Deposits by banks, customer accounts and debt securities in issue	328,529	304,817
Other liabilities	77,660	64,067
	406,189	368,884
<b>Capital resources</b>		
Undated loan capital	6,310	6,678
Dated loan capital	6,029	4,859
Total subordinated liabilities	12,339	11,537
Minority interests	283	156
Shareholders' equity excluding minority interests	16,374	15,146
Total shareholders' equity	16,657	15,302
Total capital resources	28,996	26,839
	435,185	395,723
Retail life-fund liabilities attributable to policyholders	8,077	7,284
<b>Total liabilities and shareholders' equity</b>	<b>443,262</b>	<b>403,007</b>
<b>Risk weighted assets and capital ratios</b>		
Risk weighted assets	188,997	172,748
Tier 1 ratio	7.9%	8.2%
Risk asset ratio	12.8%	12.8%
<b>Selected financial statistics</b>		

Net asset value per ordinary share	250p	230p
Year-end US dollar exchange rate used in preparing the accounts	1.78	1.61
Year-end Euro exchange rate used in preparing the accounts	1.41	1.54

Table of Contents**Selected US GAAP Financial Data of Barclays as at and for the six months ended June 30, 2007 and 2006**

	As at and for the six months ended June 30,			
	2007(a)	2007	2006(b)	2006
	¢	p	¢	p
<i>(US GAAP)</i>				
<b>Barclays PLC Group</b>				
Earnings per 25p ordinary share (basic)	84.1	41.9	67.5	36.5
Dividends per 25p ordinary share	41.1	20.5	32.2	17.4
Book value per 25p ordinary share	877	437	738	399
		%		%
Net income as a percentage of:				
average total assets		0.5		0.5
average shareholders' equity		25.6		24.6
Dividends as a percentage of net income		50.3		48.7
Average shareholders' equity as a percentage of average total assets		1.9		1.9
<b>Barclays Bank PLC Group</b>				
Net income as a percentage of:				
average total assets		0.5		0.5
average shareholders' equity		21.7		20.7
Average shareholders' equity as a percentage of average total assets		2.4		2.5

	As at and for the six months ended June 30,			
	2007(a)	2007	2006(b)	2006
	\$m	£m	\$m	£m
<i>(US GAAP)</i>				
Net income:				
Barclays PLC Group	5,349	2,666	4,294	2,322
Barclays Bank PLC Group	5,672	2,827	4,580	2,477
Shareholders' equity:				
Barclays PLC Group	43,228	21,546	35,571	19,237
Barclays Bank PLC Group	54,102	26,966	45,941	24,845
Total assets:				
Barclays PLC Group	2,363,006	1,177,493	1,857,721	1,004,662
Barclays Bank PLC Group	2,363,562	1,178,070	1,858,185	1,004,913

- (a) The US dollar financial information has been translated for convenience at the rate of \$2.0063 to £1, the Noon Buying Rate for cable transfers in New York City, payable in Sterling, at June 30, 2007.
- (b) The US dollar financial information has been translated for convenience at the rate of \$1.8491 to £1, the Noon Buying Rate for cable transfers in New York City, payable in Sterling, at June 30, 2006.

**Table of Contents****US GAAP Selected Financial Data of Barclays as at and for the years ended December 31, 2006, 2005, 2004, 2003 and 2002**

	2006 <sup>(a)</sup>	2006	2005	2004	2003	2002
	¢	p	¢	p	p	p
<i>(US GAAP)</i>						
<b>Barclays PLC Group</b>						
Earnings per 25p ordinary share (basic)	132.4	67.9	46.3	47.5	26.8	37.4
Dividends per 25p ordinary share	54.2	27.8	25.0	21.7	19.1	17.2
Book value per 25p ordinary share	599	307	291	266	260	242
		%	%	%	%	%
Net income as a percentage of:						
average total assets		0.5	0.4	0.5	0.3	0.5
average shareholders' equity		23.4	16.8	18.0	10.6	16.6
Dividends as a percentage of net income		42.0	54.0	46.5	71.5	44.7
Average shareholders' equity as a percentage of average total assets		2.3	2.6	2.5	3.2	3.1
<b>Barclays Bank PLC Group</b>						
Net income as a percentage of:						
average total assets		0.6	0.5	0.5	0.4	0.5
average shareholders' equity		20.6	13.8	17.2	10.1	15.6
Average shareholders' equity as a percentage of average total assets		2.8	3.0	2.7	3.5	3.4

	2006 <sup>(a)</sup>	2006	2005	2004	2003	2002
	\$m	£m	\$m	£m	£m	£m
<i>(US GAAP)</i>						
Net income:						
Barclays PLC Group	8,420	4,318	2,932	3,032	1,740	2,476
Barclays Bank PLC Group	9,068	4,650	3,164	3,137	1,842	2,578
Shareholders' equity:						
Barclays PLC Group	39,062	20,032	18,461	16,953	16,830	16,015
Barclays Bank PLC Group	48,883	25,068	23,114	19,594	18,646	17,846
Total assets:						
Barclays PLC Group	1,809,711	928,057	840,657	654,580	541,969	491,466
Barclays Bank PLC Group	1,809,157	927,773	840,470	654,699	542,080	491,586

- (a) The US dollar financial information has been translated for convenience at the rate of \$1.95 to £1, the Noon Buying Rate for cable transfers in New York City, payable in Sterling, at December 31, 2006.

**Table of Contents****Summary Selected Historical Consolidated Financial Information of ABN AMRO (see page 156)**

The following selected historical consolidated financial information of ABN AMRO for the six months ended June 30, 2007 has been derived from the IFRS unaudited interim consolidated financial statements and related notes, which were filed with the SEC on Form 6-K on July 30, 2007 and incorporated by reference into this document and from the US GAAP unaudited interim consolidated financial statements and related notes, which were filed with the SEC on Form 6-K on August 31, 2007 and incorporated by reference into this document. The following selected historical consolidated financial information of ABN AMRO, presented in Euros, has been derived from ABN AMRO's audited consolidated financial statements in ABN AMRO's Annual Report on Form 20-F for the year ended December 31, 2006, filed with the SEC on April 2, 2007, as amended on Form 20-F/A and filed with the SEC on August 3, 2007 ( ABN AMRO 2006 Form 20-F ), incorporated by reference into this document, the audited consolidated financial statements in the ABN AMRO's Annual Report on Form 20-F for the year ended December 31, 2005, which was filed with the SEC on April 3, 2006 ( ABN AMRO 2005 Form 20-F ), not incorporated by reference into this document and the audited consolidated financial statements in the ABN AMRO Annual Report on Form 20-F for the year ended December 31, 2003, which was filed with the SEC on March 31, 2004 ( ABN AMRO 2003 Form 20-F ), not incorporated by reference into this document. The data below should be read in conjunction with the consolidated financial statements, related notes and other financial information of ABN AMRO incorporated by reference into this document. See Selected Historical Consolidated Financial Information of ABN AMRO .

**Selected Consolidated Income Statement of ABN AMRO for the Six Months Ended June 30, 2007 and 2006**

	<b>For the Six Months Ended June 30,</b>	
	<b>2007</b>	<b>2006</b>
	<b>m</b>	<b>m</b>
Net interest income	4,594	4,311
Net fee and commission income	2,872	2,602
Net trading income	1,940	1,477
Results from financial transactions	667	321
Share of result in equity accounted investments	139	124
Other operating income	294	488
Income of consolidated private equity holdings	2,783	2,634
<b>Operating income</b>	<b>13,289</b>	<b>11,957</b>
Personnel expenses	4,281	3,596
General and administrative expenses	3,449	3,195
Depreciation and amortisation	626	564
Goods and materials of consolidated private equity holdings	1,949	1,855
<b>Operating expenses</b>	<b>10,305</b>	<b>9,210</b>
Loan impairment and other credit risk provisions	886	720
<b>Total expenses</b>	<b>11,191</b>	<b>9,930</b>
<b>Operating profit before taxes</b>	<b>2,098</b>	<b>2,027</b>
Income tax expense	432	348



<b>Profit from continuing operations</b>	1,666	1,679
Profit from discontinued operations net of tax	554	573
<b>Profit for the period</b>	2,220	2,252

**Attributable to:**

Shareholders of the parent company	2,165	2,219
Minority interests	55	33

**Earnings per share attributable to the shareholders of the parent company (in euros)**

From continuing operations		
Basic	0.87	0.88
Diluted	0.86	0.88
From continuing and discontinued operations		
Basic	1.17	1.18
Diluted	1.16	1.18

Table of Contents**Selected Consolidated Balance Sheet Data as at June 30, 2007****At June 30, 2007**

	<b>m</b>
<b>Assets</b>	
Cash and balances at central banks	14,485
Financial assets held for trading	248,925
Financial investments	101,701
Loans and receivables – banks	183,338
Loans and receivables – customers	441,904
Equity accounted investments	1,591
Property and equipment	3,798
Goodwill and other intangible assets	7,140
Assets of businesses held for sale	84,442
Accrued income and prepaid expenses	9,822
Other assets	22,913
<b>Total assets</b>	<b>1,120,059</b>
<b>Liabilities</b>	
Financial liabilities held for trading	159,709
Due to banks	254,299
Due to customers	354,260
Issued debt securities	191,160
Provisions	7,951
Liabilities of businesses held for sale	80,380
Accrued expenses and deferred income	8,710
Other liabilities	22,053
<b>Total liabilities (excluding subordinated liabilities)</b>	<b>1,078,522</b>
Subordinated liabilities	14,707
<b>Total liabilities</b>	<b>1,093,229</b>
<b>Equity</b>	
Share capital	1,085
Share premium	5,257
Treasury shares	(2,213)
Retained earnings	19,843
Net gains not recognised in the income statement	709
<b>Equity attributable to shareholders of the parent company</b>	<b>24,681</b>
Equity attributable to minority interests	2,149
<b>Total equity</b>	<b>26,830</b>
<b>Total equity and liabilities</b>	<b>1,120,059</b>

Credit related contingent liabilities	57,614
Committed credit facilities	151,607

**Table of Contents****Selected Consolidated Income Statement of ABN AMRO for the years ending December 31, 2006, 2005 and 2004.**

	For the year ended December 31,			
	2006 <sup>(a)</sup>	2006	2005	2004
	\$m	m	m	m
<i>(IFRS)</i>				
Net interest income	13,371	10,575	8,785	8,525
Net fee and commission income	7,665	6,062	4,691	4,485
Net trading income	3,767	2,979	2,621	1,309
Results from financial transactions	1,374	1,087	1,281	905
Share of result in equity accounted investments	307	243	263	206
Other operating income	1,747	1,382	1,056	745
Income of consolidated private equity holdings	6,718	5,313	3,637	2,616
Operating income	34,948	27,641	22,334	18,791
Operating expenses	26,189	20,713	16,301	15,180
Loan impairment and other credit risk provisions	2,345	1,855	635	607
Total expenses	28,534	22,568	16,936	15,787
Operating profit before tax	6,414	5,073	5,398	3,004
Income tax expense	1,140	902	1,142	715
Profit from continuing operations	5,274	4,171	4,256	2,289
Profit from discontinued operations net of tax	770	609	187	1,651
Profit for the year	6,044	4,780	4,443	3,940
Attributable to shareholders of the parent company	5,961	4,715	4,382	3,865
Dividends on ordinary shares	2,722	2,153	2,050	1,665
<b>Per share financial data</b>				
Average number of ordinary shares outstanding (in millions)		1,882.5	1,804.1	1,657.6
Basic earning per shares (in ¢)		2.50	2.43	2.33
Fully diluted earnings per share (in ¢)		2.49	2.42	2.33
Net profit per ordinary share from continuing operations (in ¢)		2.18	2.33	1.34
Fully diluted net profit per ordinary share from continuing operations (in ¢)		2.17	2.32	1.34
Dividend per ordinary share (in ¢)		1.15	1.10	1.00
Net profit per American Depositary Share (in US dollars) <sup>(b)(c)</sup>		3.16	3.01	2.91
Dividend per American Depositary Share (in US dollars) <sup>(b)(d)</sup>		1.50	1.34	1.27

(a) Solely for your convenience, Euro amounts have been translated into US dollars at an exchange rate of \$1 = 0.7909, which is the rate equal to the average of the month-end rates for 2006.

- (b) Adjusted for increases in share capital, as applicable. See Note 13 to ABN AMRO's consolidated financial statements for a description of the computation of earnings per ordinary share.
- (c) Solely for your convenience, this item has been translated into US dollars at the rate equal to the average of the month-end rates for the applicable year.
- (d) Solely for your convenience, this item has been translated into US dollars at the applicable rate on the date of payment, other than for the 2006 final dividend, which has been translated into US dollars at the March 16, 2006 exchange rate of \$1 = 0.7515, the latest practicable date for which information is available.

**Table of Contents****Selected Consolidated Income Statement of ABN AMRO for the years ending December 31, 2003 and 2002**

	For the Year Ended December 31,	
	2003	2002
	m (except per share data)	m
<i>(Dutch GAAP)</i>		
Net interest revenue	9,723	9,845
Net commissions	4,464	4,639
Results from financial transactions	1,993	1,477
Other revenue	2,613	2,319
Total revenue	18,793	18,280
Operating expenses	12,585	13,148
Provision for loan losses	1,274	1,695
Operating profit before taxes	4,918	3,388
Net profit	3,161	2,207
Net profit attributable to Ordinary Shares	3,116	2,161
Dividends on Ordinary Shares	1,589	1,462
<b>Per Share Financial Data</b>		
Average number of Ordinary Shares outstanding (in millions)	1,610.2	1,559.3
Net profit per Ordinary Share (in $\text{€}$ )	1.94	1.39
Fully diluted net profit per Ordinary Share (in $\text{€}$ )	1.93	1.38
Dividend per Ordinary Share (in $\text{€}$ )	0.95	0.90
Net profit per American Depositary Share (in US\$) <sup>(a)(b)</sup>	2.21	1.48
Dividend per American Depositary Share (in US\$) <sup>(a)(c)</sup>	1.09	0.92

(a) Adjusted for increases in share capital, as applicable.

(b) This item has been translated into US dollars at the rate equal to the average of the month-end rates for the applicable year.

(c) Solely for your convenience, this item has been translated into US dollars at the applicable rate on the date of payment.

**Table of Contents****Selected Consolidated Balance Sheet Data of ABN AMRO as at December 31, 2006, 2005 and 2004**

	At December 31,			
	2006 <sup>(a)</sup>	2006	2005	2004
	\$m	m	m	m
<i>(IFRS)</i>				
<b>Assets</b>				
Financial assets held for trading	271,283	205,736	202,055	167,035
Financial investments	165,327	125,381	123,774	102,948
Loans and receivables banks	177,772	134,819	108,635	83,858
Loans, and receivables customers	584,476	443,255	380,248	320,022
<b>Total Assets</b>	<b>1,301,543</b>	<b>987,064</b>	<b>880,804</b>	<b>727,454</b>
<b>Liabilities</b>				
Financial liabilities held for trading	191,677	145,364	148,588	129,506
Due to banks	247,882	187,989	167,821	133,529
Due to customers	477,838	362,383	317,083	281,379
Issued debt securities	266,418	202,046	170,619	121,232
<b>Capitalization</b>				
Equity attributable to shareholders of the parent company <sup>(c)</sup>	31,115	23,597	22,221	14,815
Equity attributable to minority interests	3,030	2,298	1,931	1,737
Subordinated liabilities	25,334	19,213	19,072	16,687
Group capital <sup>(c)</sup>	59,479	45,108	43,224	33,239
<b>Per Share Financial data</b>				
Ordinary shares outstanding (in millions)		1,853.8	1,877.9	1,669.2
Equity attributable to shareholders of the parent company per ordinary share (in ¢)		12.73	11.83	8.88
Equity attributable to shareholders of the parent company per American Depositary Share (in \$) <sup>(b)(c)</sup>		16.78	14.00	12.11

(a) Solely for your convenience, Euro amounts have been translated into US dollars at an exchange rate of \$1 = 0.75838, which is the year-end rate for 2006.

(b) This item has been translated into US dollars at the applicable year-end rate.

(c) Pursuant to a directive of the Dutch *Raad voor de Jaarverslaggeving* (Council for Annual Reporting), from January 1, 2003, ABN AMRO calculates shareholders' equity before profit appropriation instead of after profit appropriation, which is how ABN AMRO used to present its financials. The consequence of this new directive is that the profit during the year will be added to shareholders' equity for the full amount until shareholders have approved the proposed profit appropriation. To be able to compare on a like for like basis, ABN AMRO has re-presented shareholders' equity, group capital and shareholders' equity per ABN AMRO ordinary share and per ABN AMRO ADS as at December 31, 2002 before profit appropriation.





**Table of Contents****Selected Consolidated Balance Sheet Data of ABN AMRO as at December 31, 2003 and 2002**

	At December 31,	
	2003	2002
	m	m
	(except per share data)	
<i>(Dutch GAAP)</i>		
<b>Assets</b>		
Banks	58,800	41,924
Loans	296,843	310,903
Interest-bearing securities	132,041	141,494
Total assets	560,437	556,018
<b>Liabilities</b>		
Banks	110,887	95,884
Total customer accounts	289,866	289,461
Debt securities	71,688	71,209
<b>Capitalization</b>		
Fund for general banking risks	1,143	1,255
Shareholders' equity <sup>(a)</sup>	13,047	11,081
Minority interests	3,713	3,810
Subordinated debt	13,900	14,278
Group capital <sup>(a)</sup>	31,803	30,424
<b>Per Share Financial Data</b>		
Ordinary Shares outstanding (in millions)	1,637.9	1,585.6
Shareholders' equity per Ordinary Share (in <sup>(a)</sup> )	7.47	6.47
Shareholders' equity per American Depositary Share (in US\$ <sup>(b)</sup> )	9.42	6.79

(a) Pursuant to a directive of the Dutch *Raad voor de Jaarverslaggeving* (Council for Annual Reporting), from January 1, 2003, ABN AMRO calculated shareholders' equity before profit appropriation instead of after profit appropriation, which is how ABN AMRO used to present its financials. The consequence of this new directive is that the profit during the year will be added to shareholders' equity for the full amount until shareholders have approved the proposed profit appropriation. To be able to compare on a like for like basis, ABN AMRO has re-presented shareholders' equity, group capital and shareholders' equity per ABN AMRO ordinary share and per ABN AMRO ADS as at December 31, 2002 before profit appropriation.

(b) This item has been translated into US dollars at the applicable year-end rate.

Table of Contents**Selected US GAAP Financial Data of ABN AMRO as at and for the six months ended June 30, 2007 and 2006**

	As at and for the six months ended June 30,			
	2007 <sup>(a)</sup>	2007	2006 <sup>(b)</sup>	2006
	\$m	m	\$m	m
<b>(except per share data)</b>				
<i>(US GAAP)</i>				
<b>Income Statement Data</b>				
Net profit	1,605	2,159	780	2,191
<b>Balance Sheet Data</b>				
Shareholders' equity	21,265	28,750	21,974	28,080
<b>Share Information</b>				
Basic earnings per Ordinary Share (in )	0.86	1.16	0.96	1.18
Diluted earnings per Ordinary Share (in )	0.85	1.15	0.96	1.18
Shareholders' equity per Ordinary Share (in )	11.15	15.08	11.53	14.73

- (a) Solely for your convenience, Euro amounts have been translated into US dollars for income statement items at an exchange rate of \$1 = 1.3451, the rate equal to the average of the daily noon buying rates for cable transfers in New York City, payable in Euro, for the six months ended June 30, 2007, and for balance sheet items at an exchange rate of \$1 = 1.3520, the noon buying rate for cable transfers in New York City, payable in Euro, on June 30, 2007.
- (b) Solely for your convenience, Euro amounts have been translated into US dollars for income statement items at an exchange rate of \$1 = 1.2309, the rate equal to the average of daily noon buying rates for cable transfers in New York City, payable in Euro, for six months ended June 30, 2006, and for balance sheet items at an exchange rate of \$1 = 1.2779, the noon buying rate for cable transfers in New York City, payable in Euro, on June 30, 2006.

**Table of Contents****Selected US GAAP Financial Data of ABN AMRO as at and for the years ended December 31, 2006, 2005 and 2004**

For the year ended December 31,

	2006 <sup>(a)</sup>	2006	2005	2004
	\$m	m	m	m
		(except per share data)		
<i>(US GAAP)</i>				
<b>Income Statement Data</b>				
Net interest income	11,430	9,040	8,565	8,886
Non-interest income	15,224	12,041	8,247	5,995
Total revenue	26,654	21,081	16,812	14,881
Loan impairment and other credit risk provisions	2,419	1,913	536	(191)
Operating profit before tax	6,345	5,018	3,246	2,447
Net profit	5,640	4,461	2,870	2,824
<b>Balance Sheet Data</b>				
Shareholders' equity	37,026	28,080	28,494	21,537
Minority interests	3,030	2,298	1,931	1,737
Total assets	1,289,731	978,106	876,366	725,172
<b>Share Information</b>				
Basic earnings per Ordinary Share (in )		2.35	1.57	1.68
Diluted earnings per Ordinary Share (in )		2.34	1.56	1.67
Basic earnings per American Depositary Share (in \$) <sup>(b)</sup>		2.97	1.94	2.09
Shareholders' equity per Ordinary Share (in )		14.73	14.76	12.44
Shareholders' equity per American Depositary Share (in \$) <sup>(c)</sup>		19.43	17.47	16.97

(a) Solely for your convenience, Euro amounts have been translated into US dollars for income statement items at an exchange rate of \$1 = 0.7909, the rate equal to the average of the month-end rates for 2006, and for balance sheet items at an exchange rate of \$1 = 0.75838, the exchange rate on December 31, 2006.

(b) This item has been translated into US dollars at the rate equal to the average of the month-end rates for the applicable year.

(c) This item has been translated into US dollars at the applicable year-end rate.

**Table of Contents****Selected US GAAP Financial Data of ABN AMRO as at and for the years ended December 31, 2003 and 2002**

	At or for the Year Ended December 31,	
	2003	2002
	m	m
	(except per share data)	
<i>(US GAAP)</i>		
<b>Income Statement Data</b>		
Net interest revenue	8,052	7,879
Non-interest revenue	9,472	10,057
Total revenue	17,524	17,936
Loan impairment and other credit risk provisions	1,274	1,695
Pre-tax profit	4,967	3,711
Net profit	3,119	2,110
<b>Balance Sheet Data</b>		
Shareholders' equity	20,143	19,013
Minority interests	3,713	3,810
Total assets	565,039	562,478
<b>Share Information</b>		
Basic earnings per ordinary share (in ¢)	1.91	1.32
Diluted earnings per ordinary share (in ¢)	1.90	1.32
Basic earnings per American Depositary Share (in \$) <sup>(a)</sup>	2.17	1.25
Shareholders' equity per ordinary share (in ¢)	11.80	11.47
Shareholders' equity per American Depositary Share (in \$) <sup>(b)</sup>	14.87	12.03

(a) This item has been translated into US dollars at the rate equal to the average of the month-end rates for the applicable year.

(b) This item has been translated into US dollars at the applicable year-end rate.

**Summary Selected Historical Interim Financial Information of Barclays (Netherlands) (see page 163)**

The following selected interim financial information as at May 31, 2007, and for the period from May 2, 2007 through May 31, 2007, of Barclays (Netherlands) have been prepared in accordance with IFRS.

The following selected interim financial information of Barclays (Netherlands) has been derived from Barclays (Netherlands) audited interim financial statements included in this document. The data below should be read in conjunction with the interim financial statements, related notes and other financial information of Barclays included in this document. See Barclays (Netherlands) Interim Financial Statements .

With respect to the interim financial statements of Barclays (Netherlands), there are no significant differences between IFRS and US GAAP accounting policies, and US GAAP net income and shareholders equity would not be materially different from that presented in the IFRS financial statements.



Table of Contents**Selected Interim Balance Sheet Data of Barclays (Netherlands) as at May 31, 2007**

	<b>May 31, 2007</b>	
	£	£
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	204,744,559	
		204,744,559
<b>Total assets</b>		204,744,559
<b>Shareholder s Equity and Liabilities</b>		
<b>Shareholder s equity</b>		
Share capital	204,630,000	
Result for the period	(79,416)	
<b>Total equity</b>		204,550,584
<b>Current liabilities</b>		
Payable corporate income tax	176,292	
Accrued expenses	17,683	
<b>Total liabilities</b>		193,975
<b>Total equity and liabilities</b>		204,744,559

**Selected Interim Income Statement of Barclays (Netherlands) for the period from May 2, 2007 through May 31, 2007**

	<b>May 2, 2007- May 31, 2007</b>	
	£	£
<b>Financial income and expenses</b>		
Interest received	715,924	
Foreign exchange loss	(601,365)	
		114,559
<b>Operating expenses</b>		
Management and service fees	4,081	
Audit fee	6,801	
Other operating expenses	6,801	
<b>Operating expenses</b>		(17,683)
<b>Profit before taxation</b>		96,876
Corporate income tax		(176,292)

<b>Result for the period</b>	(79,416)
<b>Attributable to the parent company</b>	(79,416)

Table of Contents**Selected Interim Statement of Changes in Shareholders Equity of Barclays (Netherlands) for the period from May 2, 2007 through May 31, 2007**

	Share Capital	Result for the Period	Total Shareholders Equity
	£	£	£
<b>Shares issued on incorporation (May 2, 2007)</b>	204,630,000		204,630,000
Result for the period		(79,416)	(79,416)
<b>Balance at May 31, 2007</b>	204,630,000	(79,416)	204,550,584

**Selected Interim Cash Flow Statement of Barclays (Netherlands) for the period from May 2, 2007 through May 31, 2007**

	May 2, 2007- May 31, 2007
	£
<b>Reconciliation of profit before tax to net cash flows from operating activities</b>	
<b>Profit before taxation</b>	96,876
<b>Adjustments for</b>	
Foreign exchange loss	601,365
<b>Changes in the working capital</b>	
Increase in accrued expenses	17,683
<b>Net cash flow from operating activities</b>	715,924
<b>Cash flow from financing activities</b>	
Proceeds from issues of shares	204,630,000
<b>Cash flow for the period</b>	205,345,924
<b>Cash and Cash equivalents at the beginning of the period</b>	
<b>Cash flow for the period</b>	205,345,924
<b>Exchange rate differences</b>	(601,365)
<b>Cash and Cash equivalents at the end of the period</b>	204,744,559

**Summary Unaudited Pro Forma Combined Condensed Financial Information (see page 165)**

The following table shows selected information about the pro forma financial condition and results including per share data, of Barclays after the proposed combination.

The table sets forth selected unaudited pro forma combined condensed balance sheet data as at June 30, 2007 and December 31, 2006, and unaudited pro forma combined condensed income statement data for the six months ended June 30, 2007 and the year ended December 31, 2006, based on the historical financial statements of Barclays and ABN AMRO after giving effect to the proposed combination



using the purchase method of accounting. The pro forma financial information includes appropriate adjustments to account for the events directly associated with the proposed combination. Any potential synergy benefits are not included within the pro forma financial information. Only costs which are expected to be directly incurred as part of the proposed combination have been included within the pro forma financial information.

The pro forma adjustments directly relating to the proposed combination are based on effecting the disposal of LaSalle before the completion of the exchange offer, an estimate of the fair value of the consideration to be provided, and preliminary assessments of the fair values of assets acquired and liabilities assumed and available information and assumptions. If the proposed combination did occur, a final determination of these fair values will be based on Barclays management's estimates of the fair values of the remaining assets and liabilities and an assessment of the fair values of the intangible assets as at the actual date of the combination. The final determination of these fair values will result in potential material changes to the pro forma adjustments and the pro forma financial information included herein. See Unaudited Pro Forma Combined Condensed Financial Information .

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The information below should be read together with the publicly available historical consolidated financial statements of ABN AMRO and Barclays incorporated by reference into this document. The unaudited pro forma financial information is not necessarily indicative of results that actually would have occurred had the combination been completed on the dates indicated or that may be obtained in the future. See also Risk Factors and Forward-Looking Statements .

	<b>Six Months Ended June 30, 2007</b>	<b>Year Ended December 31, 2006</b>
	<b>£m</b>	<b>£m</b>
Total income net of insurance claims	20,215	36,888
Earnings per share data (pence)		
Basic	24.8	44.9
Diluted	24.4	44.1
Total assets	1,872,001	1,623,688
Total liabilities	1,812,055	1,561,038
Total shareholders' equity	59,946	62,650

**Summary Comparative Historical and Pro Forma Per Share Information (see page 193)**

The following table summarizes share information for Barclays and ABN AMRO on a historical basis, an unaudited pro forma combined basis for the combined group and equivalent information per ABN AMRO ordinary share, based on the exchange ratio of 2.13 Barclays ordinary shares and 13.15 in cash for each ABN AMRO ordinary share. The following information should be read in conjunction with the audited consolidated financial statements of Barclays and ABN AMRO incorporated by reference into this document, and the unaudited pro forma combined condensed financial information. See Comparative Historical and Pro Forma Per Share Information .

	<b>Six Months Ended June 30, 2007</b>	<b>Year Ended December 31, 2006</b>
<b>Barclays Historical</b>		
Historical per ordinary share:		
Basic earnings per ordinary share	£0.41	£0.72
Dividend per ordinary share	£0.12	£0.31
Book value per share	£3.20	£3.03
<b>ABN AMRO Historical</b>		
Historical per ordinary share:		
Basic earnings per ordinary share	0.87	2.50
Dividend per ordinary share	0.58	1.15
Book value per share	13.30	12.73
<b>Unaudited Pro Forma on a combined basis per ordinary share</b>		
Unaudited pro forma on a combined basis per ordinary share:		
Basic earnings per ordinary share	0.37	0.66
Dividends declared per ordinary share	0.19	0.45
Book value per share	6.62	7.01

**Unaudited Pro Forma per ABN AMRO Ordinary Share  
Equivalents**

Unaudited pro forma per share of ABN AMRO ordinary  
shares:

Basic earnings per ordinary share	0.79	1.41
Dividend per ordinary share	0.41	0.96
Book value per share	27.24	28.08

**Summary Comparative Market Price and Dividend Per Share Information (see page 174)**

The following table presents trading information for Barclays ordinary shares, Barclays ADSs and ABN AMRO ordinary shares and ABN AMRO ADSs on March 16, 2007, the last trading day before

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Barclays and ABN AMRO confirmed they were in exploratory discussions, April 20, 2007, the last trading day before the public announcement of the execution of the Merger Protocol, July 20, 2007, the last trading day before the announcement of the revised exchange offer, and August 2, 2007, the last practicable trading day before the date of the commencement of the exchange offer.

	<b>Barclays Ordinary Shares</b>	<b>ABN AMRO Ordinary Shares</b>
March 16, 2007	£6.825	27.29
April 20, 2007	£7.50	36.29
July 20, 2007	£7.135	36.63
August 2, 2007	£6.86	35.24

  

	<b>Barclays ADSs</b>	<b>ABN AMRO ADSs</b>
March 16, 2007	\$53.50	\$36.24
April 20, 2007	\$60.00	\$49.29
July 20, 2007	\$58.63	\$50.84
August 2, 2007	\$56.13	\$48.49

For illustrative purposes, the following table provides ABN AMRO equivalent per ABN AMRO ordinary share and ABN AMRO ADS information on each of the relevant dates. ABN AMRO equivalent per ABN AMRO ordinary share and ABN AMRO ADS amounts are calculated by multiplying the Barclays ordinary share and Barclays ADS amounts, respectively, by the relevant exchange ratio and adding the relevant cash amount.

	<b>Barclays Ordinary Shares</b>	<b>ABN AMRO Equivalent per Share</b>
March 16, 2007	£6.825	34.3 <sup>(a)</sup>
April 20, 2007	£7.50	36.7 <sup>(b)</sup>
July 20, 2007	£7.135	35.7 <sup>(c)</sup>
August 2, 2007	£6.86	34.8 <sup>(d)</sup>

(a) Based on the Barclays ordinary share closing price of £6.825 on March 16, 2007 and an exchange rate of £1.00 = 1.4597, as published by the Financial Times on March 17, 2007.

(b) Based on the Barclays ordinary share closing price of £7.50 on April 20, 2007 and an exchange rate of £1.00 = 1.4739, as published by the Financial Times on April 21, 2007.

(c) Based on the Barclays ordinary share closing price of £7.135 on July 20, 2007 and an exchange rate of £1.00 = 1.4856, as published by the Financial Times on July 21, 2007.

(d) Based on the Barclays ordinary share price of £6.86 on August 2, 2007 and the exchange rate of £1 = 1.4839, as published by the Financial Times on August 2, 2007.

**Barclays ADSs**

**ABN AMRO Equivalent per  
ADS**

March 16, 2007	\$53.50	\$ 45.99 <sup>(a)</sup>
April 20, 2007	\$60.00	\$ 49.82 <sup>(b)</sup>
July 20, 2007	\$58.63	\$ 49.41 <sup>(c)</sup>
August 2, 2007	\$56.13	\$ 47.87 <sup>(d)</sup>

(a) Based on the Barclays ADS closing price of \$53.50 on March 16, 2007 and an exchange rate of 1.00 = \$1.3307, as published by the Financial Times on March 17, 2007.

(b) Based on the Barclays ADS closing price of \$60.00 on April 20, 2007 and an exchange rate of 1.00 = \$1.3593, as published by the Financial Times on April 21, 2007.

(c) Based on the Barclays ADS closing price of \$58.63 on July 20, 2007 and an exchange rate of 1.00 = \$1.3835, as published by the Financial Times on July 21, 2007.

(d) Based on the Barclays ADS closing price of \$56.13 on August 2, 2007 and an exchange rate of 1.00 = \$1.3676, as published by the Financial Times on August 2, 2007.

The tables below set forth, for the periods indicated, the high and low closing prices of Barclays ordinary shares and ABN AMRO ordinary shares as reported on the LSE and Euronext, respectively, as well as the annual dividend amounts paid since 2002.

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	Barclays Ordinary Shares			ABN AMRO Ordinary Shares		
	High	Low	Dividends	High	Low	Dividends
2002	£6.24	£3.55	£0.1835	22.78	10.45	0.90
2003	£5.27	£3.11	£0.205	18.88	11.93	0.95
2004	£5.86	£4.43	£0.24	19.79	16.47	1.00
2005	£6.15	£5.20	£0.266	22.34	18.27	1.10
2006	£7.37	£5.86	£0.31	25.92	20.46	1.15

The tables below set forth, for the periods indicated, the high and low closing prices of Barclays ADSs and ABN AMRO ADSs as reported on the NYSE, as well as the annual dividend amounts paid since 2002.

	Barclays ADSs			ABN AMRO ADSs		
	High	Low	Dividends	High	Low	Dividends
2002	\$36.80	\$22.30	\$1.16	\$20.32	\$10.54	\$0.92
2003	\$36.35	\$20.60	\$1.43	\$23.48	\$13.39	\$1.09
2004	\$45.68	\$33.06	\$1.80	\$26.65	\$19.67	\$1.27
2005	\$46.76	\$37.57	\$1.89	\$27.86	\$22.95	\$1.34
2006	\$58.38	\$42.03	\$2.41	\$32.60	\$25.57	\$1.50

See Comparative Historical and Pro Forma Per Share Information .

**Additional Information About Barclays**

US laws and regulations require compliance with US economic sanctions, administered by the Office of Foreign Assets Control, against designated foreign countries, nationals and others. Barclays has been conducting an internal review of US dollar payments involving countries, persons or entities subject to these sanctions and has been reporting to regulators about the results of that review. Barclays has received inquiries relating to these sanctions and certain US dollar payments processed by its New York branch from the New York County District Attorney's Office and the US Department of Justice, which, along with other authorities, has been reported to be conducting a broader review of sanctions compliance by non-US financial institutions. Barclays has been cooperating with regulators, the Department of Justice and the District Attorney's Office in connection with their inquiries. Barclays review is ongoing. It is currently not possible to predict the ultimate resolution of the issues covered by Barclays review and the inquiries, including the timing of any resolution.

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**RISK FACTORS**

*You should carefully consider the following risks and the risk factors incorporated by reference into this document from the Barclays 2006 Form 20-F and the ABN AMRO 2006 Form 20-F, together with other information contained in or incorporated by reference into this document, before making any decision concerning the terms of this exchange offer or whether to accept it. Any of these risks could have a material adverse effect on the businesses, financial conditions and results of operations of Barclays, ABN AMRO and the combined group, which could, in turn, affect the price of the Barclays ordinary shares and Barclays ADSs.*

**Additional Risks Related to Barclays**

*In addition to the risk factors described in the Barclays 2006 Form 20-F, you should also carefully consider the following risk factor.*

**Governmental policy and regulation may have an effect on Barclays results.**

Barclays businesses and earnings can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in the United Kingdom, the European Union, the United States, South Africa and elsewhere.

There is continuing political and regulatory scrutiny of the operation of the retail banking and consumer credit industries in the United Kingdom and elsewhere. The nature and impact of future changes in policies and regulatory action are not predictable and are beyond Barclays control, but could have an impact on Barclays businesses and earnings.

In the European Union as a whole, these regulatory actions included an inquiry into retail banking in all of the then 25 member states by the European Commission's Directorate General for Competition. The inquiry looked at retail banking in Europe generally, and Barclays has fully co-operated with the inquiry. On January 31, 2007 the European Commission announced that the inquiry had identified barriers to competition in certain areas of retail banking, payment cards and payment systems in the European Union. The European Commission indicated it will use its powers to address these barriers, and will encourage national competition authorities to enforce European and national competition laws where appropriate. Any action taken by the European Commission and national competition authorities could have an impact on the payment cards and payment systems businesses of Barclays and on its retail banking activities in the European Union countries in which it operates.

In the United Kingdom, in September 2005 the Office of Fair Trading (the OFT) received a super-complaint from the Citizens Advice Bureau relating to payment protection insurance (PPI). As a result, the OFT commenced a market study on PPI in April 2006. In October 2006, the OFT announced the outcome of the market study and, following a period of consultation, the OFT referred the PPI market to the UK Competition Commission for an in-depth inquiry on February 7, 2007. This inquiry could last for up to two years. Also, in October 2006, the FSA published the outcome of its broad industry thematic review of PPI sales practices in which it concluded that some firms fail to treat customers fairly. Barclays has cooperated fully with these investigations and will continue to do so.

In April 2006, the OFT commenced a review of the undertakings given following the conclusion of the Competition Commission Inquiry in 2002 into the supply of banking services to small and medium enterprises (SMEs). Barclays is cooperating fully with that review.

The OFT has carried out investigations into Visa and MasterCard credit card interchange rates. The decision by the OFT in the MasterCard interchange case was set aside by the Competition Appeals Tribunal in June 2006. The OFT's investigations in the Visa interchange case and a second MasterCard interchange case are ongoing. The outcome is not known, but these investigations may have an impact on the consumer credit industry in general and, therefore on Barclays business in this sector. On

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February 9, 2007, the OFT announced that it was expanding its investigation into interchange rates to include debit cards.

On April 1, 2007, the UK consumer interest association known as Which? submitted a super-complaint to the OFT pursuant to the Enterprise Act 2002. The super-complaint criticizes the various ways in which credit card companies calculate interest charges on credit card accounts. On June 26, 2007, the OFT announced a new program of work with the credit card industry and consumer bodies in order to make the costs of credit cards easier for consumers to understand. This OFT decision follows the receipt by the OFT of the super-complaint from Which? This new work will explore the issues surrounding the costs of credit for credit cards including purchases, cash advances, introductory offers and payment allocation. The OFT's program of work is expected to take six months.

The OFT announced the findings of its investigation into the level of late and over-limit fees on credit cards on April 5, 2006, requiring a response from credit card companies by May 31, 2006. Barclaycard responded by confirming that it would reduce its late and over-limit fees on credit cards from August 1, 2006.

On September 7, 2006, the OFT announced that it had decided to undertake a fact find on the application of its statement on credit card fees to current account unauthorized overdraft fees. The fact find was completed in March 2007. On March 29, 2007, the OFT announced its decision to conduct a formal in-depth investigation into the fairness of bank current account charges. The OFT announced a market study into personal current accounts (PCAs) in the UK on April 26, 2007. The market study will look at: (i) whether the provision of free if in credit PCAs delivers sufficiently high levels of transparency and value for customers; (ii) the implications for competition and consumers if there were to be a shift away from free if in credit PCAs; (iii) the fairness and impact on consumers generally of the incidence, level and consequences of account charges; and (iv) what steps could be taken to improve customers' ability to secure better value for money, in particular to help customers make more informed current account choices and drive competition. The study will focus on PCAs but will include an examination of other retail banking products, in particular savings accounts, credit cards, personal loans and mortgages in order to take into account the competitive dynamics of UK retail banking. On July 27, 2007, the OFT commenced High Court proceedings by agreement with Barclays and seven other banks and building societies in which both the OFT and the banks and building societies seek declarations on legal issues arising from the banks' terms and conditions relating to overdraft charges. Specifically, those declarations will address key aspects of the applicability of the Unfair Terms in Consumer Contracts Regulations to those terms and conditions and the question of whether such terms are capable of amounting to unlawful penalty charges.

The proceedings will run in parallel with the ongoing OFT dual inquiry into unauthorized overdraft charges and PCAs. As the purpose of the proceedings is to seek to clarify the legitimacy of the banks' overdraft charging provisions, the banks are seeking a stay of all pending county court litigation in relation to such matters. The Financial Ombudsman Service has agreed to suspend reviews of such cases and the FSA has granted complaints handling waivers in respect of all complaints on the same issues pending conclusion of the test case.

On January 26, 2007, the FSA issued a Statement of Good Practice relating to Mortgage Exit Administration Fees. Barclays will charge the fee applicable at the time the customer took out the mortgage, which is one of the options recommended by the FSA.

Other areas where changes could have an impact include:

the monetary, interest rate and other policies of central banks and regulatory authorities;

general changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which Barclays operates;



general changes in the regulatory requirements, for example, prudential rules relating to the capital adequacy framework;

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changes in competition and pricing environments;

further developments in the financial reporting environment;

expropriation, nationalization, confiscation of assets and changes in legislation relating to foreign ownership;  
and

other unfavorable political, military or diplomatic developments producing social instability or legal uncertainty which, in turn, may affect demand for Barclays products and services.

**Because the Barclays share buy-back program may be delayed or not completed at all, it may not result in an anti-dilutive effect on Barclays ordinary shares and Barclays ADSs.**

The 3.6 billion (£2.4 billion) share buy-back program announced by Barclays on July 23, 2007 is subject to market and economic conditions and therefore may take longer to complete than anticipated or may not be completed at all. For example, there can be no certainty that trading volumes will be sufficient to enable Barclays to complete the share buy-back program in the expected timeframe. In these circumstances, the share buy-back program may not minimize the dilutive effect of the unconditional share issuance to China Development Bank and Temasek.

**Risks Related to the Exchange Offer and the Combined Group**

**Because the exchange ratios are fixed, the market value of the consideration paid in the exchange offer may be more or less than the market value of ABN AMRO ordinary shares or ABN AMRO ADSs.**

Holders of ABN AMRO ordinary shares and ABN AMRO ADSs who receive Barclays ordinary shares or Barclays ADSs in the exchange offer will receive a fixed number of Barclays ordinary shares or Barclays ADSs rather than a number of securities with a particular fixed market value. The market value of Barclays ordinary shares or Barclays ADSs at the time of the closing of the offer or any post-closing restructuring which is expected to be a transaction or a series of transactions having the effect of acquiring by Barclays of ABN AMRO ordinary shares and ABN AMRO ADSs which remain outstanding after the exchange offer may vary significantly from their prices on the date of the Merger Protocol, the date of this document, the date on which holders of ABN AMRO ordinary shares or ABN AMRO ADSs tender their ABN AMRO ordinary shares or ABN AMRO ADSs in the exchange offer or the effective date of the combination. Because the exchange ratios will not be adjusted to reflect any changes in the market price of Barclays ordinary shares or Barclays ADSs or ABN AMRO ordinary shares or ABN AMRO ADSs, the value of the consideration paid to holders of ABN AMRO ordinary shares and ABN AMRO ADSs who receive Barclays ordinary shares or Barclays ADSs in the exchange offer may be higher or lower than the market value of such securities on earlier dates. Because the exchange ratios are fixed, the market value of consideration paid in any subsequent offering period may also differ from the consideration paid in the initial offering period.

Changes in share prices may result from a variety of factors that are beyond the control of Barclays and ABN AMRO, including changes in their respective businesses, operations and prospects, regulatory considerations, governmental actions, and legal proceedings and developments. Market assessments of the benefits of the combination and of the likelihood that the combination will be completed, and general and industry-specific market and economic conditions may also have an effect on prices. Neither Barclays nor ABN AMRO is permitted to terminate the Merger Protocol solely because of changes in the market price of either party's shares. See The Merger Protocol Termination for a description of the circumstances in which Barclays and ABN AMRO may terminate the Merger Protocol.

In addition, it is possible that the exchange offer and any post-closing restructuring may not be completed until a significant period of time has passed after the commencement of the exchange offer. As a result, the market values of Barclays ordinary shares, Barclays ADSs, ABN AMRO ordinary shares and ABN AMRO ADSs may vary significantly from the date of this document to the dates of the completion of

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the exchange offer and any post-closing restructuring. You are urged to obtain up-to-date prices for Barclays ordinary shares, Barclays ADSs, ABN AMRO ordinary shares and ABN AMRO ADSs. See Comparative Per Share Market Price and Dividend Information for ranges of historic prices of Barclays ordinary shares, Barclays ADSs, ABN AMRO ordinary shares and ABN AMRO ADSs, and for prices on March 16, 2007, the last trading day before ABN AMRO and Barclays confirmed that they were in exploratory discussions, April 20, 2007, the last trading day before the public announcement of the Merger Protocol, July 20, 2007, the last trading day before the announcement of the revised exchange offer, and August 2, 2007.

**The ability of a holder of ABN AMRO ordinary shares or ABN AMRO ADSs to increase the amount of cash or the number of Barclays ordinary shares or Barclays ADSs that they receive in the exchange offer pursuant to the Mix and Match Facility will be based on the elections made by other ABN AMRO shareholders and may be subject to proration.**

Holders of ABN AMRO ordinary shares or ABN AMRO ADSs may elect, subject to availability, to vary the proportions in which they receive Barclays ordinary shares or Barclays ADSs and cash in respect of their holdings of ABN AMRO ordinary shares or ABN AMRO ADSs under the Mix and Match Facility. However, the total number of Barclays ordinary shares, including those represented by Barclays ADSs, to be issued and the total amount of the cash consideration to be paid under the exchange offer will not be varied as a result of the Mix and Match Facility. Accordingly, satisfaction of elections by holders of ABN AMRO ordinary shares or ABN AMRO ADSs under the Mix and Match Facility will depend on the extent to which other holders of ABN AMRO ordinary shares or ABN AMRO ADSs (who together form one consideration pool) make offsetting elections.

If elections under the Mix and Match Facility cannot be satisfied in full, they will be scaled down on a pro rata basis. If a holder has elected to receive more Barclays ordinary shares or Barclays ADSs and less cash, but there are not enough Barclays ordinary shares or Barclays ADSs given up by other holders to satisfy the holder's election, the holder will receive fewer Barclays ordinary shares or Barclays ADSs and more cash than the holder elected. Similarly, if a holder has elected to receive more cash and fewer Barclays ordinary shares or Barclays ADSs, but there is not enough cash given up by other holders to satisfy the holder's election, the holder will receive less cash and more Barclays ordinary shares or Barclays ADSs than the holder elected.

As a result, holders of ABN AMRO ordinary shares or ABN AMRO ADSs who make an election under the Mix and Match Facility may not have their election satisfied in full, and they may not know the exact number of Barclays ordinary shares or Barclays ADSs or the amount of cash that they will receive until settlement of the consideration under the exchange offer. An announcement will be made of the extent to which elections under the Mix and Match Facility have been satisfied, no later than the applicable settlement date.

**The exchange price under the Mix and Match Facility may not reflect the current trading price.**

Satisfaction of elections (in whole or part) under the Mix and Match Facility will be carried out on the basis of a fixed rate of 11.87 for each Barclays ordinary share and the US dollar equivalent of 47.48 for each Barclays ADS. These figures reflect the exchange price of £8.00 per Barclays ordinary share (or \$64.94 per Barclays ADS), using the exchange rate of £1.00 = 1.4839 and £1 = \$2.0293 published in the Financial Times on August 2, 2007, as announced in the July 23, 2007 announcement of the revised offer. Barclays ordinary shares may be trading at a lower or higher price than £8.00 at the applicable date of settlement.

**If conditions to the exchange offer are not satisfied or waived, the exchange offer may not be completed.**

The Merger Protocol contains certain conditions to the consummation of the exchange offer. Certain of these conditions may not be waived without written agreement of both Barclays and ABN AMRO. If



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any of the conditions are not satisfied, and waiver is not granted, the exchange offer will not be completed. In addition, under the circumstances specified in the Merger Protocol, Barclays and ABN AMRO may terminate the Merger Protocol for other reasons. If the exchange offer is not completed, the price of the Barclays ordinary shares and Barclays ADSs and the ABN AMRO ordinary shares and ABN AMRO ADSs may fall significantly. In addition, the exchange offer is subject to a condition that the LaSalle Agreement with Bank of America for the sale of LaSalle has been completed in accordance with its terms or a purchase and sale agreement with another party with respect to the sale of LaSalle has been completed with its terms. The LaSalle Agreement is subject to a number of conditions to closing described in *The Exchange Offer Terms of LaSalle Agreement*. See *The Exchange Offer Conditions* for a discussion of the conditions to the completion of the exchange offer and *The Merger Protocol Termination* for a description of the circumstances in which Barclays and ABN AMRO may terminate the Merger Protocol.

**Obtaining required approvals may delay or prevent completion of the exchange offer or reduce the anticipated benefits of the combination.**

Completion of the exchange offer is conditional upon, among other things, the receipt of material governmental authorizations, consents, orders and approvals. Barclays and ABN AMRO intend to pursue all required approvals in accordance with their obligations under the Merger Protocol. In connection with granting these approvals, the respective governmental or other authorities may impose conditions on, or require divestitures or other changes relating to, the divisions, operations or assets of Barclays and/or ABN AMRO. Neither Barclays nor ABN AMRO can predict what, if any, changes may be required. More generally, these and other conditions, divestitures or other changes may jeopardize or delay completion of the exchange offer, reduce the anticipated benefits of the combination and/or have a material adverse effect on the business and financial condition of the combined group. See *The Merger Protocol Conditions to the Exchange Offer* for a discussion of the conditions to the completion of the exchange offer.

**If the exchange offer is successful, but some ABN AMRO ordinary shares or ABN AMRO ADSs remain outstanding, the liquidity and market value of these ABN AMRO ordinary shares or ABN AMRO ADSs held by the public could be adversely affected by the fact that they will be held by a small number of holders.**

Depending upon the number of ABN AMRO ordinary shares and ABN AMRO ADSs tendered in the exchange offer, following the successful completion of the exchange offer, ABN AMRO ordinary shares may no longer meet the requirements of Euronext and/or the NYSE, as applicable, for continued listing. Moreover, to the extent permitted under applicable law and stock exchange regulations, Barclays intends to request the delisting of ABN AMRO ordinary shares from Euronext, as well as ABN AMRO ordinary shares and ABN AMRO ADSs from the NYSE. Such delisting may also occur because of certain actions taken in connection with any post-closing reorganization.

If the ABN AMRO ordinary shares are delisted from Euronext, and ABN AMRO ordinary shares and ABN AMRO ADSs are delisted from the NYSE, but any post-closing reorganization has not yet been (or is not able to be) completed and ABN AMRO ordinary shares and ABN AMRO ADSs remain outstanding, the market for ABN AMRO ordinary shares and ABN AMRO ADSs could be adversely affected. Although it is possible that ABN AMRO ordinary shares and ABN AMRO ADSs would be traded in over-the-counter markets prior to any post-closing reorganization, such alternative trading markets may not exist. In addition, the extent of the public market for the ABN AMRO ordinary shares and ABN AMRO ADSs and the availability of market quotations would depend upon the number of holders and/or the aggregate market value of ABN AMRO ordinary share and ABN AMRO ADSs remaining at such time, as well as the interest in maintaining a market in ABN AMRO ordinary shares and ABN AMRO ADSs on the part of securities firms. If ABN AMRO ordinary shares and ABN AMRO ADSs are delisted, ABN AMRO could also cease making disclosures and reports required for listed or publicly traded companies, which could further impact the value of the ABN AMRO ordinary shares and ABN AMRO ADSs. To the extent the



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availability of such continued listings or quotations depends on steps taken by ABN AMRO or Barclays, ABN AMRO or Barclays may or may not take such steps. Therefore, you should not rely on any such listing or quotation or trading being available.

**ABN AMRO ADSs may cease to be margin securities .**

ABN AMRO ADSs currently are margin securities under Regulation T issued by the Board of Governors of the US Federal Reserve System. This status has the effect, among other things, of allowing US broker-dealers to extend credit on the collateral of ABN AMRO ADSs for purposes of buying, carrying and trading in securities. Upon the delisting of ABN AMRO ADSs from the NYSE, they might no longer constitute margin securities . In such event, US broker-dealers may not extend loans for such purposes against such collateral. Existing margin accounts with US broker-dealers in which such collateral is held may also be affected in various respects. The foregoing may be relevant to you in the event that you do not tender your ABN AMRO ADSs in the exchange offer.

**Barclays may not be able to complete any post-closing restructuring of ABN AMRO and its subsidiaries promptly after the closing of the exchange offer, or at all. In addition, even if Barclays is able to effect any post-closing restructuring, the consideration that ABN AMRO shareholders receive in the post-closing restructuring may be lower and/or different in form than the consideration that they would have received had they tendered their ABN AMRO ordinary shares or ABN AMRO ADSs in the exchange offer (and they may also be subject to additional taxes).**

If the exchange offer is successfully completed, Barclays intends to effect a post-closing restructuring of ABN AMRO and its subsidiaries that is intended to have the effect of acquiring ABN AMRO ordinary shares and ABN AMRO ADSs that remain outstanding after the exchange offer and, consequently, result in ABN AMRO becoming a wholly owned subsidiary of Barclays. However, Barclays may not be able to effect any post-closing restructuring promptly after the closing of the exchange offer, or at all. In addition, any post-closing restructuring could be the subject of litigation, and a court could delay any post-closing restructuring or prohibit it from occurring on its proposed terms, or from occurring at all. Accordingly, holders of ABN AMRO ordinary shares and ABN AMRO ADSs who do not tender their ABN AMRO ordinary shares or ABN AMRO ADSs in the exchange offer may not receive consideration for such shares promptly after the closing of the exchange offer, or at all.

To effect squeeze-out proceedings for the remaining ABN AMRO ordinary shares, Barclays will need to first obtain at least 95% of the nominal value of the issued and outstanding ordinary share capital of ABN AMRO (including ABN AMRO ADSs). However, the acceptance condition in the exchange offer is 80% and is capable of being waived. Barclays could thus complete the exchange offer without being able to compulsorily acquire the remaining ABN AMRO ordinary shares (including ABN AMRO ordinary shares represented by ABN AMRO ADSs) it does not own. Were this to happen, Barclays would be entitled to exercise control of ABN AMRO and nominate the majority of the boards of ABN AMRO; any merger carried out would have to be in the best interests of all ABN AMRO shareholders; and the full amount of the cost synergies and revenue benefits identified for the merger may not be obtained or may only be obtained over a longer period of time.

In addition, even if Barclays is able to complete any post-closing restructuring, the consideration that holders of ABN AMRO ordinary shares or ABN AMRO ADSs will receive in any post-closing restructuring may be lower and/or substantially different in form than the consideration that they would have received had they tendered their ABN AMRO ordinary shares or ABN AMRO ADSs in the exchange offer. Such differences could result from the fact that:

any post-closing restructuring may require a consideration taking a form (cash or securities) other than that proposed under the exchange offer;

the consideration issued in certain post-closing restructuring steps may be determined by a court;





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the tax consequences to the holders of ABN AMRO ordinary shares or ABN AMRO ADSs of receiving consideration in any post-closing reorganization may be different than they would be if the holders of ABN AMRO ordinary shares or ABN AMRO ADSs had tendered their ABN AMRO ordinary shares or ABN AMRO ADSs in the exchange offer;

the Barclays ordinary shares received as part of the consideration may have a different value at the time of completion of any post-closing restructuring than at the time of the completion of the exchange offer and also the value of the ABN AMRO ordinary shares or ABN AMRO ADSs may have changed since; and

the legal rights of holders of ABN AMRO ordinary shares or ABN AMRO ADSs may change as a result of post-closing restructuring measures or vary depending on the form of post-closing restructuring measures used.

Post-closing restructuring measures, including but not limited to the making of distributions to shareholders, whether as a dividend or a repayment of capital, the making of distributions other than in cash, and dilution resulting from an issuance of securities, may have adverse tax consequences for shareholders, or certain groups of shareholders. Although the structure of any post-closing restructuring may not be determined until after the expiration of the exchange offer, in the event that fewer than 95% of the outstanding ABN AMRO ordinary shares (including ABN AMRO ordinary shares represented by ABN AMRO ADSs) are acquired in the exchange offer or are otherwise held by Barclays, any payment made to holders of ABN AMRO ordinary shares or ABN AMRO ADSs in connection with any post-closing restructuring might give rise to a liability to Dutch dividend withholding tax. Application of the Dutch dividend withholding tax could cause the net value of the consideration received by holders of ABN AMRO ordinary shares or ABN AMRO ADSs in any post-closing restructuring to be substantially less than the net value of the consideration such shareholders would have received had they tendered their ABN AMRO ordinary shares or ABN AMRO ADSs in the exchange offer. For more information on any post-closing restructuring see *Post-Closing Restructuring* and *The Merger Protocol The Exchange Offer Post-Closing Actions* .

**Whether or not the proposed combination of Barclays and ABN AMRO is completed, the announcement and pendency of the transaction could cause disruptions in the businesses of Barclays and/or ABN AMRO, which could have an adverse effect on their businesses and financial results, as well as on the business prospects and future financial results of the combined group.**

Whether or not the proposed combination of Barclays and ABN AMRO is completed, the announcement and pendency of the combination could cause disruptions in the businesses of Barclays and ABN AMRO. Specifically: some current and prospective employees may experience uncertainty about their future roles within the combined group, which might adversely affect Barclays and ABN AMRO's ability to retain or recruit key managers and other employees;

such uncertainty as to whether or not the proposed combination will be completed may affect Barclays and ABN AMRO's ability to retain current, and attract prospective customers; and

the attention of management of each of Barclays and ABN AMRO may be diverted from the operation of the businesses toward the completion of the proposed combination.

Such risks may increase as the transaction becomes pending for longer periods of time. If Barclays and ABN AMRO fail to manage these risks effectively, the business and financial results of Barclays, ABN AMRO and the combined group could be adversely affected.

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**Barclays and ABN AMRO may not be able to successfully integrate their large and complex businesses.**

Barclays and ABN AMRO operate as independent companies, and will continue to do so until the completion of the combination, which involves the integration of two large and complex businesses. Consequently, Barclays and ABN AMRO may face significant challenges in integrating the two companies technologies, organizations, procedures, policies and operations in a timely and efficient manner, as well as in addressing differences in the business cultures of the two companies, and retaining key Barclays and ABN AMRO personnel.

The integration process may prove to be complex and time consuming, require substantial resources and effort and lead to a degree of uncertainty for customers and employees. It may also disrupt each company's ongoing businesses, which may adversely affect the combined group's relationships with customers, employees, regulators and others with whom Barclays and ABN AMRO have business or other dealings. The combined companies' competitors may also seek to take advantage of potential integration problems to gain customers. Furthermore, the process of harmonizing Barclays and ABN AMRO's differing risk management strategies and techniques may initially leave the combined group exposed to unidentified and unanticipated risks that may be different than those previously faced by the two companies as separate entities.

If Barclays and ABN AMRO fail to manage the integration of their businesses effectively, the growth strategy and future profitability of the combined group could be negatively affected, and they may fail to achieve the anticipated benefits of the combination. In addition, difficulties in integrating these businesses could harm the reputation of the combined group.

**The combined group may fail to realize the anticipated cost savings, growth opportunities and synergies and other benefits anticipated from the combination.**

The success of the combination will depend, in part, on the combined group's ability to realize anticipated cost savings, revenue synergies and growth opportunities from combining the businesses of Barclays and ABN AMRO. The combined group expects to benefit from synergies resulting from the consolidation of capabilities, rationalization of operations and headcount, greater efficiencies from increased scale and market integration, experience of product and service offerings and organic growth. Specifically, Barclays and ABN AMRO expect that the combined group will achieve a rate of annual cost savings of approximately \$1,195 million by the end of 2008, \$2,270 million by the end of 2009 and \$2,800 million by the end of 2010. Barclays and ABN AMRO also expect that the combination will create approximately \$700 million in incremental annual revenues starting in 2010.

There is a risk, however, that the businesses of Barclays and ABN AMRO may not be combined in a manner that permits these cost savings and revenue synergies to be realized in the time, manner or amounts currently expected, or at all. For example, although the products and customer bases of Barclays and ABN AMRO are complementary in many respects and should provide the combined group with numerous cross-selling opportunities, there may be some degree of commercial overlap that could negatively impact the combined group's revenue to a greater extent than anticipated. The completion of the exchange offer or any post-closing reorganization may also be delayed, challenged by parties opposing the completion of the combination or not possible at all. This may limit or delay the combined group management's ability to integrate the two companies' technologies, organizations, procedures, policies and operations. In addition, a variety of factors, including, but not limited to, wage inflation, currency fluctuations, regulatory requirements and difficulty integrating technology platforms, may adversely affect the combined group's anticipated cost savings and revenues.

Finally, although work has been done on the development of detailed plans for achieving the synergy and other benefits from the combination, such plans have not been finalized and cannot be implemented until the completion of the combination. If the combined group is not able to successfully achieve these objectives, the anticipated benefits of the combination may not be realized fully, or at all, or may take longer to realize than expected.



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**Barclays and ABN AMRO will incur significant transaction- and combination-related costs in connection with the combination.**

Barclays and ABN AMRO expect to incur a number of non-recurring costs associated with combining the operations of the two companies, anticipated to be approximately 2,160 million in 2008, 1,080 million in 2009 and 360 million in 2010. In addition, Barclays and ABN AMRO will incur legal, accounting and other transaction fees and other costs related to the combination, anticipated to be approximately 462 million (£311 million) (using the exchange rates of £1 = 1.4839, as published by the Financial Times on August 2, 2007). Some of these costs are payable regardless of whether the combination is completed. Moreover, under specified circumstances, Barclays or ABN AMRO may be required to pay an amount by way of compensation in connection with the termination of the Merger Protocol under circumstances specified in that document. See The Merger Protocol Termination for a description of the circumstances in which Barclays and ABN AMRO may terminate the Merger Protocol. Additional unanticipated costs may also be incurred in the integration of the businesses of Barclays and ABN AMRO.

Although the combined group expects that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, will offset these transaction- and combination-related costs over time, this net benefit may not be achieved in the near term, or at all.

Furthermore, as a result of certain of the post-closing restructuring measures which Barclays and ABN AMRO may consider, the proportion of the balance sheet of ABN AMRO or its successor entities that is represented by debt may increase substantially as compared to the current position.

**Certain members of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board may have certain interests in the proposed combination that are different from, or in addition to, the interests of holders of ABN AMRO ordinary shares and ABN AMRO ADSs.**

Certain members of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board negotiated the terms of the Merger Protocol and the members of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board unanimously approved the Merger Protocol. Certain members of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board may have interests in the transaction that are different from, or in addition to, the interests of holders of ABN AMRO ordinary shares and ABN AMRO ADSs. Holders of ABN AMRO ordinary shares and ABN AMRO ADSs should take into account such interests.

These interests include:

the continued employment of some members of the ABN AMRO Managing Board by the combined group;

the continued positions of certain members of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board as members of the Group Board of Directors;

employment agreements with certain members of the ABN AMRO Managing Board, which include terms regarding severance payments in accordance with Dutch labor law in the event of termination of those agreements; and

the indemnification of former members of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board by the combined group.

**The financial results of the combined group will be more exposed to currency exchange rate fluctuations as a result of the combination and the resulting increased proportion of assets, liabilities and earnings denominated in foreign currency.**

The combined group will present its financial statements in Euro and will have a significant proportion of net assets and income in non-Euro currencies, primarily Sterling and US dollars as well as a range of emerging market currencies. The combined group's financial results and capital ratios will therefore be



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sensitive to movements in foreign exchange rates. A depreciation of non-Euro currencies relative to the Euro would have an adverse impact on the combined group's financial results.

**Risks Related to the Share Capital of the Combined Group**

**There will be material differences between the current rights of holders of ABN AMRO ordinary shares and ABN AMRO ADSs and the rights they can expect to have as holders of Barclays ordinary shares and Barclays ADSs.**

Holders of ABN AMRO ordinary shares and ABN AMRO ADSs will receive Barclays ordinary shares and Barclays ADSs, respectively, in the exchange offer, and will consequently become holders of Barclays ordinary shares or Barclays ADSs. Their rights as holders of Barclays ordinary shares or Barclays ADSs will be governed by the Barclays memorandum and articles of association, by English law and, in the case of Barclays ADSs, by the Deposit Agreement with the Depositary. As a result, there will be material differences between the current rights of holders of ABN AMRO ordinary shares or ABN AMRO ADSs and the rights they can expect to have as holders of Barclays ordinary shares or Barclays ADSs.

Also, in the event that ABN AMRO or its successor entity will no longer be listed on any stock exchange and the ABN AMRO ordinary shares and ABN AMRO ADSs will no longer be publicly traded, certain customary statutory provisions applicable to the governance of listed companies may no longer apply, and the rights of minority shareholders may be limited. In addition, the implementation of post-closing restructuring measures, including but not limited to the transfer or issuance to holders of ABN AMRO ordinary shares or ABN AMRO ADSs of shares in another company (including a non-Dutch and/or a non-listed company), by way of legal merger, legal de-merger, distribution in kind or otherwise, or the transfer or issuance to them of any form of financial instruments issued by any issuer under any jurisdiction, may result in the relevant shareholders losing forms of statutory shareholder rights, including access to certain types of court proceedings, that they currently enjoy as shareholders of a Dutch public limited liability company. See [Post-Closing Restructuring](#).

For a discussion of these and other material differences between the current rights of holders of ABN AMRO ordinary shares or ABN AMRO ADSs and the rights they can expect to have as holders of Barclays ordinary shares or Barclays ADSs, see [Comparison of Rights of Holders of Barclays Ordinary Shares and ABN AMRO Ordinary Shares](#) and [Description of Barclays ADSs](#).

**Holders of ABN AMRO ordinary shares or ABN AMRO ADSs and holders of Barclays ordinary shares or Barclays ADSs will have a reduced ownership and voting interest in the combined group after the combination and will exercise less influence over management.**

After the completion of the combination, holders of ABN AMRO ordinary shares or ABN AMRO ADSs and holders of Barclays ordinary shares or Barclays ADSs will own a smaller percentage of the combined group than they currently own of ABN AMRO and Barclays, respectively. Assuming that all of the outstanding ABN AMRO ordinary shares and ABN AMRO ADSs are validly tendered in the exchange offer and not withdrawn, existing holders of Barclays ordinary shares and Barclays ADSs and former holders of ABN AMRO ordinary shares or ABN AMRO ADSs will own approximately 56% and 35%, respectively, of the outstanding shares of the combined group immediately after the combination. Consequently, former holders of ABN AMRO ordinary shares or ABN AMRO ADSs, as a group, will have reduced ownership and voting power in the combined group compared to their ownership and voting power in ABN AMRO, and existing holders of Barclays ordinary shares or Barclays ADSs, as a group, will have reduced ownership and voting power in the combined group compared to their ownership and voting power in Barclays. Following the settlement date of the exchange offer, Barclays will own the majority of ABN AMRO ordinary shares (including ABN AMRO ordinary shares formerly represented by ABN AMRO ADSs) and thus control the nomination of all of the members of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board.

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**The trading price of Barclays ordinary shares and Barclays ADSs may be affected by factors different from those affecting the price of ABN AMRO ordinary shares and ABN AMRO ADSs.**

The businesses of Barclays and ABN AMRO differ in some respects and, accordingly, the results of operations of the combined group and the market price of the combined group's securities may be affected by factors different from those currently affecting the independent results of operations of each of Barclays and ABN AMRO. For a discussion of the businesses of Barclays and ABN AMRO and of certain factors to consider in connection with those businesses, see the documents incorporated by reference in this document and referred to under [Where You Can Find More Information](#).

**The market price of the Barclays ordinary shares and Barclays ADSs could be volatile and subject to significant fluctuations due to a variety of factors.**

The market price of Barclays ordinary shares and Barclays ADSs could be subject to fluctuations in response to certain factors, such as changes in sentiment in the market regarding Barclays, any regulatory changes affecting Barclays operations, variations in Barclays anticipated or actual operating results, business developments of Barclays or its competitors, the operating and share price performance of other companies in the industries and markets in which Barclays operates, speculation about Barclays business in the press, media or the investment community, changes in conditions affecting the economy generally, as well as other factors unrelated to the operating results of Barclays. Volatility in the market price of Barclays ordinary shares and Barclays ADSs following the combination may prevent former holders of ABN AMRO ordinary shares or ABN AMRO ADSs from selling Barclays ordinary shares or Barclays ADSs they may receive in the exchange offer at or above the value of their ABN AMRO ordinary shares or ABN AMRO ADSs tendered in exchange for such Barclays ordinary shares or Barclays ADSs.

**Barclays ownership structure may contain restrictions on shareholder rights and, in addition, holders of the Barclays ADSs are not able to exercise certain rights of holders of Barclays ordinary shares.**

Barclays articles of association may contain restrictions on shareholder rights that differ from US practice. The Depositary is the holder of the Barclays ordinary shares underlying the Barclays ADSs. A holder of Barclays ADSs will have those rights contained in the Deposit Agreement between Barclays, the Depositary and the Barclays ADS holders. These rights may be different from those of the holders of the Barclays ordinary shares, including with respect to the receipt of information, the receipt of dividends or other distributions and the exercise of voting rights. These rights, however, do not materially differ from the current rights of ABN AMRO ADS holders under the ABN AMRO ADS deposit agreement. In particular, a holder of Barclays ADSs must instruct the Depositary to vote on the Barclays ordinary shares underlying the Barclays ADSs. As a result, it may be more difficult for Barclays ADS holders to exercise those rights. In addition, there are fees and expenses related to the issuance and cancellation of the Barclays ADSs. See [Description of Barclays Ordinary Shares](#).

**Holders of ABN AMRO ordinary shares or ABN AMRO ADSs may experience a loss of certain legal protections.**

The implementation of post-closing restructuring measures, including but not limited to the transfer or issuance to holders of ABN AMRO ordinary shares or ABN AMRO ADSs of shares in another company (including a non-Dutch and/or a non-listed company), by way of legal merger, legal de-merger, distribution in kind or otherwise, or the transfer or issuance to them of any form of financial instruments issued by any issuer under any jurisdiction, may result in the relevant ABN AMRO shareholders losing forms of statutory protection rights, including access to certain types of court proceedings, that are currently available to them as shareholders of a Dutch public limited liability company.

**You may have difficulty enforcing civil judgments against Barclays.**

Barclays is organized under the laws of England and the members of the Barclays Board, with certain exceptions, are residents of countries outside the United States. Although some of Barclays affiliates have





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substantial assets in the United States, substantially all of the assets of Barclays and of the members of the Barclays Board are located outside the United States. As a result, it may not be possible for investors to effect service of process upon Barclays or upon these persons, or to enforce judgments of US courts predicated upon the civil liability provisions of US securities laws against Barclays or these persons.

**Resales of Barclays ordinary shares and Barclays ADSs following the exchange offer may cause the market price of such Barclays ordinary shares and Barclays ADSs to fall.**

In connection with the exchange offer, Barclays estimates to issue approximately 4,012,764,544 Barclays ordinary shares, including those underlying Barclays ADSs, assuming the maximum number of Barclays ordinary shares is issued pursuant to the exchange offer. The increase in the number of Barclays ordinary shares and Barclays ADSs may lead to sales of such securities or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, Barclays ordinary shares and Barclays ADSs.

**Certain Barclays Bank securities include terms restricting payments of dividends by Barclays on the Barclays ordinary shares.**

Barclays Bank has issued several series of reserve capital instruments and tier one notes which place restrictions on Barclays ability to (i) declare or pay dividends (other than a dividend declared by Barclays before deferral, or intra-group dividends) on shares (including Barclays ordinary shares) or (ii) redeem, purchase, reduce or otherwise acquire any of the share capital or securities of Barclays (including Barclays ordinary shares).

This restriction arises if Barclays Bank defers the payment of any coupon due on the relevant series of reserve capital instruments or tier one notes and remain until Barclays Bank next pays (or sets aside funds to pay) a coupon on the reserve capital instruments or tier one notes or the reserve capital instruments or tier one notes are redeemed in full.

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**FORWARD-LOOKING STATEMENTS**

Certain statements and assumptions in this document and in the documents incorporated by reference contain certain forward-looking statements with respect to certain of ABN AMRO's and Barclays plans and their current goals and expectations relating to their future financial condition and performance and which involve a number of risks and uncertainties. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the consummation of the combination between ABN AMRO and Barclays within the expected timeframe and on the expected terms (if at all), the benefits of the combination transaction between ABN AMRO and Barclays, including the achievement of synergy targets, ABN AMRO's and Barclays future financial position, income growth, impairment charges, business strategy, projected costs and estimates of capital expenditures and revenue benefits, projected levels of growth in the banking and financial markets, the combined group future financial and operating results, future financial position, projected costs and estimates of capital expenditures, and plans and objectives for future operations of ABN AMRO, Barclays and the combined group and other statements that are not historical facts. Additional risks and factors are identified in ABN AMRO's and Barclays filings with the SEC, including the ABN AMRO 2006 Form 20-F and the Barclays 2006 Form 20-F, which are available on ABN AMRO's website at [www.abnamro.com](http://www.abnamro.com) and Barclays website at [www.barclays.com](http://www.barclays.com), respectively, and on the SEC's website at [www.sec.gov](http://www.sec.gov).

Any forward-looking statements made in this document speak only as of the date they are made. Barclays does not undertake to update forward-looking statements to reflect any changes in expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that ABN AMRO or Barclays has made or may make in documents ABN AMRO or Barclays has filed or may file with the SEC.

Notwithstanding any statement in this document or in any other document that Barclays has filed with the SEC in connection with the exchange offer, Barclays acknowledges that the safe harbor for forward-looking statements under Section 27A of the Securities Act and Section 21E of the Exchange Act, as added by the Private Securities Litigation Reform Act of 1995, does not apply to forward-looking statements made in connection with a tender offer.

Table of Contents**THE TRANSACTION****General**

On April 23, 2007, the ABN AMRO Managing Board, the ABN AMRO Supervisory Board and the Barclays Board jointly announced that agreement had been reached on the terms of a recommended combination of ABN AMRO and Barclays to create one of the world's leading universal bank groups, to be called Barclays. The terms under which the combination would take place were revised following an announcement by Barclays on July 23, 2007.

The consummation of the transaction remains subject to the satisfaction or waiver of a number of conditions, including the completion of the sale of LaSalle and the regulatory approvals and clearances referred to in The Exchange Offer Conditions.

The combination will be principally effected by means of the exchange offer, and the Barclays Board has resolved to recommend unanimously the exchange offer. Pursuant to the exchange offer and subject to the Mix and Match Facility, holders of ABN AMRO ordinary shares or ABN AMRO ADSs, as the case may be, will receive:

2.13 Barclays ordinary shares and 13.15 in cash for every 1 ABN AMRO ordinary share; or

0.5325 Barclays ADS and 13.15 in cash (paid in US dollars) for every 1 ABN AMRO ADS.

The cash consideration paid for ABN AMRO ADSs will be US dollars, based on the conversion of the Euro consideration into US dollars, net of any applicable fees and expenses, at the average exchange rate obtainable by the ADS exchange agent for the five business days preceding the date on which the cash consideration is received by the ADS exchange agent for delivery in respect of such ABN AMRO ADSs.

At the time of announcement of the revised exchange offer on July 23, 2007, the exchange offer valued each ABN AMRO ordinary share at 35.73 (\$49.43), each ABN AMRO ADS at \$49.41, based on the share price of Barclays ordinary shares of £7.135 on July 20, 2007, the last business day before the July 23, 2007 announcement of the revised exchange offer, using the exchange rates of £1 = 1.4856 and 1 = \$1.3835, as published by the Financial Times on July 21, 2007.

The exchange offer values each ABN AMRO ordinary share at 34.83 (\$47.64), each ABN AMRO ADS at \$47.87 and values ABN AMRO at approximately 65.6 billion (\$89.7), based on the fully diluted number of ABN AMRO ordinary shares outstanding (excluding ordinary shares held as treasury shares, but including options and share awards), the share price of Barclays ordinary shares of £6.86 on August 2, 2007, the latest practicable date prior to the date of this document and using the exchange rates of £1 = 1.4839 1 = \$1.3676, as published by the Financial Times on August 2, 2007. Of this amount, approximately 38% will be payable in cash. The exchange offer represents a premium for holders of ABN AMRO ordinary shares or ABN AMRO ADSs of approximately:

27.6% to the closing share price of ABN AMRO ordinary shares on March 16, 2007, the last business day prior to the announcement that Barclays and ABN AMRO were in discussion; and

43.6% over the average share price of ABN AMRO ordinary shares in the six months up to and including March 16, 2007.

Holders of ABN AMRO ordinary shares or ABN AMRO ADSs may elect, subject to availability, to vary the proportions in which they receive Barclays ordinary shares or Barclays ADSs and cash in respect of their holdings of ABN AMRO ordinary shares or ABN AMRO ADSs under the Mix and Match Facility. That is, holders of ABN AMRO ordinary shares or ABN AMRO ADSs may request to receive a greater proportion of cash or Barclays ordinary shares or Barclays ADSs in respect of some or all of their ABN AMRO ordinary shares or ABN AMRO ADSs than they would receive under the exchange offer. See The Exchange Offer Mix and Match Facility.

The ordinary share and ADS exchange ratios will be adjusted to reflect certain transactions undertaken by either ABN AMRO or Barclays prior to the settlement date of the exchange offer.

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See below under the caption Background to the Transaction The Sale of LaSalle and The Exchange Offer Adjustment of Exchange Ratio .

**Background to the Transaction**

***Discussions between ABN AMRO and Barclays***

The ABN AMRO Managing Board and the ABN AMRO Supervisory Board have reviewed regularly ABN AMRO's strategic growth objectives and the means by which it may achieve these objectives, including potential business acquisitions and combinations. In particular, the ABN AMRO Managing Board and the ABN AMRO Supervisory Board examined how ABN AMRO might execute its strategy of becoming a top five European bank by market capitalization. In addition to the standalone option, including growth through the acquisition of smaller banking operations, the option of merging with another European financial institution as large or larger than ABN AMRO has been part of the strategic agenda of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board. In this context, the Chairman of the ABN AMRO Managing Board, Mr. Groenink, and the Chief Executive Officer of Barclays, Mr. Varley, have had regular contact over the past few years.

On March 18, 2005, Mr. Groenink and Mr. Varley met to discuss the possibility of a business combination in connection with ABN AMRO's continuing review of its business and prospects. In advance of the meeting, ABN AMRO and Barclays separately carried out an analysis which covered, amongst other things, strategic and financial rationale for a possible combination, an impact and contribution analysis and high level synergies. The discussions between Mr. Groenink and Mr. Varley were continued at a meeting on November 23, 2005.

On December 7, 2005 and January 20, 2006, Mr. Groenink and Mr. Varley discussed the principles under which the parties would be willing to consider a business combination transaction. On March 3, 2006, another meeting was held between Mr. Groenink and Mr. Varley, at which they agreed to exchange position papers on a potential combination. ABN AMRO's position paper was sent to Barclays on March 24, 2006 and a paper from Barclays was received by ABN AMRO shortly thereafter. Following the exchange of position papers, Mr. Groenink and Mr. Varley met on May 4, 2006 to discuss the potential strategy, vision and culture of a combined entity.

The Barclays Board, the ABN AMRO Managing Board and the ABN AMRO Supervisory Board separately concluded that a business combination transaction between Barclays and ABN AMRO was strategically attractive. During the ABN AMRO Supervisory Board annual strategy discussion on July 27 and 28, 2006, different merger of equals options were discussed, as well as the standalone option with growth through the acquisition of smaller banking operations and the option of combining with another European financial institution that was as large or larger than ABN AMRO. At the end of the discussion, the ABN AMRO Supervisory Board determined that in the case of a merger with ABN AMRO as a junior partner, a combination with Barclays was one of its preferred options. During the remainder of 2006 and first quarter of 2007, the ABN AMRO Managing Board and the ABN AMRO Supervisory Board continued to discuss these strategic options. The Barclays Board also concluded that ABN AMRO was an attractive merger partner in its strategy meeting on November 16, 2006. Mr. Groenink and Mr. Varley continued to have informal contacts to explore the potential of a combination.

ABN AMRO also discussed with ING Group the possibility of a combination of their businesses. During the period between December 2006 and March 2007, Mr Groenink had several discussions with Mr Michael Tilmant, Chairman of the Executive Committee of ING Group on the possibility of a transaction. Ultimately, however, the parties discontinued discussions when a transaction became less attractive as ABN AMRO's share price increased significantly, while ING's share price declined.

ABN AMRO initiated talks leading to the current proposed combination with Barclays when, on February 8, 2007, Mr. Groenink and Mr. Varley met to discuss the key principles that would guide any potential combination discussion between ABN AMRO and Barclays. These discussions were continued on February 27, 2007.



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On February 22, 2007, the ABN AMRO Managing Board engaged Morgan Stanley & Co. Limited to act as its financial advisor in connection with the potential strategic options outlined above, including a possible combination with Barclays. Subsequently, in connection with Morgan Stanley & Co. Limited's engagement, the ABN AMRO Managing Board requested that Morgan Stanley & Co. Limited evaluate the fairness, from a financial point of view, to holders of ABN AMRO ordinary shares (other than Barclays and its affiliates) of the exchange ratio to be received by holders of ABN AMRO ordinary shares pursuant to the combination solely in their capacity as ordinary shareholders of ABN AMRO.

Also, on February 22, 2007, UBS Limited was engaged by the ABN AMRO Managing Board as financial advisor in connection with the potential strategic options outlined above. Subsequently, in connection with UBS Limited's engagement, the ABN AMRO Managing Board requested that UBS evaluate the fairness, from a financial point of view, of the exchange ratio to holders of ABN AMRO ordinary shares, excluding Barclays and its affiliates.

The ABN AMRO Managing Board also engaged Lehman Brothers on February 22, 2007 to act as its financial advisor in connection with the potential strategic options outlined above. Lehman Brothers advisory role has centered around the synergies of the proposed combination, potential investor and market reactions and listing considerations.

NM Rothschild & Sons was appointed by the ABN AMRO Managing Board in February 2007 to advise on the viability of alternatives to a combination with another European financial institution as large or larger than ABN AMRO. ABN AMRO Corporate Finance provided initial advice on the general strategic options available to ABN AMRO. ABN AMRO Hoare Govett was retained to act as corporate broker in connection with strategic matters in February 2007 and subsequently in connection with the proposed exchange offer by Barclays for ABN AMRO ordinary shares and ABN AMRO ADSs.

Also during February 2007, the ABN AMRO Managing Board retained Allen & Overy LLP, Davis Polk & Wardwell and NautaDutilh N.V. to provide it with legal advice in connection with strategic matters and subsequently retained them to advise on the Barclays transaction.

During February 2007, Barclays requested that JPMorgan Cazenove Limited act as corporate broker, and Lazard & Co., Limited act as financial advisor, in connection with a proposed combination with ABN AMRO. In March 2007, Barclays Capital, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG and JPMorgan Cazenove Limited were also contacted to act as financial advisors in connection with the proposed combination with ABN AMRO.

At its meeting on March 14, 2007, the ABN AMRO Supervisory Board approved the initiation of negotiations with Barclays with a view to a potential combination.

On March 16, 2007, Mr. Groenink called Mr. Varley to confirm that he was available to investigate a combination of ABN AMRO and Barclays. On March 18, 2007, senior management of ABN AMRO and Barclays, including Mr. Boumeester, a member of the ABN AMRO Managing Board, and Mr. Naguib Kheraj, then Group Finance Director of Barclays met to commence exploratory discussions on the terms of any transaction as well as the terms of a confidentiality and exclusivity agreement. Subsequently, Mr. Groenink informed Mr. Nout Wellink, President of the Dutch Central Bank, about the possibility of a combination transaction and Barclays kept the FSA informed about the status of discussions.

On March 19, 2007, ABN AMRO and Barclays issued a press release to confirm that they were in exclusive preliminary discussions concerning a potential combination.

On March 20, 2007, ABN AMRO and Barclays announced the principles of any potential combination between them.

On March 21, 2007, ABN AMRO entered into a confidentiality, exclusivity and standstill agreement with Barclays. In addition to customary confidentiality provisions, this agreement provided that neither ABN AMRO nor Barclays would solicit any offer from a third party for all or a significant part of their respective assets or shares until April 18, 2007. If such an offer was received in good faith from a third party, however, the agreement provided that either the ABN AMRO Managing Board and the ABN AMRO



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Supervisory Board or the Barclays Board, as the case may be, could enter into discussions with such third party if required to do so by their fiduciary duties. Additionally, the agreement permitted either party to have contacts with a third party to understand the contents of any good faith indication of interest by such third party.

On March 21, 2007, the ABN AMRO Supervisory Board engaged Stibbe N.V. to provide it with independent Dutch legal advice.

On March 22, 2007, representatives of ABN AMRO and Barclays together with their respective financial advisors met to discuss the organization of the work streams for any potential combination.

On March 23, 2007, Mr. Groenink and Mr. Varley met to substantiate further aspects of the five broad principles indicated in the press release of March 20, 2007 and to discuss the organization of the process going forward.

On March 24, 2007, members of the senior management of ABN AMRO met with members of senior management of Barclays in London. The parties exchanged information on their respective businesses and discussed the process and timing for due diligence.

On March 26, 2007, the ABN AMRO Supervisory Board created an *ad hoc* advisory committee, composed of Mr. Martinez, Mr. Olijslager and Mr. van den Bergh in order to advise the ABN AMRO Supervisory Board on decisions to be taken in the context of the discussions with Barclays or other banks, the actions of activist shareholders and the upcoming shareholders meeting. In April 2007, the *ad hoc* committee met several times to prepare for the ABN AMRO Supervisory Board meetings.

From March 26, 2007 to March 30, 2007 representatives from the various business units of ABN AMRO and Barclays first met to conduct due diligence, including an examination of the potential synergies that may result from a combination. Additional synergy validation and due diligence on specific topics continued through April 19, 2007.

On March 27, 2007, representatives of ABN AMRO and Barclays, together with representatives of their respective financial, legal and tax advisors, met in Amsterdam to discuss the potential legal, regulatory and tax structures of any combination.

On March 30, 2007, Mr. Groenink and Mr. Varley met to advance agreement on the details of the transaction.

On April 3, 2007, Mr. Groenink and Mr. Varley met with representatives of the DNB. At this meeting the parties jointly presented their intentions for, and the anticipated benefits of, the proposed combination. The ABN AMRO Supervisory Board also met on April 3, 2007 and April 11, 2007 to discuss the latest developments in the negotiations with Barclays.

From April 3, 2007 to April 16, 2007, the ABN AMRO Managing Board's legal advisors engaged in a number of discussions, in person in Amsterdam and London and on the telephone, with Barclays legal advisors on certain terms of a draft Merger Protocol. Several of these meetings were attended by Mr. Boumeester and Mr. Kheraj.

Between April 4, 2007 and April 21, 2007, representatives of ABN AMRO's financial advisors met with representatives of Barclays financial advisors to discuss the methodologies to be used in the determination of any potential exchange ratio.

On April 12, 2007, the ABN AMRO Supervisory Board engaged Goldman Sachs to undertake a study as to the fairness of any proposed combination with Barclays.

On April 13, 2007, Mr. Groenink and Mr. Martinez received a letter from the Consortium, expressing their interest in making an alternative proposal for ABN AMRO and requesting, among other things, access to the same diligence information that Barclays had received.

On April 15, 2007, a committee was established by the Barclays Board for the purpose of the transaction. During April 2007, the Barclays Board or the committee met frequently to receive updates on



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the status of the discussions with ABN AMRO from those members of the Barclays Board involved in the day to day negotiations.

On April 16, 2007, Mr. Groenink and Mr. Varley met to discuss the progress to date and to evaluate the necessity of extending the initial exclusivity agreement. On April 17, 2007, ABN AMRO and Barclays separately announced that they had agreed to extend the exclusivity period. The ABN AMRO Supervisory Board also met and received an update on April 17, 2007. On April 18, 2007, Mr. Groenink and Mr. Varley met, and at this meeting, Mr. Varley gave an update on his meetings with the ABN AMRO Managing Board members during the course of the preceding days.

On the evening of April 20, 2007, Mr. Boumeester informed Mr. Kheraj of Bank of America's proposal to acquire LaSalle from ABN AMRO prior to a potential combination of ABN AMRO and Barclays.

On April 21, 2007, Mr. Groenink and Mr. Varley discussed Bank of America's proposal to acquire LaSalle from ABN AMRO prior to a potential combination of ABN AMRO and Barclays and the potential impact of this sale on any potential exchange ratio.

Representatives of ABN AMRO and Barclays and their respective advisors met on a number of occasions in Amsterdam on April 21 and 22, 2007 to discuss further the draft Merger Protocol.

On the evening of April 21, 2007, Mr. Groenink and Mr. Boumeester met with Mr. Varley and Mr. Kheraj in Amsterdam to agree the terms of the proposed combination with Barclays, including the exchange ratio of 3.225 Barclays ordinary shares for each ABN AMRO ordinary share.

During March and April 2007, the ABN AMRO Managing Board met frequently and received updates on the status of the discussions with Barclays from those members of the ABN AMRO Managing Board involved in the day-to-day negotiations. As noted above, the ABN AMRO Supervisory Board and the *ad hoc* committee had also held several meetings during this time frame.

During the course of the day on April 22, 2007 the ABN AMRO Managing Board and the ABN AMRO Supervisory Board met throughout the day both together and separately to discuss the evolving terms of the proposed transaction with Barclays, the proposed sale of LaSalle to Bank of America Corporation (see Background to the Transaction The Sale of LaSalle below) and the contents of the letter that had been received from the Consortium.

During that day, Mr. Groenink updated the ABN AMRO Managing Board on the negotiations with Barclays several times. Representatives from NautaDutilh N.V., Allen & Overy LLP and Davis Polk & Wardwell were also present to brief the ABN AMRO Managing Board members on the terms of the draft Merger Protocol. Representatives from UBS delivered to the ABN AMRO Managing Board an oral opinion, confirmed by delivery of a written opinion, dated April 22, 2007, to the effect that, as of that date and based on and subject to various assumptions made, matters considered and limitations described in the opinion, the exchange ratio of 3.225 Barclays ordinary shares for each ordinary ABN AMRO ordinary share tendered pursuant to the offer, to be received by holders of ABN AMRO ordinary shares, other than Barclays and its affiliates, was fair, from a financial point of view, to such holders. Representatives from Morgan Stanley & Co. Limited reviewed its financial analyses and rendered to the ABN AMRO Managing Board its oral opinion, which was subsequently confirmed in writing and dated April 22, 2007, to the effect that, as of that date and based upon and subject to the various considerations set forth in the opinion, the exchange ratio set forth pursuant to the proposed Merger Protocol was fair, from a financial point of view, to the holders of ABN AMRO ordinary shares (other than Barclays and its affiliates) solely in their capacity as ABN AMRO ordinary shareholders. At its last meeting of the day, having considered a number of factors including the due diligence findings, merger benefits and financial analysis, the ABN AMRO Managing Board resolved unanimously to recommend to the ABN AMRO Supervisory Board to accept the offer for ABN AMRO from Barclays and to recommend the same to ABN AMRO's shareholders.

During that day, the ABN AMRO Supervisory Board also met with its independent legal and financial advisors in an executive session to consider the terms of the proposed combination with Barclays. At that session, they were briefed on the terms of the draft Merger Protocol by Stibbe N.V. Representatives from



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Goldman Sachs rendered an oral opinion, later confirmed in writing, to the ABN AMRO Supervisory Board that, as of April 22, 2007, based upon and subject to the factors and assumptions set forth in such opinion, the ordinary share exchange ratio to be received by shareholders of ABN AMRO pursuant to the combination was fair from a financial point of view to such holders. During the day, Mr. Groenink updated the ABN AMRO Supervisory Board on the latest developments with Barclays and presented the ABN AMRO Managing Board's decision on the Barclays transaction. Representatives from NautaDutilh N.V., Allen & Overy LLP and Davis Polk & Wardwell were present to answer questions on the draft Merger Protocol. At its last meeting of the day, having considered a number of factors, including the due diligence findings, merger benefits and financial analysis, the ABN AMRO Supervisory Board resolved unanimously to recommend the exchange offer for acceptance by the holders of the ABN AMRO ordinary shares.

In their review and analysis of the proposed transaction with Barclays and the no shop provisions in the draft Merger Protocol, both the ABN AMRO Managing Board and the ABN AMRO Supervisory Board noted that the terms of the Merger Protocol, among other things, included provisions permitting them to continue contacts with a third party existing on April 23, 2007 and, in certain circumstances described elsewhere in this document, would permit them to withdraw their respective recommendations if the boards, acting in good faith and observing their fiduciary duties under applicable law, determined an alternative offer to be more beneficial than the exchange offer.

On the evening of April 22, 2007, the Committee of the Barclays Board held two meetings. The first meeting was held to consider, among other matters, the Merger Protocol, due diligence findings, merger benefits, financial analysis, and a draft press announcement. The Committee then reconvened that same evening to consider the Merger Protocol and the press announcement. At the end of this meeting, the Committee resolved to enter into the Merger Protocol and approved the press announcement.

Following these meetings, on April 22 and the early hours of April 23, representatives of each party together with their legal and financial advisors met again in Amsterdam to finalize the Merger Protocol.

On April 23, 2007, ABN AMRO and Barclays announced that agreement had been reached on a combination.

***The Sale of LaSalle***

As part of its regular review of strategic growth objectives, both the ABN AMRO Managing Board and the ABN AMRO Supervisory Board have repeatedly considered and discussed the future of LaSalle (which includes LaSalle Bank Corporation and its subsidiaries LaSalle Bank N.A. and LaSalle Bank Midwest N.A.). In the course of the mid-2006 review, the ABN AMRO Managing Board and the ABN AMRO Supervisory Board reached the view that within the next twelve to eighteen months, LaSalle would have to either grow through an acquisition or that it should be sold (the up or out strategy). It was decided at that time that in light of the fact LaSalle's profitability remained good and in light of the current business cycle, there was no reason for an immediate decision in this matter. The potential disposition of LaSalle was discussed again at the ABN AMRO Managing Board meeting on February 6, 2007.

As of December 31, 2006, LaSalle had more than \$113,000 million in tangible assets and a tangible book value of \$9.7 billion, adjusted for businesses that will be retained by ABN AMRO and for the previously announced sale of the mortgage operations unit and presented on a US GAAP basis. For the year ended December 31, 2006, LaSalle, presented on the same basis, had net income of \$1,035 million.

During the previous two years, Bank of America and other banks had informally approached ABN AMRO several times regarding their interest in acquiring LaSalle. As a result of these informal approaches, both the ABN AMRO Managing Board and the ABN AMRO Supervisory Board had analyzed a range of possible options for the sale of LaSalle and had reviewed the possible range of values that might be achieved.

A potential sale of LaSalle was discussed at an ABN AMRO Supervisory Board meeting held on April 17, 2007. Later that evening, Bank of America informed ABN AMRO, through UBS, of its interest in



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acquiring LaSalle for a price of approximately \$20 billion, subject to the completion of due diligence. Bank of America entered into a confidentiality agreement with ABN AMRO on April 19, 2007. Over the four day period ending on April 22, 2007, Bank of America completed its due diligence review of LaSalle. Updates on the diligence and the negotiations with Bank of America were discussed at ABN AMRO Managing Board meetings on April 19, 2007 and April 20, 2007.

On April 20, 2007, Wachtell, Lipton, Rosen & Katz, counsel to Bank of America, circulated a draft purchase and sale agreement to Davis Polk & Wardwell, counsel to ABN AMRO. On April 22, 2007, the parties agreed in principle on consideration of \$21 billion, subject to adjustment, and later that day reached agreement on the final terms of the purchase and sale agreement.

The sale of LaSalle was discussed at both the ABN AMRO Managing Board and the ABN AMRO Supervisory Board meetings during the day of April 22, 2007. In an executive session, the ABN AMRO Supervisory Board was briefed on the LaSalle Agreement by its legal advisors and on the financial aspects of the deal by its financial advisors. Both boards also received advice of counsel that under Dutch law no shareholder vote was required to consummate the transaction. The ABN AMRO Managing Board was also briefed on the LaSalle Agreement by its legal advisors.

Representatives from UBS delivered to the ABN AMRO Managing Board an oral opinion, confirmed by delivery of a written opinion, dated April 22, 2007, as to the fairness, from a financial point of view, of the consideration to be received by ABN AMRO pursuant to the LaSalle Agreement, as of such date and based upon and subject to the various considerations set forth in the written opinion.

Representatives from Morgan Stanley & Co. Limited delivered to the ABN AMRO Managing Board an oral opinion which was subsequently confirmed in writing and dated April 22, 2007, as to the fairness, from a financial point of view, of the consideration to be received by ABN AMRO pursuant to the LaSalle Agreement, as of such date and based upon and subject to the various considerations set forth in the written opinion.

Representatives from Lehman Brothers Europe Limited delivered to the ABN AMRO Managing Board an oral opinion, confirmed by delivery of a written opinion, dated April 22, 2007, as to the fairness, from a financial point of view, of the consideration to be received by ABN AMRO pursuant to the LaSalle Agreement, as of such date and based upon and subject to the various considerations set forth in the written opinion.

On April 22, 2007, ABN AMRO Bank entered into the LaSalle Agreement with Bank of America pursuant to which ABN AMRO Bank agreed to sell LaSalle (which includes ABN AMRO's US commercial, retail and trust banking operations and related businesses) to Bank of America for a total consideration of \$21 billion in cash (subject to adjustment based on the financial performance of LaSalle before the closing of the sale). ABN AMRO will retain its global operations and, with limited exceptions, its other operations outside the US, as well as its principal broker dealer, investment advisory, wholesale banking and asset management operations in the US.

The sale of LaSalle is subject to regulatory approvals and other customary closing conditions. See *The Exchange Offer Terms of LaSalle Agreement*. The completion of the sale of LaSalle is an offer condition to the proposed combination. See *The Exchange Offer Conditions*.

***Events after the Announcement of the Transaction***

The LaSalle Agreement included a go shop provision that permitted ABN AMRO, for a period of 14 calendar days from April 22, 2007, to enter into a purchase and sale agreement for LaSalle with an alternative bidder, provided that such alternative bidder's proposal was superior from a financial point of view to the LaSalle Agreement, for cash and not subject to a financing condition. The go shop provision granted Bank of America a right to match any such superior proposal and provided for Bank of America to receive a \$200 million termination fee if it did not match such superior proposal.

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On April 25, 2007, ABN AMRO received an indicative proposal from the Consortium, to acquire ABN AMRO. Following that date, ABN AMRO made repeated requests to the Consortium to clarify the terms of their indicative proposal.

On April 26, 2007, *Vereniging van Effectenbezitters ( VEB )* filed suit in the Enterprise Chamber of the Amsterdam Court of Appeal seeking, among other things, a provisional injunction restraining ABN AMRO and ABN AMRO Bank from proceeding to completion under the LaSalle Agreement without approval of ABN AMRO's shareholders. On that date, the ABN AMRO Supervisory Board also engaged Debevoise & Plimpton LLP to provide it with independent US legal advice.

On April 27, 2007, a purported class action lawsuit relating to the sale of LaSalle was filed in the New York State Supreme Court for New York County against ABN AMRO, each member of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board and Bank of America. The lawsuit, *Halpert Enterprises v. ABN AMRO Holding N.V., et al.*, generally alleges, among other things, that members of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board violated their fiduciary duties by, among other things, preventing a full and fair sale process for the whole of ABN AMRO. The complaint also names Bank of America as a defendant and seeks, among other forms of relief, a declaration that the termination fee is unenforceable, a declaration that the LaSalle Agreement was entered into in breach of fiduciary duties and therefore is unlawful and unenforceable, an injunction against the consummation of the LaSalle Agreement, the imposition of a constructive trust in favor of plaintiff and the alleged class and an award of attorneys' fees and expenses.

On April 27, 2007, ABN AMRO entered into confidentiality agreements with the Consortium, and made available the same information regarding ABN AMRO as had been made available to Barclays.

On April 28, 2007, ABN AMRO entered into confidentiality agreements with the Consortium, and made available the same information regarding LaSalle as had been made available to Bank of America.

On May 3, 2007, the Enterprise Chamber of the Amsterdam Court of Appeal granted a provisional injunction restraining ABN AMRO and ABN AMRO Bank from proceeding to completion under the LaSalle Agreement without approval of ABN AMRO's shareholders.

On May 4, 2007, Bank of America filed a lawsuit in the United States District Court of the Southern District of New York against ABN AMRO. The lawsuit, *Bank of America Corporation v. ABN AMRO BANK N.V. and ABN AMRO Holding N.V.*, generally alleges, among other things, that ABN AMRO Bank breached its representation in the LaSalle Agreement that no shareholder vote was necessary regarding the sale of LaSalle. The complaint seeks injunctive relief that ABN AMRO Bank be precluded from negotiating for the sale of LaSalle except as provided for in the go shop provision of the LaSalle Agreement, an order of specific performance for the delivery of LaSalle to Bank of America and unspecified money damages.

On May 5, 2007, ABN AMRO received an acquisition proposal from the Consortium, to purchase LaSalle for \$24.5 billion. This proposal was conditional on the purchase by the Consortium of ABN AMRO for an indicative price of 38.40 per ABN AMRO ordinary share and a number of other conditions. The considered view of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board, having received advice from their respective financial and legal advisors, was that the Consortium's acquisition proposal for LaSalle did not constitute an alternative proposal that was superior from a financial point of view to the LaSalle Agreement. This conclusion was principally based on the fact that the Consortium's proposal for LaSalle was dependent on the success of a potential offer to be made for ABN AMRO and the various conditions and uncertainties attached to that potential offer. In particular, fundamental aspects of the potential offer for ABN AMRO, including with respect to financing, required regulatory notifications, tax clearances, the proposed material adverse change condition, required shareholder approvals and the pro forma financial impact upon each of the Royal Bank of Scotland Group PLC, Fortis N.V. and Fortis S.A./N.V. and Banco Santander, S.A., remained unclear despite repeated requests for clarification since April 25, 2007, the date on which ABN AMRO received an indicative proposal from the Consortium to acquire ABN AMRO. Prior to making their determination on May 6, 2007, the ABN AMRO Managing Board and the ABN AMRO Supervisory Board sent a detailed information request letter seeking clarifica-



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tion and evidence on various aspects of the Consortium's potential offer for ABN AMRO which had first been requested on April 25, 2007, but the requested information was not provided. Without details about the consortium's financing and the pro forma financial impact on each of the Royal Bank of Scotland Group PLC, Fortis N.V. and Fortis S.A./N.V. and Banco Santander, S.A., the ABN AMRO Supervisory Board and the ABN AMRO Managing Board were unable to assess the likelihood that any separate shareholder vote required by the Royal Bank of Scotland Group PLC, Fortis N.V. and Fortis S.A./N.V. and Banco Santander, S.A. would be successful, and therefore whether or not the potential offer to acquire ABN AMRO had a reasonable likelihood of consummation.

The 14-day go shop period expired at 11:59 pm New York time on May 6, 2007, and no alternative agreement was entered into prior to that time. Two other parties had signed confidentiality agreements and certain due diligence information had been provided to them but ultimately neither submitted a bid for LaSalle.

On May 15, 2007, ABN AMRO filed an appeal in the Supreme Court of The Netherlands requesting that the Supreme Court nullify the decision of the Enterprise Chamber of the Amsterdam Court of Appeal issued on May 3, 2007 which granted a provisional injunction restraining ABN AMRO and ABN AMRO Bank from proceeding to completion under the LaSalle Agreement without approval of ABN AMRO's shareholders. Bank of America filed an appeal seeking similar relief with the Supreme Court of The Netherlands also on May 15, 2007, as did Barclays.

On May 17, 2007, two ABN AMRO shareholders filed a lawsuit against Bank of America in the United States District Court of the Southern District of New York. The lawsuit, *Sadowsky v. Bank of America Corporation*, generally alleges, among other things, that Bank of America entered into the LaSalle Agreement with knowledge that it was a defensive mechanism designed to foreclose alternative proposals to purchase ABN AMRO and that Bank of America's lawsuit against ABN AMRO was filed in breach of the LaSalle Agreement. The complaint seeks rescission of the LaSalle Agreement, an injunction preventing Bank of America from enforcing the LaSalle Agreement, including the termination fee provisions therein, unspecified money damages and an award of attorneys' fees and expenses.

On May 23, 2007, Barclays and ABN AMRO announced that they were making progress with the key regulatory filings required to proceed with the combination and expected to disseminate offer documentation in July 2007.

On May 29, 2007, the Consortium, announced a proposed offer for ABN AMRO.

On May 30, 2007, ABN AMRO announced publicly that the ABN AMRO Supervisory Board had formed a Transaction Committee, formed of the same members as the previously existing *ad hoc* committee (Mr. Martinez, Mr. Olijslager and Mr. van den Bergh) which will liaise with the ABN AMRO Managing Board and key staff and advisors of ABN AMRO on all matters with respect to the offer by Barclays and with respect to the proposed offer announced by the Consortium. The Transaction Committee will operate in all respects so as to enable the ABN AMRO Supervisory Board to take on an informed basis and with the help of its own independent financial and legal advisors the appropriate decisions with due consideration of the interests of ABN AMRO and its stakeholders.

On June 11, 2007, at the joint request of Bank of America and ABN AMRO, the United States District Court for the Southern District of New York adjourned the initial conference in the lawsuit filed by Bank of America against ABN AMRO until July 27, 2007 in view of the pendency of the appeals filed by ABN AMRO and Bank of America to the Dutch Supreme Court from the decision of the Enterprise Chamber of the Amsterdam Court of Appeal dated May 3, 2007.

On June 12, 2007, Barclays announced publicly that, in collaboration with ABN AMRO, it has made substantially all of the pre-acquisition competition and regulatory filings required to proceed with the proposed combination and expected to publish the offer documentation in July 2007.

On June 12, 2007, Barclays also announced publicly that it had filed the draft documentation in relation to the exchange offer with regulators in The Netherlands, the United Kingdom and the United





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States of America (including the draft registration statement on Form F-4 containing the preliminary version of the Offer Document/ Prospectus).

On June 26, 2007, the Advocate General to the Supreme Court of The Netherlands published a recommendation to the Supreme Court to nullify the decision of the Enterprise Chamber of the Amsterdam Court of Appeal issued on May 3, 2007. This recommendation was independent legal advice issued to the Supreme Court.

On June 28, 2007, four trade unions joined the investigation proceedings initiated on April 26, 2007 by VEB at the Enterprise Chamber of the Amsterdam Court of Appeal. The trade unions have put forward certain additional objections and requested that the Enterprise Chamber of the Amsterdam Court of Appeal order an investigation into certain affairs of ABN AMRO in respect of the offer process.

On July 9, 2007, ABN AMRO filed a statement of defense in response to the request of VEB to order an investigation into certain affairs of ABN AMRO in respect of the offer process.

On July 10, 2007, VEB requested that the Enterprise Chamber of the Amsterdam Court of Appeal, in the context of the investigation proceedings initiated by it on April 26, 2007, appoint three independent members of the ABN AMRO Supervisory Board. The request was revoked prior to the hearing, which was then cancelled.

On July 13, 2007, the Supreme Court of the Netherlands upheld the appeals filed by ABN AMRO, Bank of America and Barclays on May 15, 2007 against the decision of the Enterprise Chamber of the Amsterdam Court of Appeal issued on May 3, 2007. The Supreme Court nullified the decision of the Enterprise Chamber of the Amsterdam Court of Appeal and irrevocably dismissed the request of VEB for a provisional injunction restraining ABN AMRO and ABN AMRO Bank from proceeding to completion under the LaSalle Agreement without approval of ABN AMRO's shareholders.

On July 16, 2007, the Consortium announced its intention to make an offer to acquire ABN AMRO for approximately \$98 billion, through a combination of cash and newly issued shares of RBS.

On the evening of July 18, 2007, Mr. Varley informed Mr. Groenink that the AFM had granted Barclays an extension so that an announcement of its formal offer documentation being available could be made on or before August 6, 2007. Mr. Varley also informed Mr. Groenink that Barclays was considering possible alternative offer structures, including the introduction of a partial cash consideration element into its offer.

On July 19, 2007, Barclays announced it was considering possible alternative offer structures, including the introduction of a partial cash consideration element into its offer but that no decision had yet been taken.

On the evening of July 19, 2007, during a telephone conversation between Mr. Groenink and Mr. Varley, Mr. Varley outlined further details about the revised offer for ABN AMRO that Barclays was considering.

On July 20, 2007, the Central Works council of ABN AMRO provided positive advice in respect of the proposed combination with Barclays.

On the evening of July 20, 2007, ABN AMRO received a letter from Barclays outlining the terms and conditions of its revised offer for ABN AMRO.

On July 21 and 22, 2007, representatives of ABN AMRO and Barclays discussed and agreed the provisions of an amendment to the Merger Protocol dated April 23, 2007, to accommodate ABN AMRO's review of the revised proposal from Barclays and to facilitate Barclays public announcement of its revised proposal on July 23, 2007.

On July 23, 2007, Barclays announced the revised terms of its offer for ABN AMRO.

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On July 25, 2007, Mr. Varley sent a letter to Mr. Groenink and Mr. Martinez to restate the key points underlying Barclays revised proposal and why the ABN AMRO Boards should continue to recommend this proposed exchanged offer to ABN AMRO shareholders.

On the morning of July 26, 2007, the ABN AMRO Managing Board met to consider the revised terms of the Barclays proposed exchange offer and the terms of the Consortium's offer.

Later on the same day, the ABN AMRO Managing Board and the ABN AMRO Supervisory Board held a joint meeting to discuss the two competing proposals and received a combined presentation from members of the ABN AMRO Managing Board, outside legal counsel and financial advisors and members of the management, followed by a Q&A session.

On the evening of July 26, 2007, Mr. Varley made a presentation to the ABN AMRO Supervisory Board and Mr. Groenink.

During the course of the day on July 27, 2007, the ABN AMRO Managing Board and the ABN AMRO Supervisory Board met throughout the day both together and separately in executive sessions and with outside legal counsel and financial advisors. As a result of these meetings, each of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board, after having considered the advice of outside legal counsel and financial advisors, acting in good faith and observing their fiduciary duties, resolved to make the statement contained in the press release issued on July 30, 2007 and in Item 4 of ABN AMRO's Solicitation/ Recommendation Statement on Schedule 14D-9, which was filed with the SEC on July 30, 2007.

On the evening of July 27, 2007, Mr. Groenink and Mr. Varley agreed in principle that neither ABN AMRO, nor Barclays, wished to terminate the Merger Protocol and/or to claim payment at that time of the break fees contemplated therein.

On July 27, 2007, the lawsuit filed in the United States District Court of the Southern District of New York against ABN AMRO by Bank of America on May 4, 2007, was dismissed.

During the course of the day on July 28, and July 29, representatives of ABN AMRO and Barclays, and their respective advisors, worked on the second amendment to the Merger Protocol, dated, July 30, 2007.

On August 2, 2007, a hearing was held at the Enterprise Chamber of the Amsterdam Court of Appeal in respect of the requests of VEB and four trade unions to order an investigation into certain affairs of ABN AMRO in respect of the offer process. In relation thereto, ABN AMRO has committed to continue to update investors in accordance with all applicable laws and regulations.

**Reasons for the Transaction**

In reaching its decisions to approve the Merger Protocol and recommend the transaction, the Barclays Board consulted with management and its respective financial and legal advisors and considered a variety of factors, including the material factors described below. In light of the number and wide variety of factors considered in connection with its evaluation of the transaction, the Barclays Board did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors that it considered in reaching its determination. The Barclays Board viewed its position as being based on all of the information available and the factors presented to and considered by it. In addition, individual directors may have given different weight to different factors. This explanation of the reasons for the proposed combination and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under **Forward-Looking Statements**.

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***Strategic Considerations***

The Barclays Board, considered a number of factors pertaining to the strategic rationale for the transaction as generally supporting its decision to enter into the Merger Protocol, including the following:

the expectation that the proposed combination of ABN AMRO and Barclays would create one of the world's leading universal banks in a sector which is still fragmented;

the belief that universal banking is the model best equipped for success in an industry where customer needs are converging and where demand-led growth will be significant across the globe;

the belief that harmonization of customer needs is already well advanced in investment banking and investment management and is increasingly apparent in retail and commercial banking;

the belief that the proposed combination brings together two sets of high quality product capabilities and brands, which are well placed to create growth for shareholders from the relationship extension opportunities that exist in a combined base of approximately 46 million personal and 1.4 million commercial customers;

the belief that, in global retail and commercial banking, ABN AMRO and Barclays bring together two sets of highly complementary geographies. Approximately 90% of the combined group's branches will be in seven countries. In Europe the combination will have leading franchises in the UK and The Netherlands and attractive positions in the Italian, Spanish and Portuguese markets. Additionally, the combination will have significant exposure to the high growth developing economies of Brazil and South Africa offering substantial revenue and profit growth opportunities. The combined group will also leverage ABN AMRO's fast growing Asian business;

the expectation that customers will benefit from the enhanced retail and commercial product capabilities of the combined group drawing on, for example, ABN AMRO's global cash and payments infrastructure and Barclays expertise in credit cards;

the fact that ABN AMRO and Barclays are both recognized leaders in commercial banking and both have relevant presence in the mid-market segment. The combination is expected to accelerate Barclays ambition to develop its business banking activities globally. The combined group should be further strengthened by the linkage between a strong investment banking product range and the track record of both ABN AMRO and Barclays in selling investment banking products to mid-market clients across the combined group's broad geographic footprint;

the belief that there is significant opportunity for increased cost efficiency through the optimization of the operating infrastructure and processes;

the belief that the combination of ABN AMRO and Barclays will support the ambition to be a leading global investment bank in risk management and financing through enhanced product expertise and broader geographic exposure;

the expectation that Barclays existing investment banking product capabilities will be considerably enhanced, particularly in commodities, FX, equities, M&A, corporate broking, structured credit and private equity and its geographic and client reach will also be extended significantly into Asia, Latin America and Continental Europe;

the fact that the combined group will be the world's largest institutional asset manager and that Barclays Global Investors' index-based, exchange-traded fund and quantitative active capabilities will be complemented by ABN

AMRO's active fundamentals-based capabilities and products;

the expectation that there are expanded opportunities for retail distribution of the current product set including Barclays Global Investors' rapidly growing iShares exchange-traded funds; and

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the fact that the combined group will be the world's eighth largest wealth manager and that the expanded distribution network will position the merged business well to benefit from favorable demographic trends and increasing demand-led client volumes.

**Financial Considerations**

The Barclays Board also considered a number of financial factors pertaining to the combination as generally supporting its decision. Potential synergies arising from the combination have been analysed by a joint team from ABN AMRO and Barclays through a detailed bottom up approach involving business leaders from both banks. Bob Diamond, Barclays Group President, will be the Accountable Executive for the integration and synergy programs, reporting to the Group Chief Executive and will chair the Integration Committee which will comprise: himself, Huibert Boumeester, Group Chief Administrative Officer, Paul Idzik, Group Chief Operating Officer, Ron Teerlink, GRCB Chief Operating Officer; and Rich Ricci, IBIM Chief Operating Officer. The Integration Committee will have the responsibility for the delivery of the estimated cost synergies and revenue benefits. Capturing the expected synergies will assist the management of the combined group in achieving top quartile cost: income ratios across all businesses by 2010.

Below is a summary of the estimated pre-tax annual cost synergies and revenue benefits, and the estimated costs to achieve them, that are expected to be realized in the three calendar years commencing 2008:

<b>Pre-Tax Annual Cost Synergies, Revenue Synergies and Integration Costs</b>	<b>2008e</b>	<b>2009e</b>	<b>2010e</b>
	<b>( m)</b>	<b>( m)</b>	<b>( m)</b>
Cost Synergies	1,195	2,270	2,800
Revenue Synergies	(470)		700
<b>Total Synergies and Benefits</b>	<b>725</b>	<b>2,270</b>	<b>3,500</b>
Integration Costs	2,160	1,080	360

**Global Retail and Commercial Banking**

It is estimated that the pre-tax annual cost synergies in retail and commercial banking will be 1,650 million in 2010, representing approximately 10% of the combined group's retail and commercial banking cost base excluding LaSalle. The cost synergies are expected to result from the consolidation of the retail and commercial banking activities into a universal banking model including:

best practice off-shoring, improved procurement and real estate rationalization;

the consolidation of data centers and supporting IT networks;

the use of ABN AMRO's trade and payments back office operations in the Barclays network and integration of card operations under Barclaycard; and

the reduction of overlaps in management structures and the retail and commercial operations in the eight overlapping countries.

Revenue benefits are estimated to amount to at least 150 million on a pre-tax basis in 2010, which is equivalent to 0.5% of combined revenues. These are expected to be primarily derived from extending ABN AMRO's broader cash management product offering, increasing ABN AMRO's revenue per credit card towards Barclays comparable levels and realizing the network benefits of increased global presence.

**Investment Banking and Investment Management**

The estimated annual pre-tax cost synergies in investment banking in 2010 are expected to amount to approximately 850 million. Pre-tax cost synergies are equivalent to 8% of combined costs. The cost synergies are expected to be derived from the integration of the two banks' operations onto one operating platform and subsequent reduction of back office staff and non-staff cost.

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It is estimated that revenue benefits, net of assumed revenue attrition, in investment banking in 2010 will be 500 million pre-tax, equivalent to 3% of combined revenues. These benefits are expected to be derived from offering a stronger and broader product set to the combined client base and building on the productivity gains within ABN AMRO's investment banking operations. It is expected that, in addition to the revenue benefits, the combined business will continue to be able to deliver attractive organic growth consistent with Barclays Capital's and ABN AMRO's existing prospects.

Further revenue benefits of approximately 50 million are estimated to arise primarily in the wealth and asset management businesses as a result of the enhanced distribution capabilities of the combined group. Approximately 100 million of annual pre tax cost synergies is expected to arise from the reduction of overlap in wealth and asset management.

*Other Synergies*

It is estimated that further cost synergies of 200 million are expected to arise from the rationalization of the two head offices.

*Integration Costs*

The total pre-tax integration cost of realizing the synergy benefits is estimated to be 3,600 million of which approximately 2,160 million is expected to be incurred in 2008, approximately 1,080 million is expected to be incurred in 2009 and approximately 360 million is expected to be incurred in 2010.

*Financial Terms*

The Barclays Board also considered the financial terms of the exchange offer, including:

the 2.13 Barclays ordinary shares and 13.15 in cash that ABN AMRO ordinary shareholders would receive in the exchange offer for each of their ABN AMRO ordinary shares or the 0.5325 Barclays ADSs and 13.15 in cash (paid in U.S. dollars) that ABN AMRO ADS holders would receive in the exchange offer for each of their ABN AMRO ADSs, in each case subject to the Mix and Match Facility;

the fact that the exchange offer represents a premium of 27.6% over the closing price of ABN AMRO ordinary shares on March 16, 2007, the last trading day prior to the announcement that Barclays and ABN AMRO were in discussions and a premium of 43.6% over the average share price of ABN AMRO ordinary shares in the six months up to and including March 16, 2007;

the earnings, cash flow and balance sheet impact of the proposed combination based on public information and third-party analyst forecasts, as well as the historical financial performance of Barclays and the historical trading price of Barclays ordinary shares and Barclays ADSs and ABN AMRO ordinary shares and ABN AMRO ADSs;

the expectation that Barclays ordinary shareholders will hold approximately 55.6% and ABN AMRO ordinary shareholders will hold approximately 35.1% of the outstanding shares of the combined group immediately after the combination and will have the opportunity to share in the future growth and expected synergies of the combined group; and



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the expectation that the proposed combination will lead to 5% accretion in Barclays adjusted earnings per share<sup>(a)</sup> in 2010<sup>(b)</sup>, and significant accretion in ABN AMRO's 2008 adjusted earnings per share<sup>(a)</sup> in 2008 for accepting holders of ABN AMRO ordinary shares (including ABN AMRO ordinary shares represented by ABN AMRO ADSs), and that the return on investment will be approximately 13% in 2010.

(a) Adjusted earnings per share is the profit attributable to ordinary shareholders adjusted to exclude the amortization of identifiable intangible assets, and fair value adjustments and integration costs related to the combination, divided by the weighted average number of ordinary shares.

(b) This statement is not intended to be and should not be interpreted to mean that the future adjusted earnings per share of Barclays will necessarily match or exceed its historical published adjusted earnings per share.

The Barclays Board also considered the results of the financial, legal and operational due diligence performed by its senior management and financial advisors.

***Other Transaction Considerations***

The Barclays Board also considered a number of additional factors in its decision to enter into the Merger Protocol, including the following:

the UK corporate governance structure of the combined group with a unitary board;

the fact that the head office of the combined group will be located in Amsterdam with management of the combined group the responsibility of a group Executive Committee;

the fact that the Dutch Central Bank and the FSA have agreed that the FSA will be lead supervisor of the combined group and that the Dutch Central Bank and FSA will be the consolidated supervisors of the ABN AMRO and Barclays groups, respectively;

the fact that the holding company for the combined group, Barclays, will remain UK incorporated and will remain a UK tax resident; and

the fact that the holding company for the combined group will remain UK listed and is expected to qualify for a inclusion with a full weighting in the FTSE 100 index and in the AEX index (subject to a maximum weighting cap of 15%).

***Risks***

The Barclays Board also considered a number of uncertainties, risks and other potentially negative factors associated with the combination, including the following:

the value of the Barclays ordinary shares and Barclays ADSs at the time of the closing of the combination could be lower than the price of Barclays ordinary shares and Barclays ADSs as of the date of the Merger Protocol as a result of, among other things, a change in the value of the assets and liabilities of Barclays and ABN AMRO;

the risk that the amount of cost savings and revenue synergies that are actually achieved by the combination may turn out to be less than originally projected;

the possibility that regulatory or governmental authorities in the United States, Europe or elsewhere might seek to impose conditions on or otherwise prevent or delay the combination;

the risks and costs to Barclays and ABN AMRO if the combination is not completed, including the potential diversion of management and employee attention, potential employee attrition and the potential effect on business and customer relationships;

the risk that the potential benefits of the combination may not be fully or partially realized, recognizing the many potential management and regulatory challenges associated with successfully combining the businesses of Barclays and ABN AMRO;

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the risk of diverting management focus and resources from other strategic opportunities and from operational matters, and potential disruption associated with combining and integrating the companies;

the risk that certain members of Barclays and ABN AMRO senior management who have been selected to hold senior management positions in the combined company might not choose to remain with the combined company;

the potential challenges and difficulties relating to integrating the operations of Barclays and ABN AMRO;

the risk that holders of Barclays ordinary shares or Barclays ADSs may fail to approve the combination or that an insufficient number of holders of ABN AMRO ordinary shares or ABN AMRO ADSs tender their ABN AMRO ordinary shares or ABN AMRO ADSs into the exchange offer;

that some officers and directors of Barclays and ABN AMRO have interests in the combination as individuals in addition to, and that may be different from, the interests of holders of Barclays ordinary shares or Barclays ADSs or ABN AMRO ordinary shares or ABN AMRO ADSs;

the fees and expenses associated with completing the combination; and

various other risks associated with the combination and the business of the Barclays, ABN AMRO and the combined company described under *Risk Factors* .

The Barclays Board believed that these potential risks and drawbacks were greatly outweighed by the potential benefits that the Barclays Board expected Barclays and ABN AMRO to achieve as a result of the proposed combination.

In considering the proposed combination, the Barclays Board was aware of the interests of certain officers and directors of, and advisors to, ABN AMRO or Barclays and their boards in the combination, as described under *The Transaction Interests of ABN AMRO s and Barclays Directors and Officers in the Combination* and *The Transaction Certain Relationships and Related Party Transactions* .

**The Combined Group after the Combination**

***General***

The proposed combination of ABN AMRO and Barclays will create one of the world s leading universal banks. Both ABN AMRO and Barclays operate in a sector which is still fragmented in comparison to other global industries. Universal banking is the model best equipped for success in an industry where customer needs are converging and where demand-led growth will be significant across the globe. Harmonization of customer needs is already well advanced in investment banking and investment management and is increasingly apparent in retail and commercial banking.

The proposed combination brings together two sets of high quality product capabilities and brands, which are well placed to create growth for shareholders from the relationship extension opportunities that exist in a combined base of 46 million personal and 1.4 million commercial customers.

The combined group will have a simple and transparent management structure. The management team will be clearly accountable for delivering sustained incremental earnings growth and value for shareholders by leading strong performance from the underlying businesses and by capturing the substantial synergies made available by the merger.

There will be two principal business groupings within the combined group, Global Retail and Commercial Banking ( *GRCB* ) and Investment Banking and Investment Management ( *IBIM* ).

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***Global Retail and Commercial Banking***

ABN AMRO and Barclays bring together two sets of highly complementary geographies. Approximately 90% of the combined group's branches will be in seven countries. In Europe the combination will have leading franchises in the UK and The Netherlands and attractive positions in the Italian, Spanish and Portuguese markets.

Additionally, the combination will have significant exposure to the high growth developing economies of Brazil and South Africa offering substantial revenue and profit growth opportunities. The combined group will also leverage on ABN AMRO's fast growing Asian business. Customers will benefit from the enhanced product capabilities of the combined group drawing on, for example, ABN AMRO's global cash and payments infrastructure and Barclays expertise in credit cards.

ABN AMRO and Barclays are both recognized leaders in commercial banking. They both have relevant presence in the mid-market sector. The combination will accelerate Barclays ambition to develop its business banking activities globally. The franchise will be further strengthened by the linkage between a strong investment banking product range and the track record of both ABN AMRO and Barclays in selling investment banking products to mid-market clients across the combined group's broad geographic footprint.

There is significant opportunity for increased cost efficiency through the optimization of the operating infrastructure and processes.

***Investment Banking***

The combination of ABN AMRO and Barclays will support the ambition to be the premier global investment bank in risk management and financing through enhanced product expertise and broader geographic exposure. Barclays existing product capabilities will be considerably enhanced, particularly in commodities, FX, equities, M&A, corporate broking, structured credit and private equity and its geographic and client reach will also be extended significantly into Asia, Latin America and Continental Europe.

***Asset Management***

The combined group will be the world's largest institutional asset manager. Barclays Global Investors world leading index-based, exchange traded fund and quantitative active capabilities will be complemented by ABN AMRO's active fundamental based capabilities. There are expanded opportunities for retail distribution of the current product set including Barclays Global Investors' rapidly growing iShares exchange traded funds.

***Wealth Management***

The combination of ABN AMRO and Barclays will create the world's eighth largest wealth manager, with a leading European onshore franchise with leading positions in The Netherlands and the UK, a strong European franchise across Germany, Belgium, France and Spain and attractive growing positions in Asia and Brazil. The product development capabilities of the combined asset management business together with an extensive distribution network will allow the merged business to benefit from favorable demographic trends and increasing demand-led client volumes.

***Board Composition***

The combined group will have a UK corporate governance structure with a unitary Group Board of Directors. Following the combination, the Group Board of Directors will initially consist of 19 members, with 10 members from Barclays and nine members from ABN AMRO. In addition China Development Bank has the right to nominate a Barclays non-executive director and, subject to the combination being completed, Temasek will have the right to nominate a Barclays non-executive director. In addition to the Chairman, the Deputy Chairman and the non-executive directors to be nominated by China Development Bank and Temasek, there will be 12 non-executive directors, with five initially nominated by Barclays and

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seven initially nominated by ABN AMRO. In the event that the number of directors of the Barclays Board shall in the two years following the consummation of the exchange offer be reduced, the pro rata representation of directors nominated by Barclays and ABN AMRO shall remain the same. It is expected that Mr. Hoffman, Dr. Cronjé, Professor Dame Sandra Dawson, Sir Andrew Likierman, Mr. Russell and Sir John Sunderland will retire from the Barclays Board with effect from the settlement date, and that, following the settlement date, the Group Board of Directors composition will be as follows:

<b>Chairman</b>	<b>Position as from the settlement date of the combination</b>
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Mr. Martinez	Chairman
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**Non-Executive Directors**

Mr. Agius	Deputy Chairman
Mr. Booth	Non-Executive Director
Sir Richard Broadbent	Non-Executive Director
Mr. Clifford	Non-Executive Director
Mr. Conti	Non-Executive Director
Mr. Groenink	Non-Executive Director
Mr. Kramer	Non-Executive Director
Ms. Maas-de Brouwer	Non-Executive Director
Mr. Olijslager	Non-Executive Director
Sir Nigel Rudd	Non-Executive Director
Mr. Ruys	Non-Executive Director
Mr. Scaroni	Non-Executive Director
Mr. van den Bergh	Non-Executive Director

**Executive Directors**

Mr. Varley	Group Chief Executive
Mr. Boumeester	Group Chief Administrative Officer
Mr. Diamond	President of Barclays and CEO of IBIM
Mr. Lucas	Group Finance Director
Mr. Seegers	CEO of GRGB

Mr. Agius is expected to become Deputy Chairman of the combined group and will remain Chairman of Barclays Bank. It is expected that he will succeed Mr. Martinez as Chairman of the combined group when Mr. Martinez retires.

From the settlement date, Mr. Groenink is expected to cease to be Chairman of the ABN AMRO Managing Board, Mr. Hoffman is expected to cease to be the Group Vice-Chairman, and Mr. Boumeester, successor to Mr. Scott Barrett as Chief Financial Officer of ABN AMRO from July 1, 2007, is expected to cease to hold such office.

***Management and Operating Model***

The head office of the combined group will be located in Amsterdam in The Netherlands. Day to day management of the combined group is expected to be the responsibility of John Varley working with the Group Executive Committee, which is expected, at the closing of the exchange offer, to consist of:

Mr. Varley, Group Chief Executive

Mr. Diamond, Barclays President and CEO of IBIM

Mr. Seegers, CEO of GRCB

Mr. Overmars, CEO of Continental Europe and Asia, GRCB

Mr. Teerlink, Chief Operating Officer of GRCB

Mr. Idzik, Group Chief Operating Officer

Mr. Lucas, Group Finance Director

Mr. Boumeester, Group Chief Administrative Officer

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Wilco Jiskoot is expected to become a Vice-Chairman of Barclays Capital with senior responsibility for client relationships.

IBIM will be headquartered in London. IBIM will comprise: Barclays Capital which will incorporate Barclays Capital and ABN AMRO Global Markets and Global Clients and ABN AMRO Private Equity businesses; Barclays Global Investors and ABN AMRO Asset Management; and Wealth Management which will incorporate Barclays Wealth and ABN AMRO Private Clients.

GRCB will be headquartered in Amsterdam. GRCB will incorporate the retail & commercial banking operations of the combined group, including Barclays UK Retail Banking and UK Business Banking, International Retail and Commercial Banking and Barclaycard Operations; and ABN AMRO's Transaction Banking, BU Netherlands, BU Europe (ex Global Markets), Antonveneta, BU Latin America and BU Asia.

***Regulation and Tax***

The FSA and the Dutch Central Bank have agreed that the FSA will be lead supervisor of the combined group and that the Dutch Central Bank and FSA will be the consolidated supervisors of the ABN AMRO and Barclays groups respectively.

Barclays, which will be the holding company for the combined group, will remain incorporated under the laws of England and will remain UK tax resident.

***Capital Management and Dividend Policy***

ABN AMRO Bank and Barclays Bank will seek to maintain their strong credit ratings. On the effective date, it is expected that the tier one ratio of the combined group will be 7.5% and the core equity tier one ratio 5%. The combined group will take a disciplined approach to capital optimisation and will seek to maintain the tier one ratio at 7.5% and rebuild the core equity tier one ratio to 5.25% by the end of 2009 from the retention of cash flow from earnings. It has been assumed, for the purpose of estimating financial effects, that excess equity over and above the target equity tier one ratio after accounting for dividends and organic growth in risk weighted assets would be returned to shareholders by way of share buy-backs.

It is expected that the combined group will maintain ABN AMRO's and Barclays progressive dividend policy and that dividends per share will grow approximately in line with earnings per share over the longer term. With the benefit of the estimated synergies of the combination, Barclays annual dividend will be approximately twice covered by cash earnings. Management of each of ABN AMRO and Barclays believe that this policy will maintain an appropriate balance between income distribution to shareholders and earnings retention to fund growth. It is also expected that the combined group will continue Barclays practice of weighting the annual dividend towards the final dividend to maintain flexibility. It is not expected that the dividends per share in 2008 will be materially different to the dividend Barclays would have expected to distribute to holders of Barclays ordinary shares or Barclays ADSs had the combination not occurred.

Following implementation of the combination, the combined group will present financial statements in Euro and will declare dividends in Euro. Holders of ordinary shares in the combined group will be able to elect to receive dividends paid in Euro or Sterling (converted at the then prevailing market rate) at any time. Unless they validly elect otherwise, accepting holders of ABN AMRO ordinary shares who receive Barclays ordinary shares pursuant to the Primary Exchange will receive dividends paid in Euro. Unless they validly elect otherwise, accepting holders of ABN AMRO ordinary shares who receive Barclays ordinary shares pursuant to the Alternative Exchange will receive dividends paid in Sterling (converted at the then-prevailing market rate). Existing holders of Barclays ordinary shares will continue to receive dividends paid in Sterling (converted at the then prevailing market rate), unless they validly elect to receive dividends paid in Euro.

Holders of Barclays ADSs in the combined group will receive dividends paid in US dollars converted at the then prevailing market exchange rate and will not be able to elect to receive dividends in any other

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currency. Existing holders of Barclays ADSs will continue to receive dividends paid in US dollars or can elect to have their dividends reinvested. Accepting holders of ABN AMRO ADSs who receive Barclays ADSs pursuant to the exchange offer will also receive dividends paid in US dollars or can elect to have their dividends reinvested.

**Employee Consultation**

Consultations have taken place with the trade unions involved, and the secretariat of the Social Economic Council (*Sociaal Economische Raad*) has been informed of the exchange offer in accordance with the SER Merger Code 2000 (*SER besluit Fusiegedragsregels 2000*).

ABN AMRO and Barclays confirm that all requisite employee consultations and information procedures with employee representative bodies of ABN AMRO and Barclays have been completed and have resulted in a positive opinion of the European Staff Council and a positive advice from the Central Works Council in respect of the proposed combination with Barclays. The ABN AMRO Managing Board and the ABN AMRO Supervisory Board also noted the commitments made to employees and trade unions in respect of employees rights and respecting of existing agreements.

ABN AMRO and Barclays have identified the possibility of rationalizing the number of staff of the combined group through a combination of natural attrition, off-shoring and outsourcing as well as redundancies. The rationalization of headcount is expected to be implemented over the three years following completion of the exchange offer.

ABN AMRO and Barclays have, in their meetings with employee representative groups, including trade unions and works councils, committed to avoiding compulsory redundancies wherever possible and maintaining current redundancy terms for all existing ABN AMRO and Barclays employees worldwide for a period of two years from the closing date.

The reduction in staff is a necessary part of the envisaged synergies from the combination of the two banks. Part of the expected staff reduction will be through establishing shared services and off-shoring those positions to low cost locations, such as India where new staff will be recruited at ABN AMRO's existing ACES operations.

It is expected that the combination of ABN AMRO and Barclays will result in a net reduction in staff of approximately 12,800. In addition, it is expected that approximately 10,800 full-time equivalent positions will be off-shored to low-cost locations. This will impact a gross total of approximately 23,600 full-time equivalent positions of the combined work force of approximately 220,600. (Barclays has approximately 126,600 employees, ABN AMRO has approximately 94,000 employees, excluding LaSalle). ABN AMRO and Barclays are aware of the fact that these measures can have difficult consequences for a number of staff. When it comes to matters affecting the staff of ABN AMRO and Barclays, both ABN AMRO and Barclays have a good reputation and are committed to that reputation. ABN AMRO and Barclays will inform and consult with the appropriate employee representative bodies in the relevant countries and will seek all necessary regulatory consents before taking decisions in relation to these anticipated effects of the combination. ABN AMRO and Barclays will honor all agreements with their respective unions.

**Treatment of Options and Other Equity Awards**

The Merger Protocol contains provisions in relation to the treatment of options and awards under the ABN AMRO Employee Share Plans, which are composed of the ABN AMRO Stock Option Plans, the ABN AMRO Share Award Plan, the ABN AMRO Share Investment and Matching Plan and the ABN AMRO Retention Plans. The ABN AMRO Retention Plans are the ABN AMRO Global Key Employee Retention Plan, the ABN AMRO Key Employee Equity Programme with Co-Investment Plan, the ABN AMRO Key Employee Equity Programme with Co-Investment Plan 2005, the ABN AMRO Asset Management Key Employee Retention Plan with Co-Investment Plan, the ABN AMRO Asset Management Key Employee Retention Plan with Co-Investment Plan 2005, the ABN AMRO BU Brazil Long Term Incentive Plan, the ABN AMRO





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BU North American Long Term Incentive Plan, and any other employee share plan or long term incentive plan adopted or implemented by ABN AMRO.

Barclays and ABN AMRO are considering the proposed treatment of options and awards under the ABN AMRO Employee Share Plans although the treatment has not, at the date of this document, been finalized.

The following is a summary of the proposals relating to the ABN AMRO Share Award Plan and the ABN AMRO Stock Option Plans (being those employee plans under which subsisting options or awards have been granted over or in respect of ABN AMRO ordinary shares) which at the date of this document have been considered by Barclays and ABN AMRO. The summary is without prejudice to further or alternative proposals that Barclays and ABN AMRO may agree within the parameters and in the context of both the Merger Protocol and the rules of the ABN AMRO Share Award Plan and the ABN AMRO Stock Option Plans and any applicable laws. The ABN AMRO Stock Option Plans are the ABN AMRO Top Executive Stock Option Plan, the ABN AMRO Key Staff Stock Option Plan, the ABN AMRO UK Approved Stock Option Plan and the ABN AMRO Equity Option Scheme. The ABN AMRO Share Award Plan is the ABN AMRO Performance Share Plan (also comprising the ABN AMRO Restricted Share Plan).

The normal vesting dates for outstanding awards granted under the ABN AMRO Share Award Plan, which are subject to both performance conditions and service conditions, have not yet occurred. Barclays has proposed that awards under the ABN AMRO Share Award Plan will be replaced, as permitted under the rules of those plans and subject to any applicable laws, with awards over or in respect of Barclays ordinary shares on terms satisfying the provisions of those plans and consistent with the Merger Protocol, and ABN AMRO is considering this proposal.

Apart from certain options granted in 2005 under the ABN AMRO Stock Option Plans, all subsisting options have already vested and are therefore currently exercisable subject to any applicable laws. The intention of ABN AMRO and Barclays is that options over or in respect of ABN AMRO ordinary shares under the ABN AMRO Stock Option Plans which are not already exercisable shall vest and become exercisable in full, in accordance with and to the extent permitted by the rules of the relevant ABN AMRO Stock Option Plans, when the exchange offer becomes unconditional. After the exchange offer becomes unconditional, options not yet exercised will be exercisable for a limited period after which they will lapse. Subject to any applicable laws and the relevant terms, options to acquire ABN AMRO ordinary shares that are exercised will be satisfied in ABN AMRO ordinary shares.

In relation to awards over or in respect of ABN AMRO ordinary shares under the ABN AMRO Share Investment and Matching Share Plan (which are not subject to performance conditions), it is intended that, as provided for in the rules of that plan and subject to any applicable laws, awards will vest in full when the exchange offer becomes unconditional.

Barclays and ABN AMRO have agreed that the proposals that shall be agreed between them and made to holders of subsisting options and awards under the ABN AMRO Employee Share Plans in due course should not have any material incremental accounting costs for either party nor cause the 250 million cap set out in the Merger Protocol on the amount of cash payable in respect of the cash settlement or cancellation of options and awards over ABN AMRO ordinary shares to be exceeded.

Table of Contents**ABN AMRO Ordinary Shares held by Barclays and Members of ABN AMRO Managing Board and ABN AMRO Supervisory Board**

Shareholdings of Barclays as at June 30, 2007 are as follows:

<b>Barclays Entity</b>	<b>Number of ABN AMRO ordinary shares</b>	<b>Percentage of outstanding ABN AMRO ordinary shares</b>
Barclays Global Investors	47,237,444	2.48%
Barclays Capital	4,735,790	0.25%
Other Barclays entities	10,285,980	0.54%
<b>Total</b>	<b>62,259,214</b>	<b>3.27%</b>

None of Barclays directors and officers held any ABN AMRO ordinary shares or ABN AMRO ADSs as of June 30, 2007.

Shareholdings of the members of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board as at July 30, 2007 are as follows:

<b>ABN AMRO Managing Board</b>	<b>Number of ABN AMRO ordinary shares</b>	<b>Number of options for ABN AMRO ordinary shares</b>
Mr. Groenink	87,062	684,789
Mr. Jiskoot	69,679	410,011
Mr. Kuiper	72,668	410,011
Mr. Boumeester	85,168	213,372
Mr. Overmars	41,590	293,372
Mr. Teerlink	35,615	312,403
<b>Total</b>	<b>391,782</b>	<b>2,323,958</b>

<b>ABN AMRO Supervisory Board</b>	<b>Number of ABN AMRO ordinary shares</b>
Mr. Martinez	3,000
Mr. Olijslager	3,221
Mr. Pratini de Moreas	5,384
Mr. van den Bergh	13,112
Mr. Ruys	2,898
Mr. Scaroni	18,451
<b>Total</b>	<b>46,066</b>

At the date of this document, no options for ABN AMRO ordinary shares are held by any of the other members of the ABN AMRO Managing Board or the ABN AMRO Supervisory Board.

**Interests of ABN AMRO s and Barclays Directors and Officers in the Combination**

***Interests of ABN AMRO Directors and Executive Officers***

You should be aware that certain members of the ABN AMRO Managing Board and the ABN AMRO Supervisory Board have relationships, agreements or arrangements that provide them with interests in the combination that may be in addition to or different from those of the ABN AMRO shareholders.

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*ABN AMRO Managing Board Members.* The Group Board of Directors is expected to include Mr. Groenink (a proposed non-executive member of the Group Board of Directors) and Mr. Boumeester (the proposed chief administrative officer of the combined group). As of the completion of the exchange offer and combination, the combined group will be managed by a Group Executive Committee consisting of eight members. The Committee is expected to include Mr. Boumeester, Mr. Overmars, the proposed chief executive officer of continental Europe and Asia of the global retail and commercial banking segment of the combined group and Mr. Teerlink, the proposed chief operating officer of the global retail and commercial banking segment of the combined group. Mr. Jiskoot is expected to become a Vice Chairman of Barclays Capital with senior responsibility for client relationships.

Mr. Boumeester will be eligible to be considered for a discretionary annual bonus award (including mandatory deferral into Barclays Executive Share Award Scheme) and for annual participation in long term incentive plan awards under the Barclays Performance Share Plan. In respect of 2008 it has been agreed he will receive a minimum bonus (including the Executive Share Award Scheme element) of 100% of base salary (capped at 250% of annual salary) and he will be recommended for a Barclays Performance Share Plan award with an aggregate market value on the day of the award of £600,000.

*ABN AMRO Supervisory Board Members.* In addition, pursuant to the terms of the Merger Protocol, Mr. Martinez, the current chairman of the ABN AMRO Supervisory Board, is expected to become the chairman of the combined group and Mr. Kramer, Ms. Maas-de Brouwer, Mr. Ruys, Mr. Olijslager, Mr. Scaroni and Mr. van den Bergh, are expected to become members of the Group Board of Directors. In addition, it is expected that ABN AMRO will nominate additional members of the ABN AMRO Supervisory Board to serve on the Group Board of Directors. Members of the ABN AMRO Supervisory Board who will serve on the Group Board of Directors are expected to be compensated for their services in accordance with Barclays fee structure for non-executive directors.

*Beneficial Ownership of ABN AMRO Securities.* As of December 31, 2006, the members of the ABN AMRO Managing Board, the ABN AMRO Supervisory Board and executive management beneficially owned a total of 387,232 ABN AMRO ordinary shares, representing less than 0.02% of the total ABN AMRO ordinary shares outstanding as of that date.

***Interests of the Barclays Directors and Executive Officers***

You should be aware that members of the Barclays Board and its executive management have relationships, agreements or arrangements that provide them with interests in the combination that may be in addition to or different from those of the holders of Barclays ordinary shares or Barclays ADSs. The Barclays Board was aware of these relationships, agreements and arrangements during its deliberations on the merits of the combination. See *The Transaction Reasons for the Transaction* .

*Barclays Directors.* Pursuant to the terms of the Merger Protocol, Mr. Agius, the current Chairman of the Barclays Board, is expected to become the Deputy Chairman of the Group Board of Directors and is expected to remain chairman of Barclays Bank. In addition, the Group Board of Directors is expected to include Mr. Varley (the Chief Executive Officer of Barclays), Mr. Diamond (the President of Barclays), Mr. Seegers (the Chief Executive Officer of the global retail and commercial banking segment of Barclays) and Mr. Lucas (the Group Finance Director of Barclays), each of whom serve as members of the Barclays Board prior to the effective date of the combination. In addition, certain other members of the Barclays Board are expected to serve as members of the Group Board of Directors.

*Barclays Management.* As of the completion of the combination, the combined group will be managed by a Group Executive Committee consisting of eight members. The Committee is expected to be chaired by Mr. Varley, the group Chief Executive Officer of Barclays, and include Mr. Diamond, the president of Barclays, Mr. Seegers, the Chief Executive Officer of the Global Retail and Commercial Banking segment of Barclays, Mr. Idzik, the Chief Operating Officer of Barclays, and Mr. Lucas, the Group Finance Director of Barclays.



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**Certain Relationships and Related Party Transactions**

Except as set forth in [Background to the Transaction](#) of this document, neither Barclays nor, to the best of its knowledge, any of its affiliates, nor any of the current directors and executive officers of Barclays, has made any arrangement or understanding with any other person with respect to any securities of ABN AMRO, including, but not limited to, any agreement, arrangement or understanding concerning the transfer or the voting of any securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or the giving or withholding of proxies, consents or authorizations. Except as described in [Background to the Transaction](#), there have been no material contacts, negotiations or transactions since January 1, 2004, between Barclays or, to the best of its knowledge, any of the current directors and executive officers of Barclays or any of Barclays affiliates on the one hand, and ABN AMRO or its affiliates, on the other hand, concerning a merger, consolidation, acquisition, a tender offer or other acquisition of ABN AMRO securities, an election of ABN AMRO's directors, or a sale or other transfer of a material amount of ABN AMRO's assets. In the normal course of their businesses, ABN AMRO and Barclays are parties to transactions and agreements with each other. Neither Barclays, nor, to the best of its knowledge, any of the persons named in [Directors and Executive Officers of Barclays after the Combination](#), nor any of its affiliates has since January 1, 2004 engaged in any transaction with ABN AMRO or any of its executive officers, directors or affiliates that would require disclosure under the rules and regulations of the SEC applicable to the exchange offer. To the best of Barclays knowledge, (except as set forth in the preceding sentence and in [Interests of ABN AMRO's and Barclays Directors and Officers in the Combination](#) [Interests of the Barclays Directors and Executive Officers](#),) none of the persons named in [Directors and Executive Officers of Barclays after the Combination](#), and none of Barclays and such persons respective associates and majority-owned subsidiaries own ABN AMRO ordinary shares or have engaged in any transactions in ABN AMRO ordinary shares in the past 60 days.

**Table of Contents****THE EXCHANGE OFFER****General**

Subject to the satisfaction or waiver of certain conditions, Barclays will make an exchange offer to holders of ABN AMRO ordinary shares or ABN AMRO ADSs, as the case may be, pursuant to which they will receive (subject to the Mix and Match Facility):

2.13 Barclays ordinary shares and 13.15 in cash for every 1 ABN AMRO ordinary share; or

0.5325 Barclays ADSs and 13.15 in cash (paid in US dollars) for every 1 ABN AMRO ADS.

The cash consideration paid in respect of ABN AMRO ADSs will be U.S. dollars, based on the conversion of the Euro consideration into US dollars, net of any applicable fees and expenses, at the average exchange rate obtainable by the ADS exchange agent for the five business days preceding the date on which the cash consideration is received by the ADS exchange agent for delivery in respect of such ABN AMRO ADSs.

Upon completion of the exchange offer, the nominal ordinary share capital of Barclays will be increased by a maximum of £1,225,319,514\* from £1,636,417,968 to £2,861,737,483 as a consequence of the exchange offer. If all the holders of ABN AMRO ordinary shares, including holders of ABN AMRO ADSs, tender their securities to receive Barclays ordinary shares or Barclays ADSs, respectively, a maximum of 4,901,278,058\* Barclays ordinary shares, including Barclays ordinary shares represented by Barclays ADSs, will be issued, and the number of issued Barclays ordinary shares will increase from 6,545,671,873 as at July 30, 2007 to 11,446,949,931\*. The maximum of 4,012,764,544 Barclays ordinary shares offered to holders of ABN AMRO ordinary shares and ABN AMRO ADSs represents approximately 35%\* of the share capital and voting rights of Barclays after the completion of the exchange offer. The issue of a maximum of 4,901,278,058\* Barclays ordinary shares is not expected to affect the operations or liabilities of ABN AMRO.

In addition to the exchange offer for the ABN AMRO ordinary shares and ABN AMRO ADSs described in this document, Barclays is offering to acquire all of the outstanding ABN AMRO DR Preference Shares. Barclays is also offering to acquire all of the outstanding ABN AMRO Formerly Convertible Preference Shares. Any holder of ABN AMRO DR Preference Shares or ABN AMRO Formerly Convertible Preference Shares should refer solely to the separate offer document and prospectus, date of even date with this document, for the terms and conditions of those offers.

**Election of Exchange Alternatives**

Holders of ABN AMRO ordinary shares are presented with two options pursuant to the exchange offer: (1) the Primary Exchange; or (2) the Alternative Exchange. Holders of ABN AMRO ordinary shares tendering their ABN AMRO ordinary shares without opting validly for the Primary Exchange or the Alternative Exchange will be deemed to have accepted the Primary Exchange. The ultimate consideration for accepting holders of ABN AMRO ordinary shares will in both cases be such number of new Barclays ordinary shares and such amount of cash as may be determined in accordance with the ABN AMRO ordinary share exchange ratio and any successful elections made under the Mix and Match Facility. The Primary Exchange is likely to be preferred option for most holders of ABN AMRO ordinary shares. This is because the Barclays ordinary shares issued under the Primary Exchange will be issued into the Euroclear Nederland system via the CREST account of Euroclear Nederland and accordingly for so long as these shares remain held in the Euroclear Nederland system and certain conditions are satisfied, these shares

\* These figures are (i) calculated on the assumption that there is full acceptance of the exchange offer, (ii) based on the number of ABN AMRO ordinary shares in issue (excluding treasury shares but including all share options and awards) as at July 30, 2007, (iii) calculated on the basis of 6,545,671,873 Barclays ordinary shares being in issue on July 30, 2007 and (iv) are calculated taking into account the conditional and unconditional issuance of Barclays ordinary shares to China Development Bank and Temasek, the completion of the clawback placing and the share buy-back in full, but excluding the issue of warrants to Temasek and China Development Bank.



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may be sold without any charge to United Kingdom stamp duty reserve tax or (in practice) stamp duty. In contrast, the Barclays ordinary shares issued under the Alternative Exchange will be issued via CREST (by crediting a CREST member's account) or in certificated form rather than being issued into the Euroclear Nederland system via the CREST account of Euroclear Nederland and accordingly on any subsequent sale of those shares United Kingdom stamp duty or stamp duty reserve tax is likely to be payable. However, electing for the Alternative Exchange may enable certain holders of ABN AMRO ordinary shares to obtain a tax deferral in certain jurisdictions on the exchange of their ABN AMRO ordinary shares for Barclays ordinary shares pursuant to the exchange offer. Holders of ABN AMRO ordinary shares should carefully consider the discussion under "Taxation" in this document.

The Primary Exchange will be effected through the use of Barclays (Netherlands), which is the company that is the intended direct holding company for ABN AMRO following completion of the exchange offer. Prior to the settlement of the exchange offer, Barclays (indirectly) owns, and after completion of all steps of the exchange offer Barclays will, directly or indirectly own, 100% of the shares of Barclays (Netherlands), which shares are held in the Euroclear Nederland system. The Primary Exchange will be effected through the use of Barclays Nominees (No. 1) Limited as appointed nominee for the holders of ABN AMRO ordinary shares and the Dutch listing and exchange agent, who will effect transactions through the Euroclear Nederland system.

The steps involved in the Primary Exchange will be effected consecutively on the settlement date and are as follows,

- (a) By accepting the Primary Exchange, a holder of ABN AMRO ordinary shares
  - (i) irrevocably instructs the nominee via his bank or broker to receive on such shareholder's behalf, such number of Barclays (Netherlands) shares as will, after the transfer contemplated in sub-paragraph (ii) below, have a market value equal to the ABN AMRO ordinary shares he or she undertakes to tender,
  - (ii) irrevocably instructs the Dutch listing and exchange agent to transfer his or her ABN AMRO ordinary shares to Barclays (Netherlands) in return, and
  - (iii) irrevocably instructs the nominee to transfer, immediately after receipt by the nominee, the Barclays (Netherlands) shares to Barclays.
- (b) In exchange for the transfer to it of the Barclays (Netherlands) shares, Barclays will issue new Barclays ordinary shares and/or pay cash (as appropriate) to the ABN AMRO ordinary shareholder, completing the transaction for ABN AMRO ordinary shareholder.

Consequently the end result of all these steps is that the ABN AMRO ordinary shares tendered are held by Barclays (Netherlands), the Barclays (Netherlands) shares which are initially transferred to the nominee are ultimately transferred to Barclays, and Barclays ordinary shares are issued and cash is paid pursuant to the exchange offer to tendering holders of ABN AMRO ordinary shares. The number of Barclays ordinary shares issued and the amount of cash paid pursuant to the exchange offer in exchange for the transfer of the Barclays (Netherlands) shares will be determined by applying the ordinary share exchange ratio and any successful elections made under the Mix and Match Facility to the number of ABN AMRO ordinary shares transferred by the holders of ABN AMRO ordinary shares to Barclays (Netherlands). The ultimate consideration will be such number of Barclays ordinary shares and such amount of cash as may be determined for accepting holders of ABN AMRO ordinary shares in accordance with the ordinary share exchange ratio and any successful elections made under the Mix and Match Facility. The Barclays ordinary shares issued in the Primary Exchange will be issued into the Euroclear Nederland system via the CREST account of Euroclear Nederland. All irrevocable instructions are subject to available withdrawal rights under the exchange offer.

A holder of ABN AMRO ordinary shares who selects the Alternative Exchange will tender his ABN AMRO ordinary shares via his bank or broker directly to Barclays via the Dutch listing and exchange agent and in return Barclays will issue Barclays ordinary shares and/or pay cash (as appropriate) to the



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tendering ABN AMRO ordinary shareholder. The new Barclays ordinary shares issued directly to holders of ABN AMRO ordinary shares pursuant to the Alternative Exchange will be issued via CREST (by crediting a CREST member's account) or in certificated form, rather than in the Euroclear Nederland system via the CREST account of Euroclear Nederland and accordingly United Kingdom stamp duty or stamp duty reserve tax is likely to be payable on any subsequent sale of those shares.

Holders of ABN AMRO ordinary shares tendering pursuant to the Primary or Alternative Exchange should carefully consider the discussion under Taxation.

Holders of ABN AMRO ADSs will not be permitted to elect exchange alternatives. Instead, ABN AMRO ADSs that have been validly tendered (or defectively tendered provided that such defect has been waived by Barclays) and not withdrawn will be exchanged for Barclays ADSs and cash in the following manner. The ADS exchange agent will surrender all such ABN AMRO ADSs to the custodian of J.P. Morgan Chase Bank, N.A., as the depository for ABN AMRO's ADR facility (the ABN AMRO Depository), in exchange for the ABN AMRO ordinary shares underlying them. The ADS exchange agent will then tender those ABN AMRO ordinary shares to the Dutch listing and exchange agent and will elect the Primary Exchange in respect of all of them. The Barclays ordinary shares issued and cash paid in respect of those ABN AMRO ordinary shares will be delivered to the custodian of The Bank of New York, as the depository for Barclays ADR facility (the Depository). The Depository will then issue to the ADS exchange agent Barclays ADSs in respect of the Barclays ordinary shares it has received and transmit to the ADS exchange agent the cash it has received, and the ADS exchange agent will distribute the Barclays ADSs and cash to former holders of ABN AMRO ADSs.

**Mix and Match Facility**

Holders of ABN AMRO ordinary shares or ABN AMRO ADSs may elect, subject to availability, to change the proportions in which they receive Barclays ordinary shares or Barclays ADSs and cash in respect of their holdings of ABN AMRO ordinary shares or ABN AMRO ADSs under the Mix and Match Facility. That is, holders of ABN AMRO ordinary shares or ABN AMRO ADSs may request that they receive a greater proportion of cash or Barclays ordinary shares or Barclays ADSs in respect of some or all of their ABN AMRO ordinary shares or ABN AMRO ADSs than they would receive under the default terms of the exchange offer. Making an election under the Mix and Match Facility will not affect the ability of holders of ABN AMRO ordinary shares to choose between the Primary Exchange and the Alternative Exchange.

The total number of Barclays ordinary shares, including those represented by Barclays ADSs, to be issued and the total amount of the cash consideration to be paid under the exchange offer will not be varied as a result of Mix and Match Facility. Accordingly, satisfaction of elections by holders of ABN AMRO ordinary shares or ABN AMRO ADSs under the Mix and Match Facility will depend on the extent to which other holders of ABN AMRO ordinary shares or ABN AMRO ADSs (who together form one consideration pool) make offsetting elections. If elections cannot be satisfied in full, they will be scaled down on a pro rata basis. To the extent that elections can be satisfied, holders of ABN AMRO ordinary shares or ABN AMRO ADSs will receive Barclays ordinary shares or Barclays ADSs instead of cash or vice versa on the basis of a fixed rate of 11.87 for each Barclays ordinary share and the US dollar equivalent of 47.48 for each Barclays ADS. This figure reflects the exchange price of £8.00 per Barclays ordinary share (or \$64.94 per Barclays ADS), using the exchange rate of £1.00 = 1.4839 and £1 = \$2.0293 as published in the Financial Times on August 2, 2007, announced in the July 23, 2007 announcement of the revised offer. Barclays ordinary shares may be trading at a lower or higher price than £8.00 at the applicable settlement date. Electing holders of ABN AMRO ordinary shares will receive the same proration of their elections regardless of whether they choose the Primary Exchange or the Alternative Exchange.

Holders of ABN AMRO ordinary shares or ABN AMRO ADSs who make an election to receive a greater proportion of cash will receive a basic entitlement of 13.15 per ABN AMRO ordinary share or ABN AMRO ADS tendered under this election. Holders of ABN AMRO ordinary shares or ABN AMRO ADSs who elect the Mix and Match Facility will then further receive additional cash to the extent that this has been made available by other holders of ABN AMRO ordinary shares or ABN AMRO ADSs. If there is



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not enough cash given up to give all of a holder's consideration in cash, then holders who elect this Mix and Match Facility will receive the balance in Barclays ordinary shares or Barclays ADSs.

If holders of ABN AMRO ordinary shares or ABN AMRO ADSs make an election to receive a greater proportion of Barclays ordinary shares or Barclays ADSs, such holders will receive a basic entitlement of 2.13 Barclays ordinary shares per ABN AMRO ordinary share tendered under this election, or 0.5325 Barclays ADS per ABN AMRO ADS that tendered. Such holders will then further receive additional Barclays ordinary shares or Barclays ADSs to the extent that they have been made available by other holders of ABN AMRO ordinary shares or ABN AMRO ADSs who elect to receive their exchange offer consideration in cash. If there are not enough Barclays ordinary shares or Barclays ADSs given up to give all of a holder's consideration in Barclays ordinary shares or Barclays ADSs, then such holders will receive the balance in cash.

As a result, holders of ABN AMRO ordinary shares or ABN AMRO ADSs who make an election under Mix and Match Facility will not know the exact number of Barclays ordinary shares or Barclays ADSs or the amount of cash that they will receive until settlement of the consideration under the exchange offer. The definitive announcement of the extent to which elections under the Mix and Match Facility have been satisfied will be made no later than the applicable settlement date.

If holders of ABN AMRO ordinary shares make no such election, they will receive the default entitlement of 13.15 in cash and 2.13 Barclays ordinary shares in respect of each ABN AMRO ordinary share tendered. If holders of ABN AMRO ADSs make no such election, they will receive the default entitlement of 13.15 in cash (paid in US dollars) and 0.5325 Barclays ADS in respect of each ABN AMRO ADS tendered.

The cash consideration paid in respect of ABN AMRO ADSs will be US dollars, based on the conversion of the Euro consideration into US dollars, net of any applicable fees and expenses, at the average exchange rate obtainable by the ADS exchange agent for the five business days preceding the date on which the cash consideration is received by the ADS exchange agent for delivery in respect of such ABN AMRO ADSs.

Elections under the Mix and Match Facility for cash or Barclays ordinary shares in excess of the basic requirements will only be accepted in respect of whole numbers of ABN AMRO ordinary shares or ABN AMRO ADSs. The number of ABN AMRO ordinary shares or ABN AMRO ADSs in respect of which an election under the Mix and Match Facility is made represents the number of ABN AMRO ordinary shares or ABN AMRO ADSs in respect of which the holder wishes to receive either all cash or all Barclays ordinary shares or Barclays ADSs as consideration for the exchange offer. In the event that a holder purports to elect in respect of the same ABN AMRO ordinary shares or ABN AMRO ADSs, for both additional cash and additional Barclays ordinary shares or Barclays ADSs, both purported elections shall be deemed to be void, and the holder will receive the default entitlement of 13.15 in cash or the US dollar equivalent and 2.13 Barclays ordinary shares or 0.5325 Barclays ADSs for each ABN AMRO ordinary share or ABN AMRO ADS.

If Barclays conducts a subsequent offering period, Barclays shall treat elections received (or validated or completed) during such subsequent offering period as forming a separate pool for the purposes of determining the cash and Barclays ordinary shares (including Barclays ordinary shares represented by Barclays ADSs) available to meet such elections. As a result, holders who tender their ABN AMRO ordinary shares or ABN AMRO ADSs during a subsequent offering period and elect for more cash or more Barclays ordinary shares or Barclays ADSs under the Mix and Match Facility may receive a different proportion of their preferred consideration to those who accepted during the initial offer period. However, holders who make an election during a subsequent offering period will be guaranteed to receive at least their default entitlement of 13.15 in cash or the US dollar equivalent and 2.13 Barclays ordinary shares or 0.5325 Barclays ADSs for each ABN AMRO ordinary share or ABN AMRO ADS.



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The Merger Protocol contains no provision that permits either party to terminate the Merger Protocol, or that alters the exchange ratio, because the price of Barclays or ABN AMRO ordinary shares or ABN AMRO ADSs has fallen below any agreed-upon minimum price or risen above an agreed-upon maximum price. The Merger Protocol does provide for the exchange ratio to be adjusted in certain situations in order to factor into the exchange ratio the impact on the relative values of ABN AMRO ordinary shares and Barclays ordinary shares arising from certain actions.

The ordinary share exchange ratio was determined on the basis of the number of ABN AMRO ordinary shares in issue on July 16, 2007 (excluding treasury shares but including all share options and awards) and Barclays share price, on July 20, 2007, being the last trading day prior to July 23, 2007, the date on which the revised terms of the exchange offer were announced. Depending on their terms, issuances of ordinary shares or paid-for newly granted rights to acquire the issued Barclays ordinary shares or ABN AMRO ordinary shares, as applicable (any such issuance, a Capital Raising), or, subject to specified exceptions, the declaration of a dividend, capital repayment or any other distribution in respect of their respective ordinary shares (any such declaration, a Capital Return) by either or both of ABN AMRO and Barclays may be accretive or dilutive to the value of the ABN AMRO ordinary shares and/or the Barclays ordinary shares. For this reason, the terms of the exchange offer provide for the adjustment of the ordinary share exchange ratio in the event that there are Capital Raisings or Capital Returns by either or both of ABN AMRO and Barclays between July 20, 2007 and the settlement date. The investments by China Development Bank and Temasek and the shares issued in the clawback placing and the share buyback program will not result in an adjustment to the exchange ratio.

The adjustment seeks to address the possible impact on the ABN AMRO ordinary share price of certain Capital Raisings or Capital Returns by ABN AMRO, and the possible impact on the Barclays ordinary share price of certain Capital Raisings or Capital Returns by Barclays, such that the terms of the exchange offer continue to reflect both the ABN AMRO and Barclays understanding of the fundamental value of the exchange offer.

The ordinary share exchange ratio shall be adjusted in accordance with the following formula (calculated to two decimal places):-

The adjusted ordinary share exchange ratio is equal to:

$$\frac{((A \times B \times C) - D + E - ((F - C) \times K))}{F} \div \frac{((B \times G) - H + I)}{J}$$

Where:

A is the ordinary share exchange ratio of 2.13 Barclays ordinary shares for each ABN AMRO ordinary share on the calculation date;

B is the Barclays ordinary share price of 713.5 pence per Barclays ordinary share on July 20, 2007 being the last business day prior to July 23, 2007, the date on which the revised terms of the exchange offer were announced;

C is the number of ABN AMRO ordinary shares in issue (excluding treasury shares) of 1,889,108,963 on a fully diluted basis on July 16, 2007;

D is the aggregate value of Capital Return(s) by ABN AMRO between July 16, 2007 and the settlement date (in Sterling);

E is the aggregate value of Capital Raising(s) by ABN AMRO between July 16, 2007 and the settlement date (in Sterling);



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F is the number of ABN AMRO ordinary shares in issue on a fully diluted basis (excluding ordinary shares held as treasury shares, but includes options and share awards) on the settlement date plus all ordinary shares repurchased on July 16, 2007 to the settlement date;

G is the number of Barclays ordinary shares in issue (excluding ordinary shares held as treasury shares, but including options and share awards) of 6,643,816,834 on a fully diluted basis on July 16, 2007;

H is the aggregate value of Capital Raising(s) by Barclays between July 16, 2007 and the settlement date (in Sterling);

I is the aggregate value of Capital Return(s) by Barclays between July 16, 2007 and the settlement date (in Sterling);

J is the number of Barclays ordinary shares in issue on a fully diluted basis (excluding ordinary shares held as treasury shares, but including options and share awards) on the settlement date plus all Barclays ordinary shares repurchased on July 16, 2007 to the settlement date; and

K is 13.15 in cash.

In the event that the ordinary share exchange ratio is adjusted in accordance with the formula above, the ADS exchange ratio will be adjusted by the same proportion.

Both ABN AMRO and Barclays are permitted to repurchase shares at a price not exceeding the market price of the shares at the time of repurchase or, in the case of ABN AMRO, the daily reference price. Any such repurchase shall not result in an adjustment of the exchange ratio.

In any calculation of the adjusted ordinary share exchange ratio, the £/ exchange rate shall be the relevant reference rate as published by the European Central Bank (and quoted on its website) prevailing on the date of the Capital Return or the Capital Raising.

The proposed dividends to be declared (paid) by Barclays and ABN AMRO relating to the financial year ended December 31, 2006 and any interim dividends in respect of the financial year commenced on January 2007 (provided any such interim dividend is consistent with the dividend policy and does not exceed reasonable market expectations as at July 20, 2007) do not fall within the definition of Capital Returns or Capital Raising and shall not result in an adjustment of the ordinary share exchange ratio.

Any adjustment to the ordinary share exchange ratio and the ADS exchange ratio as contemplated above will be communicated to holders of ABN AMRO ordinary shares and ABN AMRO ADSs and holders of Barclays ordinary shares and Barclays ADSs by means of a public announcement and may require an extension to the initial offer period. See The Exchange Offer Exchange Offer Period Extensions of the Initial Offer Period.

**Conditions**

The exchange offer is subject to the satisfaction or waiver of a number of conditions all of which must be either satisfied or waived prior to the exchange offer being declared unconditional and the expiration of the initial offer period, including, among others:

At least 80% of the issued ABN AMRO ordinary shares (including ABN AMRO ordinary shares represented by ADSs) have been tendered under the exchange offer or are otherwise held by Barclays;

No material adverse change in respect of Barclays or ABN AMRO;

No circumstance, occurrence or development has occurred since the date of the Merger Protocol that will constitute or constitutes: (i) suspension of or limitation in trading in the ABN AMRO ordinary shares or ABN AMRO s convertible shares (other than on a temporary basis in the ordinary course of trading); or (ii) suspension of or limitation in trading in Barclays ordinary shares (other than on a temporary basis in the ordinary course of trading);



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No third party has indicated an intention to take any frustrating action (as defined in the Merger Protocol);

All necessary filings, notifications, and applications in connection with the exchange offer have been made and all authorizations and consents have been obtained and relevant waiting periods have expired;

All regulatory approvals required for completion of the LaSalle Agreement (or a purchase and sale agreement with another party) in accordance with its terms have been obtained and the LaSalle Agreement with Bank of America for the sale of LaSalle has been completed in accordance with its terms or a purchase and sale agreement with another party with respect to sale of LaSalle has been completed in accordance with its terms;

The competent regulatory authorities in The Netherlands have given their declaration of no objection and the FSA in the United Kingdom has notified its approval of each person who will acquire control over any United Kingdom authorized person which is a member of the combined group or the relevant waiting period has expired;

No materially burdensome regulatory condition (as defined in the Merger Protocol) having been imposed or being reasonably likely to be imposed;

ABN AMRO and Barclays have received confirmation from the Dutch Central Bank that it has no objection to the parties proposal for the composition of the managing board and supervisory board of ABN AMRO Bank and the FSA has approved the appointment of the proposed directors to the Barclays Board;

All approvals have been received or notices have been filed under US federal or state banking laws that are necessary for completion of the exchange offer and merger and all required waiting periods have expired;

The European Commission has declared the exchange offer compatible with the common market or has granted its approval to the exchange offer and the applicable waiting period under the HSR Act in relation to the exchange offer has expired or been terminated;

Neither Barclays nor ABN AMRO has received any notification from the Dutch Central Bank or the FSA that there is likely to be a change in the supervisory, reporting or regulatory capital arrangements that will apply to the combined group;

The tax clearances from the relevant UK and Dutch tax authorities have not been withdrawn or amended;

Confirmation has been given that the Barclays ordinary shares being offered will be admitted to the Official List of the UKLA, admitted to trading on the main market for listed securities on the LSE, authorized for listing on Euronext and the TSE and the Barclays ordinary shares being offered hereby and the Barclays ADSs representing such shares have been approved for listing on the NYSE;

The general meetings of shareholders of Barclays have passed all agreed or required resolutions;

There has been no event, circumstance or series of linked events or circumstances that was not fairly disclosed in the annual reports and the annual accounts for 2006 of ABN AMRO and Barclays respectively or otherwise disclosed and that can reasonably be expected to have a negative impact on the consolidated operating income in 2006 of ABN AMRO or Barclays of respectively 5% or more;

The Merger Protocol has not been terminated;

Relevant regulatory consents to the investments by China Development Bank in Barclays ordinary shares have been obtained;

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to the extent required, the DNB has given consent to ABN AMRO and ABN AMRO Bank in relation to a distribution relating to the LaSalle proceeds following the exchange offer;

no third party shall declare or reaffirm that it makes or intends to make an offer or an amended offer for shares in ABN AMRO (excluding the current offer by the Consortium on the terms and conditions as announced on July 20, 2007, but including, for example, any amendments to that offer or the terms and conditions of that offer (including an amendment in, or waiver of, any of the offer conditions), any new offer or a reaffirmation of any offer by the Consortium or any declaration in relation thereto by the Consortium). In case this offer condition is not fulfilled, Barclays may change the consideration offered in the exchange offer, provided that the change shall not comprise a decrease of the consideration offered in the exchange offer compared to the consideration offered by the exchange offer just prior to the time the change is made (for so long as the Merger Protocol is not terminated, Barclays agrees with ABN AMRO that it shall not invoke this offer condition without announcing a change to the consideration offered in the exchange offer, unless it has obtained the prior written agreement of ABN AMRO); and

the ABN AMRO Managing Board and the ABN AMRO Supervisory Board having confirmed in writing, and having made an appropriate press release confirming, their unanimous recommendation of the exchange offer for acceptance by the holders of ABN AMRO ordinary shares and the ABN AMRO ADSs.

Barclays has undertaken to the China Development Bank not to waive (a) the 80% minimum acceptance condition to less than 70%, (b) any of the material adverse change conditions, or (c) any right to terminate, rescind or withdraw the exchange offer, without prior consultation with China Development Bank and having due regard to its views.

Barclays and ABN AMRO have made all of the relevant filings globally which are now due where a consent or notification is required in respect of the exchange offer. Some such approvals have already been received (including from the FSA) and it is expected that substantially all remaining approvals will be received by the end of August 2007, and in any case prior to the expiration of the exchange offer. Until all approvals have been received, Barclays and ABN AMRO will continue to communicate and work with the appropriate regulatory authorities to ensure that all approvals are received prior to the closing date.

**Terms of LaSalle Agreement**

As described above, the exchange offer is subject to, among other things, a condition that the LaSalle Agreement with Bank of America for the sale of LaSalle has been completed in accordance with its terms or a purchase and sale agreement with another party with respect to sale of LaSalle has been completed in accordance with its terms. The following is a summary of terms of the LaSalle Agreement that may be material to the proposed combination. This summary is qualified in its entirety by reference to the LaSalle Agreement, which was filed by ABN AMRO with the SEC on a Current Report on Form 6-K on April 24, 2007 and is incorporated by reference in this document. See

Where You Can Find More Information . You should read carefully the full text of the LaSalle Agreement.

**Purchase Price Adjustment**

If the sum of (i) the actual net income of LaSalle for the three months ended March 31, 2007 and (ii) the net income of LaSalle, with certain limited adjustments, for the period commencing on April 1, 2007 and concluding on the earlier of the date of the closing of the sale of LaSalle and December 31, 2007 (the Measurement Period ), is less than the Income Threshold (as defined below), the \$21 billion purchase price will be decreased by the amount of the shortfall. Income Threshold means at any time the amount equal to the sum of (a) the product of (x) \$600 million and (y) a fraction, the numerator of which is the number of calendar days that have elapsed during the Measurement Period and the denominator of which is 274 and (b) \$270 million.

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***Certain Pre-Closing Actions***

Prior to the closing of the sale, ABN AMRO Bank will cause LaSalle to distribute the stock of its subsidiary ABN AMRO WCS Holding Company to ABN AMRO Bank or an affiliate of ABN AMRO Bank.

Prior to the closing of the sale, ABN AMRO Bank will convert \$6,148 million of intercompany debt owed by LaSalle to ABN AMRO Bank or affiliates of ABN AMRO Bank into shares of common stock of LaSalle's parent holding company that will be purchased by Bank of America pursuant to the LaSalle Agreement. The additional shares to be issued as a result of the conversion are included in the \$21 billion purchase price, as may be adjusted as described above.

***Conditions to Completing the Sale of LaSalle to Bank of America***

The obligations of Bank of America and ABN AMRO Bank to complete the sale are subject to the following material conditions:

receipt of approval of the Federal Reserve Board and the expiration of any waiting periods under the Bank Holding Company Act of 1956, as amended, and the HSR Act;

accuracy of the other party's representations and warranties, except, (1) in the case of ABN AMRO Bank, for inaccuracies that, in the aggregate, would not have a material adverse effect on LaSalle, and that do not constitute material inaccuracies in ABN AMRO Bank's capitalization and authority representations, and (2) in the case of Bank of America, for inaccuracies that, in the aggregate, would not materially impede Bank of America's ability to consummate the transaction;

material compliance by each party with its obligations and covenants under the LaSalle Agreement; and

the absence of any order, injunction, decree or judgment issued by a governmental entity prohibiting the completion of the transaction, and the absence of any action by or settlement with the US Department of Justice or any US Attorney's Office imposing a material restriction, condition or burden on LaSalle or Bank of America (including any of its subsidiaries).

A material adverse effect on LaSalle is any event, circumstance, change or effect that has a material adverse effect on the business, results of operations or financial condition of LaSalle, but excluding any effects to the extent resulting from (1) changes in generally accepted accounting principles, regulatory accounting requirements, laws, rules or regulations applicable to depository institutions or their holding companies generally; (2) changes in political conditions generally or in general or regional economic or market conditions affecting depository institutions and their holding companies generally; (3) public disclosure of the LaSalle Agreement; and (4) certain actions or inactions required by the LaSalle Agreement or requested by Bank of America. In addition, a material adverse effect occurs with respect to a party if there is an event that prevents such party from consummating the transactions contemplated by the LaSalle Agreement.

***Efforts to Complete the Sale of LaSalle to Bank of America***

The parties have agreed to take all commercially reasonable actions necessary or advisable to comply promptly with all legal requirements that may be imposed on such party with respect to the sale, including in connection with obtaining any third-party consent that may be required to be obtained in connection therewith, as well as to obtain any consent, authorization, order or approval of, or any exemption by, any governmental entity that is required or advisable to be obtained.

The parties have agreed to take all commercially reasonable actions to resolve any objections that may be asserted by any governmental entity with respect to the sale, and that it would be commercially reasonable for Bank of America to take any action, or commit to take any action, or agree to any condition or restrictions, in connection with obtaining the foregoing approvals of governmental entities or third parties, unless doing so would reasonably be expected to have a material adverse effect on the business, results of operations or financial condition of LaSalle or Bank of America (measured on a scale



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relative to LaSalle) following the closing of the sale. The parties have also agreed that any actions, conditions or restrictions that relate to Bank of America's compliance with the conditions in Section 3(d)(2) of the Bank Holding Company Act of 1956, as amended, or the Bank Merger Act relating to the nationwide deposit cap and to any applicable state deposit caps would be deemed not to have a such a material adverse effect.

***Non-Solicitation and Solicitation Period******Non-Solicit***

In the LaSalle Agreement, ABN AMRO Bank agreed that, except for the actions permitted during the solicitation period described below, it would terminate any discussion with any person with respect to any Acquisition Proposal (as defined below). ABN AMRO Bank also agreed that, except for the actions permitted during the solicitation period described below, ABN AMRO Bank and its affiliates would not, directly or indirectly, take certain actions, including soliciting competing Acquisition Proposals or participating in discussions or negotiations relating thereto. Acquisition Proposal means any offer or proposal, or any indication of interest in making an offer or proposal, made by a person or group at any time which is structured to permit such person or group to acquire, directly or indirectly, beneficial ownership of LaSalle pursuant to a merger, consolidation or other business combination, sale of shares of capital stock, sale of assets, tender offer or exchange offer or similar transaction, including any single or multi-step transaction or series of related transactions, in each case other than the sale of LaSalle to Bank of America, any transaction expressly permitted under the conduct of business covenants described below and any transaction involving a combination with or acquisition of ABN AMRO Bank and its affiliates substantially as a whole (but, in such latter case, would preserve the rights and obligations under the LaSalle Agreement).

***Solicitation Period***

For a period beginning April 22, 2007 and continuing for 14 calendar days, ABN AMRO Bank and its representatives were permitted to solicit Acquisition Proposals from any Qualified Purchaser (as defined below) relating to the purchase of LaSalle (including by way of providing access to non-public information pursuant to a confidentiality agreement no less favorable to ABN AMRO Bank than the existing confidentiality agreement between ABN AMRO Bank and Bank of America) and conduct discussions with respect to Acquisition Proposals. Qualified Purchaser means any US or foreign bank or bank holding company that is reasonably capable of entering into, within the 14-day solicitation period, an alternative acquisition agreement.

If ABN AMRO Bank had received an Acquisition Proposal from any Qualified Purchaser prior to the end of the 14-day period that ABN AMRO Bank concluded in good faith constituted a Superior Proposal (as defined below), ABN AMRO Bank was permitted to enter into an agreement with respect to such Superior Proposal. Superior Proposal means any bona fide Acquisition Proposal made in writing that (1) is on terms that ABN AMRO Bank determines in its good faith judgment (after taking into account all legal, financial, regulatory and other aspects of the proposal, including likelihood of consummation) is superior from a financial point of view to the LaSalle Agreement for ABN AMRO Bank's shareholders and (2) is for cash and is not subject to any financing condition.

***Match Right***

If ABN AMRO Bank had entered into an alternative agreement, Bank of America would have had a period of five business days thereafter to revise the terms of the LaSalle Agreement so that the Acquisition Proposal ceased to constitute a Superior Proposal. If Bank of America had revised the terms of the LaSalle Agreement such that ABN AMRO Bank had concluded that the alternative agreement no longer constituted a Superior Proposal, the alternative agreement would have automatically terminated (without any cost, liability or obligation to LaSalle, Bank of America or their respective subsidiaries). If during such period, Bank of America did not revise the terms of the LaSalle Agreement accordingly, ABN AMRO Bank was permitted to terminate the LaSalle Agreement, subject to payment by ABN AMRO Bank to Bank of America of a \$200 million termination fee.





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***Termination***

The LaSalle Agreement can be terminated at any time prior to the closing of the sale by mutual consent and by either party in the following circumstances:

if any required regulatory approval is denied, and such denial is final and non-appealable, or any governmental entity of competent jurisdiction has issued a final, non-appealable injunction permanently enjoining or otherwise prohibiting the consummation of the sale of LaSalle to Bank of America;

if the closing of the sale of LaSalle to Bank of America has not occurred on or before May 1, 2008 (provided that the right to terminate the LaSalle Agreement for this reason is not available to any party whose action or failure to act was the cause of or resulted in the failure of the closing to occur on or before such date and such action or failure to act constituted a breach of the LaSalle Agreement); or

if there is a breach by the other party that would cause the failure of the closing conditions described above, unless the breaching party is using all commercially reasonable efforts to cure such breach.

The LaSalle Agreement could also have been terminated pursuant to the solicitation period provisions described above.

If the LaSalle Agreement is terminated pursuant to the termination provisions described above, neither party will have any liability or further obligation to the other party except for certain limited continuing covenants and except that any such termination will not relieve a breaching party from liability for any willful and material breach of the LaSalle Agreement.

***Indemnification***

From and after the closing of the sale, ABN AMRO Bank is required to indemnify Bank of America and its officers, directors, employees, agents, advisors, representatives and affiliates for losses to the extent resulting or arising from breaches of certain of ABN AMRO Bank's covenants, the businesses excluded from the sale of LaSalle to Bank of America, liabilities of ABN AMRO Bank to the extent not related to the business being acquired and certain specified pre-closing tax and ERISA matters.

From and after the closing of the sale, Bank of America is required to indemnify ABN AMRO Bank and its officers, directors, employees, agents, advisors, representatives and affiliates for losses to the extent resulting or arising from breaches of Bank of America's covenants and liabilities of LaSalle to the extent not related to the businesses excluded from the sale of LaSalle to Bank of America.

***Conduct of Business Covenants***

ABN AMRO Bank has agreed that, until the earlier of the closing and the termination of the LaSalle Agreement, it will, and will cause LaSalle and each of its subsidiaries to: (1) conduct LaSalle's business in all material respects in the usual, regular and ordinary course consistent with past practice; and (2) use commercial reasonable efforts to maintain and preserve intact the business organizations and goodwill of LaSalle's business and such business's current relationships with customers, regulators, employees and other persons with which such business has significant business or other relationships.

ABN AMRO Bank has further agreed during that period not to undertake certain actions without the prior written consent of Bank of America (which may not be unreasonably withheld or delayed), including certain actions relating to indebtedness, dividends, capital expenditures, share and option transactions, sales and acquisitions of assets, compensation, employee benefits, settlement of litigation and other accounting, tax or business management policies.

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***Other Covenants***

Bank of America and ABN AMRO Bank have agreed to cooperate to effect on mutually acceptable terms the transfer to LaSalle of the ownership interests in two Chicago properties that were subject to a sale/leaseback arrangement with ABN AMRO.

All intercompany debt, agreements and accounts between LaSalle, on the one hand, and ABN AMRO, on the other hand, will be repaid, settled or terminated effective as of the closing of the transaction, with the parties discussing in good faith the appropriate method to settle intercompany indebtedness and intercompany derivative contracts.

The parties have agreed to identify and transfer between LaSalle and ABN AMRO certain funding subsidiaries.

ABN AMRO Bank has agreed to take certain actions with respect to certain voting rights of shares of preferred stock issued by ABN AMRO North America Holding Company and its subsidiaries.

The parties have agreed to certain other customary covenants.

***Representations and Warranties***

The LaSalle Agreement contains customary representations and warranties for transactions of this type, including representations by ABN AMRO Bank as to corporate organization, capitalization, requisite corporate authority to enter into the agreements contemplated by the sale, consents and approvals, regulatory filings, financial statements, undisclosed liabilities, absence of certain changes since December 31, 2006, legal proceedings, tax and employee benefit matters, compliance with law, material contracts, investment securities and derivative instruments, environmental matters, insurance, properties, intellectual property, sufficiency of assets, investment advisor and broker/dealer subsidiaries, intercompany arrangements, divested businesses and broker's fees.

***Choice of Law and Jurisdiction***

The LaSalle Agreement provides that it is to be interpreted, construed and governed by New York law.

The parties agreed to submit to the exclusive jurisdiction of the federal courts in New York (or if federal court jurisdiction is not available, New York state court) in respect of any claim, dispute or controversy relating to or arising out of the negotiation, interpretation or enforcement of the LaSalle Agreement.

***Investments by China Development Bank and Temasek***

On July 23, 2007 the Barclays Board also announced an investment by China Development Bank and Temasek of up to 13.4 billion (£9 billion) in Barclays through the subscription by China Development Bank and Temasek for Barclays ordinary shares. This investment allows Barclays to build on its long-standing relationship with China Development Bank, making it now a strategic partner and strategic investor and makes Temasek a major shareholder. The management of Barclays believes there are substantial benefits for each of Barclays, China Development Bank and Temasek as a result of these arrangements.

***Investment by China Development Bank***

China Development Bank will invest a total of 8.5 billion (£5.8 billion) in the combined group and has entered into a strategic partnership with Barclays which establishes a framework for their strategic co-operation. Barclays will assist and advise China Development Bank in its evolution into a commercially

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operated financial institution. The two parties will jointly exploit international business opportunities, including:

cross-referral of clients, when the clients' needs can better be met by the other partner;

extensive training and talent management. China Development Bank will use Barclays global presence to identify and to recruit talent outside China, and will benefit from the provision of extensive training and the regular secondment of managers from Barclays; and

collaboration in commodities products, where Barclays Capital is already established as one of the world's leading firms;

In addition, China Development Bank will use Barclays Global Investors as one of its preferred asset managers. Both parties have agreed to co-operate where further opportunities to develop new markets and products in the region are identified. Barclays will provide expertise and advice in fields including risk management, corporate governance and IT strategy and procurement.

Barclays and China Development Bank have agreed that:

China Development Bank will invest 2.2 billion (£1.5 billion) in Barclays through an unconditional subscription of 201 million new Barclays ordinary shares, or approximately 3.1% of Barclays existing issued share capital, at a price of £7.20 per share on August 14, 2007;

China Development Bank will also invest a further 6.4 billion (£4.3 billion) (using the exchange rate of £1.00 = 1.4839, as published by the Financial Times on August 2, 2007) in Barclays through a conditional investment agreement at a price of £7.40 per new ordinary share conditional on the combination with ABN AMRO completing (it is a condition to the conditional investment of 6.4 billion (£4.3 billion), and the consummation of the exchange offer, that the relevant regulatory consents to China Development Bank's investment be obtained);

On July 23, 2007, China Development Bank purchased warrants in respect of 61 million new Barclays ordinary shares with an exercise price of £7.80 per share. The warrants become exercisable only if the exchange offer becomes unconditional and are exercisable for a period of two years thereafter. If the warrants were exercised in full, China Development Bank's shareholding in the combined group would rise by approximately 0.5%;

China Development Bank will be entitled to nominate a non-executive director to the Barclays Board;

China Development Bank will be free to acquire additional shares in Barclays on the open market subject to a standstill agreement limiting its shareholding to below 10% for three years from July 23, 2007; and

China Development Bank has agreed not to enter into a business collaboration agreement of a similar nature with another major banking institution with global operations.

***Investment by Temasek***

Temasek agreed to become a major shareholder in Barclays and will invest a total of 3.1 billion (£2.1 billion) in the combined group. The key terms of the Temasek investment are set out below.

Temasek will invest 1.4 billion (£1.0 billion) (using the exchange rate of £1.00 = 1.4839, as published by the Financial Times on August 2, 2007), or approximately 2.1% of Barclays existing issued share capital, in Barclays through an unconditional placing of 135 million new Barclays ordinary shares at a price of £7.20 per share on August 14, 2007;

Temasek will also invest a further 1.7 billion (£1.1 billion) in Barclays shares at a price of £7.40 per share conditional on the merger completing;



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On July 23, 2007, Temasek purchased warrants in respect of 61 million Barclays ordinary shares with an exercise price of £7.80 per share. If the warrants were exercised in full, Temasek's shareholding would rise by approximately 0.5%; and

Temasek will be entitled to nominate a non-executive director to the Barclays Board if the merger becomes unconditional.

***Other***

Any material revision to the financial terms of the exchange offer would require the consent of China Development Bank and Temasek.

***Clawback Placing***

Of the Barclays ordinary shares which China Development Bank and Temasek have conditionally agreed to acquire, up to 229,729,730 were made available by way of a clawback placing, targeted at certain Barclays shareholders outside of the United States, at a price of £7.40 per share. Applications for subscription under the clawback placing resulted in the allocation of 153,772,445 shares at a price of £7.40 per share (representing £1.1 billion of Barclays ordinary shares) to existing Barclays shareholders and certain other institutional investors. As a result of this placing, China Development Bank and Temasek have been scaled back such that conditional upon the completion of the exchange offer, China Development Bank will now subscribe for a total of 582 million Barclays ordinary shares at a price of £7.40 per share (representing £4.3 billion of Barclays ordinary shares), and Temasek will subscribe for a total of 153 million Barclays ordinary shares at a price of £7.40 per share (representing £1.1 billion of Barclays ordinary shares). Assuming that the exchange offer is completed, China Development Bank will, upon completion, own approximately 6.8% and Temasek will own approximately 2.5% of the issued share capital of the combined group.

***Share Buy-Back Program***

The total proceeds from the unconditional issuance of Barclays ordinary shares to China Development Bank and Temasek on August 14, 2007 will amount to 3.6 billion (£2.4 billion) and this amount is unconditionally committed. In the event that the exchange offer is not consummated, China Development Bank and Temasek nonetheless will already have purchased the first unconditional tranche of their investment, equal to approximately 5.2% of Barclays existing share capital. On July 23, 2007, the Barclays Board announced the share buy-back program to minimize the dilutive effect on the existing Barclays shareholders of the issuance of Barclays ordinary shares to China Development Bank and Temasek. The share buy-back program will occur irrespective of whether the exchange offer is completed. The share buy-back program will commence on August 6, 2007 and will be conducted in full compliance with applicable U.K. and Dutch laws and regulations and will be subject to oversight by the U.K. Financial Services Authority. The share buy-back program will be conducted on market by JPMorgan Cazenove as an independent third party on behalf of Barclays pursuant to Barclays existing general shareholder authority. Pursuant to the share buy-back program, JPMorgan Cazenove has been instructed to repurchase a number of Barclays ordinary shares equal to the lesser of: (1) such number of Barclays ordinary shares as will be issued to China Development Bank and Temasek in the unconditional portion of their subscription (336.8 million shares) and (2) such numbers of Barclays ordinary shares as JPMorgan Cazenove is able to acquire using the proceeds from the unconditional subscription by China Development Bank and Temasek (3.6 billion (£2.4 billion)). The existing authority for Barclays to purchase its own shares was granted at the Barclays Annual General Meeting on April 26, 2007, and if a resolution is passed at the Barclays Extraordinary General Meeting, will (subject to the combination becoming effective) be substituted by the authority granted pursuant to such resolution. The share buy-back program will be suspended during the 10 trading days prior to the expiration of the exchange offer acceptance period (as it may be extended from time to time).

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**Source and Amount of Funds**

Barclays will finance the Cash Consideration of the exchange offer pursuant to the clawback placing to certain existing Barclays shareholders and other institutional investors from the following sources:

*Proceeds of the sale of LaSalle.* Barclays proposes to use approximately 12 billion of capital released from the sale of LaSalle to Bank of America, previously intended to be returned to Barclays shareholders post the combination, to repay borrowings incurred in order to fund part of the Cash Consideration.

*Conditional Investments.* As described above, 8.1 billion of the Cash Consideration will be funded by the conditional investments by China Development Bank and Temasek.

*Clawback Placing.* As described above, 1.7 billion of the Cash Consideration will be funded by subscription pursuant to the clawback placing to certain existing Barclays shareholders and other institutional investors.

*Available Cash Resources.* Barclays will fund approximately 3 billion of the Cash Consideration from available cash resources.

**Exchange Offer Period**

***General***

The initial offer period of the exchange offer will commence on August 7, 2007 and expire at 9:00 a.m. New York City Time (3:00 p.m. Amsterdam Time) on October 4, 2007, unless the initial offer period is extended by Barclays.

***Announcement of the Results of the Exchange Offer and Declaring the Exchange Offer Unconditional***

Unless the initial offer period is extended, Barclays will determine within five Euronext trading days following the expiration of the initial offer period on October 4, 2007, whether the exchange offer conditions have been fulfilled or are to be waived and will announce whether (i) the exchange offer has been declared unconditional, (ii) there is still uncertainty as to the fulfilment of any of the exchange offer conditions, or (iii) the exchange offer is terminated, as a result of the exchange offer conditions not having been fulfilled or waived. Announcements will be made by means of a press release on the Dow Jones News Service, among others, and, to the extent required under applicable rules and regulations, by publication in the Daily Official List of Euronext and at least two Dutch national newspapers. In addition, notice will be posted on [www.barclays.com](http://www.barclays.com).

If one or more of the offer conditions described in this document under Conditions is not fulfilled at the time the exchange offer is due to expire, Barclays may, with the prior written consent of ABN AMRO, extend the period of time for which the exchange offer is open to allow for all the conditions listed above under Conditions to be satisfied if possible or, to the extent permitted, waived. In accordance with Dutch law, Barclays may extend the period of time for which the exchange offer is open for a period of between two and ten weeks.

If Barclays extends, terminates, withdraws or declares the exchange offer unconditional (in accordance with applicable law), Barclays will notify the ADS exchange agent and the Dutch listing and exchange agent by written notice or oral notice confirmed in writing.

***Extensions of the Initial Offer Period***

If Barclays decides to extend the initial offer period, it will also make an announcement to that effect no later than the third Euronext trading day after the previously scheduled expiration date of the initial offer period. Barclays will announce any extension of the initial offer period by issuing a press release on, among others, the Dow Jones News Service and by publication in the Daily Official List of Euronext and at

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least two Dutch national newspapers. In addition, notice will be posted on [www.barclays.com](http://www.barclays.com). During an extension of the initial offer period, any ABN AMRO ordinary shares or ABN AMRO ADSs validly tendered (or defectively tendered provided that such defect has been waived by Barclays) and not properly withdrawn will remain subject to the exchange offer, subject to the right of each holder to withdraw the ABN AMRO ordinary shares or ABN AMRO ADSs he or she has already tendered in the manner described in this document.

If Barclays extends the period of time during which the initial offer period is open, the offer will expire at the latest time and date to which Barclays extends the initial offer period.

Subject to the requirements of Dutch tender offer regulations and the US federal securities laws (including US federal securities laws which require that material changes to the offer be promptly disseminated to shareholders in a manner reasonably designed to inform them of such changes) and without limiting the manner in which Barclays may choose to make any public announcement, Barclays will have no obligation to communicate any public announcement other than as described above.

Barclays will extend the initial offer period if Barclays changes the consideration being offered within 10 US business days of the then-scheduled expiration date of the initial offer period, so that the initial offer period will expire no less than 10 US business days after the publication of the change. If, prior to the expiration date of the initial offer period, Barclays changes the consideration being offered in the exchange offer, the change will be applicable to all holders of ABN AMRO ordinary shares or ABN AMRO ADSs whose ABN AMRO ordinary shares or ABN AMRO ADSs are accepted for exchange pursuant to the exchange offer, whether or not those ABN AMRO ordinary shares or ABN AMRO ADSs were tendered prior to the change.

Barclays will also extend the exchange offer, to the extent required by applicable Dutch tender offer regulations or US federal securities laws, if Barclays:

makes a material change to the terms of the exchange offer, other than a change in the consideration being offered in the offer; or

makes a material change in the information concerning the exchange offer.

***Waiver of the Minimum Acceptance Condition***

Barclays reserves the right to waive the minimum acceptance condition, subject to its obligation under the Conditional Investment Agreement to consult with China Development Bank, having due regard to its views, if Barclays wishes to waive the minimum acceptance condition at a percentage less than 70% and to its obligation under the Merger Protocol to obtain the approval of the ABN AMRO Supervisory Board if Barclays wishes to waive the minimum acceptance condition at a percentage less than 50%.

If Barclays wishes to waive the minimum acceptance condition at a percentage in excess of 50%, it may choose to do so according to the following procedure. Barclays would make an announcement at least five US business days prior to the expiration of the exchange offer indicating that it may waive the minimum acceptance condition and the percentage of ABN AMRO ordinary shares (including ABN AMRO ordinary shares underlying ABN AMRO ADSs) that would need to have been tendered or otherwise held by Barclays in order for Barclays to waive the minimum acceptance condition if it elects to waive the minimum acceptance condition. Any such announcement will be made through a press release and by placing an announcement in a newspaper of national circulation in the United States. ABN AMRO ordinary shares and ABN AMRO ADSs will be capable of withdrawal until the expiration of the exchange offer, and the announcement that Barclays may waive the minimum acceptance condition will advise shareholders to withdraw their acceptances immediately if their willingness to accept the offer would be affected by such waiver. After the exchange offer expires, Barclays will determine the number of ABN AMRO ordinary shares and ABN AMRO ADSs that have been validly tendered (or defectively tendered provided that such defect has been waived by Barclays) and not withdrawn, and following completion of this process Barclays will determine whether to waive the minimum acceptance condition in accordance





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with the terms of the previous announcement. In the event that Barclays does waive the minimum acceptance condition pursuant to this procedure Barclays will provide a subsequent offering period, as described below, lasting not less than five US business days.

ABN AMRO shareholders should note that because the procedure described in the previous paragraph would allow Barclays to waive the minimum acceptance condition after the initial offer period has closed, and any ABN AMRO ordinary shares or ABN AMRO ADSs tendered during the initial offer period will not be capable of withdrawal following the closing of the initial offer period, shareholders will not be able to withdraw tendered ABN AMRO ordinary shares or ABN AMRO ADSs after Barclays announces that it has determined to waive the minimum acceptance condition. However, ABN AMRO shareholders will have had the opportunity to withdraw tendered ABN AMRO ordinary shares or ABN AMRO ADSs for at least five US business days after Barclays announces that it may waive the minimum acceptance condition, and Barclays would only use this procedure to waive the minimum acceptance condition at a percentage that would still result in Barclays controlling ABN AMRO following completion of the exchange offer.

If Barclays waives the minimum acceptance condition and, after any subsequent offering period has expired, Barclays still does not have the applicable threshold amount of ABN AMRO shares to implement one of the squeeze-out procedures described under Post-Closing Restructuring below, the process to acquire the remaining outstanding ABN AMRO ordinary shares (including ABN AMRO ordinary shares represented by ABN AMRO ADSs) will be subject to additional uncertainty and possible further delay as described in Post-Closing Restructuring below.

As described in Post-Closing Restructuring below, if Barclays does not acquire 95% of the issued and outstanding ordinary share capital of ABN AMRO, two supervisory directors will be appointed to the supervisory board of ABN AMRO and ABN AMRO Bank who will have the special responsibility of safeguarding the interests of minority shareholders. These directors would supervise all transactions between ABN AMRO and Barclays outside the ordinary course of business including steps taken with a view to realise synergies. The impact of a waiver of the minimum acceptance condition on Barclays ability to realise synergies and integrate the two businesses is therefore not expected to be significant as the governance arrangements in place to safeguard shareholders' interests will be the same at any acceptance level below 95%.

Were Barclays to acquire over 50% but less than 100% of the shares in ABN AMRO, ABN AMRO would still be a subsidiary of Barclays but Barclays would issue fewer of its shares in exchange for a reduced stake in ABN AMRO. Barclays would continue to consolidate from the date of completion of the combination all of the assets and liabilities in ABN AMRO at their fair value. However, the percentage of the net assets acquired by Barclays would be reduced and therefore the goodwill acquired would also be reduced. Minority interests in shareholders equity would increase and a higher percentage of the profit after tax would be allocated to minority interests. The larger the minority stake, the larger those adjustments would be.

Alternatively, Barclays may waive the minimum acceptance condition at any percentage including at 50% or less, by announcing that it has waived the minimum acceptance condition at any time prior to the exchange offer being declared unconditional, disseminating such information about the waiver as necessary to inform shareholders of its consequences, and holding the initial offer period open (including by extending the initial offer period if necessary) for at least five US business days following the waiver.

**Subsequent Offering Period**

If the exchange offer is declared unconditional, Barclays reserves the right to provide a subsequent offering period of not less than three US business days and up to 15 Euronext trading days, but in no event more than 20 US business days in length, following the date the exchange offer is declared unconditional. In the event that Barclays waives the minimum acceptance condition at a percentage in excess of 50% pursuant to the procedure described in the second paragraph under Exchange Offer Period Reduction of the Minimum Acceptance Condition, Barclays will be required to provide such a



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subsequent offering period. A subsequent offering period is an additional period of time, following the date the exchange offer is declared unconditional, during which any holder of ABN AMRO ordinary shares or ABN AMRO ADSs may tender their ABN AMRO ordinary shares or ABN AMRO ADSs not tendered in the exchange offer. A subsequent offering period, if one is provided, will commence immediately after the exchange offer is declared unconditional and is not an extension of the exchange offer, which already will have expired, and ABN AMRO ordinary shares or ABN AMRO ADSs previously tendered and accepted for exchange in the exchange offer will not be subject to any further withdrawal rights. A subsequent offering period, if one is provided, will not affect the timing of the acceptance and delivery of ABN AMRO ordinary shares or ABN AMRO ADSs previously tendered and accepted for exchange in the exchange offer, as described below under the heading **Settlement and Delivery of Securities**. During the subsequent offering period, tendering shareholders will not have withdrawal rights.

The default exchange ratios will be the same during any subsequent offering period as during the initial offer period, and the Mix and Match Facility will be available during any subsequent offering period. The extent to which a holder who makes an election under the Mix and Match Facility during a subsequent offering period receives the consideration that the holder elected for will depend on the elections made by other holders tendering during the subsequent offering period (and not on elections made by holders who tendered during the initial offer period).

The Mix and Match Facility is conditional upon the exchange offer becoming or being declared unconditional in all respects. The Mix and Match Facility will lapse if the exchange offer lapses or expires. Any subsequent offering period will be announced simultaneously with an announcement that the exchange offer has been declared unconditional.

**Procedure for Tendering and Electing**

**You must follow the procedures described below in a timely manner in order to tender your ABN AMRO ordinary shares or ABN AMRO ADSs. The method of delivery of ordinary share forms of acceptance, ADS letters of transmittal, ADRs and any other documents (including documents required pursuant to the procedures of the bank, broker or other nominee through which you hold your ABN AMRO ordinary shares or ABN AMRO ADSs) is at your option and risk, and the delivery will be deemed made only when actually received by the addressee. In all cases, you should allow sufficient time to ensure timely delivery. Please do not send any ordinary share forms of acceptance, ADS letters of transmittal or other documents to Barclays directly.**

***Registered Holders of ABN AMRO ordinary shares***

If you hold your ABN AMRO ordinary shares as the registered holder, you may tender your ABN AMRO ordinary shares to ABN AMRO Bank, the Dutch listing and exchange agent, by following the procedures set forth in the appropriate version of the ordinary share deed of transfer you received with this document. If you wish to elect for the Primary Exchange, you should use the version of the ordinary share form of acceptance marked **Primary Exchange**, and if you wish to elect for the Alternative Exchange, you should use the version of the ordinary share form of acceptance marked **Alternative Exchange**. The form should be completed, signed and returned so as to reach the Dutch listing and exchange agent not later than 9:00 a.m. New York City Time (3:00 p.m. Amsterdam Time) on the expiration date of the initial offer period, as it may be extended by Barclays.

***No Guaranteed Delivery Procedure***

If you are a registered holder of ABN AMRO ordinary shares and you wish to tender them in the exchange offer, you must validly tender them to the Dutch listing and exchange agent prior to the expiration of the exchange offer. There is no guaranteed delivery procedure open to registered holders of ABN AMRO ordinary shares.

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*Making an Election under the Mix and Match Facility*

If you are a registered holder of ABN AMRO ordinary shares, you may make an election under the Mix and Match Facility by validly completing the section of the appropriate version of the ordinary share deed of transfer you received with this document and tender your ABN AMRO ordinary shares to the Dutch listing and exchange agent in accordance with the procedures described above and in the appropriate version of the ordinary share deed of transfer you received with this document.

***Registered Holders of ABN AMRO ADSs***

If you hold your ABN AMRO ADSs as the registered holder, either in ADR form or in uncertificated form through DRS, you may tender your ABN AMRO ADSs to the ADS exchange agent by following the procedures set forth in the ADS letter of transmittal you received with this document. The ADS letter of transmittal should be properly completed and executed and returned so as to reach the ADS Exchange Agent no later than 9:00 a.m. New York City Time (3:00 p.m. Amsterdam Time) on the expiration date of the initial offer period, as it may be extended by Barclays, or the subsequent offering period, if one is provided by Barclays.

***Guaranteed Delivery Procedures***

If you are a registered holder of ABN AMRO ADSs and you wish to tender them in the exchange offer, but your ABN AMRO ADSs are not immediately available or time will not permit them to be validly tendered to the ADS exchange agent prior to the expiration of the exchange offer, you may nevertheless properly tender your ABN AMRO ADSs if all the following conditions are satisfied:

your tender is made by or through an eligible institution (as that term is defined in the ADS letter of transmittal you received with this document);

a properly completed and duly executed notice of guaranteed delivery substantially in the form provided with this document, is received by the ADS exchange agent as provided in the instructions thereto prior to the relevant expiration date; and

a duly executed letter of transmittal, together with any ADRs or other required documentation as described in the ADS letter of transmittal, is received by the ADS exchange agent within three NYSE trading days after the date of execution of the notice of guaranteed delivery. A NYSE trading day is a day on which the NYSE is open for business.

***Making an Election under the Mix and Match Facility***

If you are a registered holder of ABN AMRO ADSs, you may make an election under the Mix and Match Facility by validly completing the section of the ADS letter of transmittal entitled *Mix and Match Election* and tendering your ABN AMRO ADSs to the ADS exchange agent in accordance with the procedures described above and in the ADS letter of transmittal.

***Other Holders of ABN AMRO Ordinary Shares and ABN AMRO ADSs***

If you hold your ABN AMRO ordinary shares or ABN AMRO ADSs in street name through a bank, broker or other nominee, you must follow the procedures of your bank, broker or other nominee in order to tender your ABN AMRO ordinary shares or ABN AMRO ADSs (including through a notice of guaranteed delivery, if applicable) or to make an election under the Mix and Match Facility. If you follow those procedures in a timely manner, your bank, broker or other nominee (or any nominee through which your bank, broker or other nominee ultimately holds your ABN AMRO ordinary shares or ABN AMRO ADSs) will in turn tender your ABN AMRO ordinary shares or ABN AMRO ADSs, and convey any election you have made under the Mix and Match Facility, to the Dutch listing and exchange agent or the ADS exchange agent, respectively.

**Table of Contents*****Restrictions on Tendered ABN AMRO Ordinary Shares and ABN AMRO ADSs***

Tendered ABN AMRO ordinary shares and ABN AMRO ADSs will be held in an account controlled by the Dutch listing and exchange agent and the ADS exchange agent, respectively, and consequently you will not be able to sell, assign, transfer or otherwise dispose of such securities until such time as (i) you withdraw your ABN AMRO ordinary shares or ABN AMRO ADSs from the exchange offer; (ii) your ABN AMRO ordinary shares or ABN AMRO ADSs have been exchanged in the manner set out in this document (subject to the terms and conditions of the exchange offer) for Barclays ordinary shares or Barclays ADSs (in which case you will only be able to sell, assign, transfer or otherwise dispose of the Barclays ordinary shares or Barclays ADSs received in respect of your ABN AMRO ordinary shares or ABN AMRO ADSs); or (iii) your ABN AMRO ordinary shares or ABN AMRO ADSs have been returned to you if the exchange offer is terminated or because they were not accepted for exchange.

**Withdrawal Rights*****General***

ABN AMRO ordinary shares and ABN AMRO ADSs tendered for exchange may be withdrawn at any time prior to the expiration of the initial offer period, including during any extension of the initial offer period. Barclays may terminate withdrawal rights once all conditions to the offer are satisfied and/or waived. The minimum acceptance condition may be reduced or waived by Barclays. See *The Exchange Offer Exchange Offer Period Reduction of the Minimum Acceptance Condition*.

Withdrawal rights will not be extended during the subsequent offering period, if one is provided by Barclays. Withdrawal rights will not be offered during the period between the expiration of the initial offer, as it may be extended by Barclays and the commencement of any subsequent offer period, if one is provided by Barclays on the terms described in this document.

***Withdrawal of Tendered ABN AMRO Ordinary Shares***

If you hold your ABN AMRO ordinary shares as the registered holder and tendered them to the Dutch listing and exchange agent, you may withdraw your ABN AMRO ordinary shares by delivering a properly completed and duly executed notice of withdrawal to the Dutch listing and exchange agent prior to the expiration of the initial offer period (or such earlier date as announced by Barclays if Barclays effectively reduces or waives the minimum condition as described in this document).

If you hold your ABN AMRO ordinary shares in street name through a bank, broker or other nominee and you tendered them pursuant to the procedures of your bank, broker or other nominee, you must follow the bank's, broker's or other nominees procedures in order to withdraw your ABN AMRO ADSs.

***Withdrawal of Tendered ABN AMRO ADSs***

If you hold your ABN AMRO ADSs as the registered holder, either in ADR form or through DRS, and you tendered them to the ADS exchange agent, you may withdraw your ABN AMRO ADSs by delivering a properly completed and duly executed notice of withdrawal (guaranteed by an eligible guarantor institution if you were required to obtain a signature guarantee for the ADS letter of transmittal pursuant to which you tendered your ABN AMRO ADSs) to the ADS exchange agent prior to the expiration of the initial offer period (or such earlier date as announced by Barclays if Barclays effectively reduces or waives the minimum condition as described in this document).

If you hold your ABN AMRO ADSs in street name through a bank, broker or other nominee and you tendered them pursuant to the procedures of your bank, broker or other nominee, you must follow the bank's, broker's or other nominee's procedures in order to withdraw your ABN AMRO ADSs.

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***Other***

None of Barclays, ABN AMRO, the ADS exchange agent, the Dutch listing and exchange agent, the information agent, the dealer manager or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal nor will any of them incur any liability for failure to give any notification. Any ABN AMRO ordinary shares or ABN AMRO ADSs properly withdrawn will be deemed not to have been validly tendered for purposes of the exchange offer. However, you may re-tender withdrawn ABN AMRO ordinary shares or ABN AMRO ADSs by following one of the procedures discussed under *The Exchange Offer Procedure for Tendering and Electing* at any time prior to the expiration of the initial offer period or the subsequent offering period, if one is provided by Barclays.

**Validity of the Tendered Securities**

Barclays will determine questions as to the validity, form, eligibility, including time of receipt, and acceptance for exchange of any tender of ABN AMRO ordinary shares or ABN AMRO ADSs, in its sole discretion and Barclays determination shall be final and binding. Barclays reserves the right to reject any and all tenders of ABN AMRO ordinary shares or ABN AMRO ADSs that it determines are not in proper form or the acceptance of or exchange for which may be unlawful. No tender of ABN AMRO ordinary shares or ABN AMRO ADSs will be deemed to have been validly made until all defects and irregularities in tenders of ABN AMRO ordinary shares have been cured or waived. Barclays interpretation of the terms and conditions of the exchange offer, including the acceptance forms and instructions thereto, will be final and binding.

**Fractional Shares**

No fractional entitlements to Barclays ordinary shares or Barclays ADSs issued in the exchange offer will be delivered to persons who validly tender and deliver ABN AMRO ordinary shares or ABN AMRO ADSs in the exchange offer. Each Admitted Institution that receives newly-issued Barclays ordinary shares as part of the exchange process (or, in the case of registered holders of ABN AMRO ordinary shares, the Dutch listing and exchange agent), and the ADS exchange agent as recipient of the newly-issued Barclays ADSs, will round any fractional entitlements down in accordance with their usual practice and sell the aggregate fractional entitlements in the secondary market (although in certain cases an Admitted Institution may have in place arrangements with its clients that would allow it to round fractional entitlements up instead and receive payment from the clients in respect of the differential). The amount in Euro (in the case of the Primary Exchange), pounds sterling (in the case of the Alternative Exchange) or dollars (in the case of fractional Barclays ADSs) that holders will receive in respect of fractional entitlements will be based on the average price, net of expenses, at which the fractional entitlements are sold in the secondary market.

**Settlement and Delivery of Securities**

***Initial Offer Period***

*Delivery of Barclays ordinary shares and cash*

If the conditions referred to under *Conditions* have been fulfilled or, to the extent permitted, waived and the exchange offer is declared unconditional, Barclays will accept for exchange and will procure the exchange in the manner set out in this document of all ABN AMRO ordinary shares that have been validly tendered (or defectively tendered provided that such defect has been waived by Barclays) and not withdrawn pursuant to the terms of the exchange offer during the initial offer period, and deliver or procure the delivery of Barclays ordinary shares and cash for the account of the tendering registered holders by no later than five Euronext trading days after the exchange offer is declared unconditional.

**Table of Contents*****Delivery of Barclays ADSs and cash***

Subject to the terms and conditions of the exchange offer, upon Barclays acceptance of the ABN AMRO ordinary shares represented by ABN AMRO ADSs tendered in the exchange offer, confirmation from the Depository of receipt of the applicable number of Barclays ordinary shares to be represented by the Barclays ADSs to be issued in the exchange offer by the Depository and receipt by the ADS exchange agent of the cash to be paid in the exchange offer, the ADS exchange agent will deliver the applicable whole number of Barclays ADSs, together with the cash consideration and any cash in respect of fractional entitlements to Barclays ADSs, to the tendering holders of ABN AMRO ADSs through DRS, in the case of holders who were registered holders of ABN AMRO ADSs (regardless of whether they held them in ADR form or through DRS), or to the relevant bank s, broker s or other nominee s account with the Depository Trust Company, in the case of holders who held their ABN AMRO ADSs in street name.

***Subsequent Offering Period***

If a subsequent offering period is announced by Barclays, holders of ABN AMRO ordinary shares and ABN AMRO ADSs who have tendered and delivered their securities to Barclays during the subsequent offering period will receive their Barclays ordinary shares or Barclays ADSs and cash promptly following the expiration of the subsequent offering period.

***Other***

Under no circumstances will interest be paid on the exchange of ABN AMRO ordinary shares or ABN AMRO ADSs, regardless of any delay in making the exchange or any extension of the exchange offer. The cash consideration paid for each ABN AMRO ADS that is validly tendered (or defectively tendered provided that such defect has been waived by Barclays) and not properly withdrawn, will be US dollars, based on the conversion of the Euro consideration into US dollars, net of any applicable fees and expenses, at the average exchange rate obtainable by the ADS exchange agent for the five business days preceding the date on which the cash consideration is received by the ADS exchange agent for delivery in respect of such ABN AMRO ADSs.

***Dividend Payments***

The Barclays ordinary shares to be issued in connection with the exchange offer, including the Barclays ordinary shares to be represented by Barclays ADSs, will have the same dividend rights as the other currently outstanding Barclays ordinary shares.

***Barclays***

Barclays announced an interim dividend of 11.5 pence per Barclays ordinary share in respect of the 2007 financial year on July 23, 2007. The ex-dividend date for such interim dividend is August 15, 2007, and its record date is August 17, 2007. The interim dividend is expected to be paid on October 1, 2007. The Barclays ordinary shares issued pursuant to the exchange offer will not rank for this dividend, although the Barclays ordinary shares which China Development Bank and Temasek have unconditionally agreed to purchase will have been subscribed for by the record date and therefore will rank for this dividend.

***ABN AMRO***

ABN AMRO announced an interim dividend of 0.58 in respect of the 2007 financial year on July 30, 2007. The ex-dividend date for such interim dividend is July 31, 2007, and its record date is August 2, 2007. The interim dividend is expected to be paid on or about August 27, 2007, for holders of ABN AMRO ordinary shares and on or about September 4, 2007 for holders of ABN AMRO ADSs and holders of ABN AMRO ordinary shares and ABN AMRO ADSs will be able to receive and retain such dividend. The dividend will not affect the ordinary share exchange ratio.



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***The Combined Group***

Assuming the settlement date occurs on or before the record date for the Barclays final dividend for 2007, which is expected to be in early March 2008, the first dividend payable to holders of Barclays ordinary shares or Barclays ADSs is expected to be the Barclays final dividend for 2007, which is expected to be payable in late April 2008.

**Dividend Election Mechanism**

Following the effective date of the combination, the combined group will present financial statements in Euro and will declare dividends in Euro. Barclays shareholders will be able to elect to receive dividends paid in Euro or Sterling. Accepting ABN AMRO ordinary shareholders who receive Barclays ordinary shares (other than those who validly elect to receive the Alternative Exchange under the exchange offer) will receive dividends paid in Euro unless they validly elect to receive dividends paid in Sterling. Existing Barclays holders of ordinary shares will continue to receive dividends paid in Sterling unless they validly elect to receive dividends paid in Euro. The availability of the dividend currency election may be suspended or terminated by the Barclays Board at any time without notice, for any reason and without financial recompense.

Holders of Barclays ADSs in the combined group will receive dividends paid in US dollars converted at the then prevailing market exchange rate. Existing holders of Barclays ADSs will continue to receive dividends paid in US dollars or can elect to have their dividends reinvested. Accepting holders of ABN AMRO ADSs who receive Barclays ADSs pursuant to the exchange offer will also receive dividends paid in US dollars or can elect to have their dividends reinvested.

**Brokerage Commissions**

If (1) your ABN AMRO ordinary shares are registered in your name and you tender them to the Dutch listing and exchange agent, ABN AMRO Bank, (2) you instruct an Admitted Institution to tender your ABN AMRO ordinary shares, subject to policies of such Admitted Institution, or (3) if you hold ABN AMRO ADSs and you tender them directly to the ADS exchange agent, it is expected that you will not have to pay any brokerage commissions. If your ABN AMRO ordinary shares are held through a bank, broker or other nominee (which does not directly tender and deliver your ABN AMRO ordinary shares to the Dutch listing and exchange agent), you are advised to consult with your bank, broker or other nominee as to whether or not they charge any transaction fee or service charge.

Admitted Institutions will receive from the listing and exchange agent on behalf of Barclays a commission in the amount of 0.0094 in respect of each ABN AMRO ordinary share validly tendered (or defectively tendered provided that such defect has been waived by Barclays) and delivered, up to a maximum of 10,000 per ABN AMRO shareholder tender, as well as an additional compensation of 2.50 per deposit client for rounding off of fractions of Barclays ordinary shares. The commission must be claimed from Barclays through ABN AMRO Bank, the Dutch listing and exchange agent, within 30 days of the date on which the exchange offer becomes unconditional. No costs will be charged to the holders of ABN AMRO ordinary shares or ADSs by Barclays or ABN AMRO for the delivery of the ABN AMRO ordinary shares or ABN AMRO ADSs so long as an Admitted Institution is involved in making the delivery. Costs might be charged in case a foreign institution is involved in the delivery and payment of the ABN AMRO ordinary shares or ABN AMRO ADSs.

Holders of ABN AMRO ADSs will not have to pay any fees or incur any expenses in connection with the issuance of Barclays ADSs in the manner described in this document (except any fees that may be charged by a holder's bank, broker or other nominee, which will be determined, and communicated to the holder, directly by such holder's bank, broker or other nominee).

**Table of Contents****Trading in Shares During and After the Exchange Offer Period**

ABN AMRO ordinary shares not tendered in the exchange offer will continue to trade on Euronext, and ABN AMRO ADSs not tendered in the exchange offer will continue to trade on the NYSE, during the exchange offer. The trading in ABN AMRO ordinary shares and ABN AMRO ADSs may continue on Euronext or the NYSE, as the case may be, after the completion of the exchange offer to the extent shares are not tendered in the exchange offer. However, following completion of the exchange offer and depending on the number of ABN AMRO ordinary shares and ABN AMRO ADSs acquired pursuant to the offer, Barclays intends to request that ABN AMRO seek the delisting of the ABN AMRO ordinary shares from Euronext and the delisting of the ABN AMRO ADSs from the NYSE as set forth in this document under the heading **Delisting of ABN AMRO Ordinary Shares and ABN AMRO ADSs** below. In addition, depending on the number of ABN AMRO ADSs acquired pursuant to the exchange offer, ABN AMRO ADSs may no longer be eligible for trading on the NYSE.

**Approvals for Certain Purchases of ABN AMRO Shares and Barclays Shares Before and During the Exchange Offer*****Rule 14e-5***

Barclays, ABN AMRO and their respective financial advisors applied to the SEC for exemptive relief from the provisions of Rule 14e-5 under the Exchange Act. The SEC granted the requested relief on April 24, 2007, with the relief taking effect retroactively on April 23, 2007. Rule 14e-5, among other things, prohibits a person making a cash tender offer or exchange offer for an equity security, as well as any person acting, directly or indirectly, in concert with such person (or certain advisors or dealer-managers of such person), from purchasing, directly or indirectly, or making any arrangement to purchase such security or any related security except pursuant to such tender offer or exchange offer, or pursuant to the exceptions set forth in Rule 14e-5.

The relief granted permits, subject to certain enumerated conditions as set forth in the relief letter, (i) Barclays, any of its subsidiaries or subsidiary undertakings and Lazard & Co., Limited and Lazard Frères & Co. LLC, Citigroup Global Markets Limited, Credit Suisse Group, JPMorgan Chase & Co. and Deutsche Bank AG and any other advisor, broker or financial institution acting as an advisor to Barclays and their respective affiliates and separately identifiable departments (collectively with such affiliates and departments, the **Barclays Prospective Purchasers** ) and (ii) ABN AMRO, any of its subsidiaries or subsidiary undertakings and Lehman Brothers Europe Limited, Morgan Stanley & Co. Limited, UBS AG, NM Rothschild & Sons Limited, and Goldman Sachs International and any other advisor, broker or financial institution acting as an advisor to ABN AMRO and their respective affiliates and separately identifiable departments (collectively with such affiliates and departments, the **ABN AMRO Prospective Purchasers** and, collectively with the Barclays Prospective Purchasers, the **Prospective Purchasers** ), to conduct certain trading activities involving ABN AMRO ordinary shares and ABN AMRO ADSs and various related derivative securities prior to and during the conduct of, but outside of the terms of, the exchange offer in the ordinary course of their businesses (including certain activities related to Barclays iShares business in the United States), none of which will be undertaken for the purpose of promoting or otherwise facilitating the exchange offer.

The relief also permits ABN AMRO to continue repurchases under its share repurchase program. The relief granted further permits, subject to certain enumerated conditions as set forth in the letter, the Barclays Prospective Purchasers to purchase or arrange to purchase ABN AMRO shares for their own account outside of the exchange offer in accordance with Dutch law.

ABN AMRO, Barclays and their respective financial advisors intend to carry on certain transaction in ABN AMRO securities outside of the exchange offer as permitted by Rule 14e-5 and the relief granted by the SEC. In particular, Barclays may acquire ABN AMRO ordinary shares outside of the exchange offer outside of the US and in accordance with Dutch and other applicable laws.



**Table of Contents*****Regulation M***

ABN AMRO and Barclays have applied to the SEC for exemptive and no-action relief from the provisions of Rule 102 of Regulation M. Barclays received certain of this relief on August 2, 2007, and ABN AMRO and Barclays expect to receive the remainder of the relief on or about August 6, 2007. Rule 102 provides that, subject to certain exceptions, in connection with a distribution of securities effected by or on behalf of an issuer or selling security holder, it is unlawful for such person, or any affiliated purchaser of such person, directly or indirectly, to bid for, purchase, or attempt to induce any person to bid for or purchase, a covered security during the applicable restricted period. ABN AMRO and Barclays believe that the exchange offer may constitute a distribution, that Barclays affiliates and ABN AMRO and its affiliates may be deemed affiliated purchasers, and that if the exchange offer constitutes a distribution the restricted period would last from the commencement of the exchange offer until its expiration. The relief which ABN AMRO and Barclays have received or expect to receive would allow ABN AMRO and Barclays to bid for, purchase and induce others to purchase Barclays ordinary shares and Barclays ADSs in connection with specified activities.

***Purchases of Barclays Ordinary Shares and Barclays ADSs by Barclays and Barclays Affiliates***

Since the announcement of the exchange offer, certain Barclays affiliates have engaged and intend to continue to engage in various dealing and brokerage activities involving Barclays ordinary shares. Among other things, Barclays affiliates (1) have made and intend to continue to make a market, from time to time, in derivatives (such as options, warrants and other instruments) on Barclays ordinary shares by purchasing and selling derivatives on Barclays ordinary shares for their own accounts; (2) have engaged and intend to continue to engage in dealings in Barclays ordinary shares for their accounts and the accounts of customers for the purpose of hedging their positions established in connection with certain derivatives activities (such as options, warrants and other instruments) relating to Barclays ordinary shares entered into by Barclays affiliates and their customers; (3) have engaged and intend to continue to engage in transactions in Barclays ordinary shares as trustees and/or personal representatives of trusts and estates; (4) have marketed and sold and intend to continue to market and sell to customers funds which include Barclays ordinary shares; (5) have provided and intend to continue to provide to customers investment advice and financial planning guidance which may include information about Barclays ordinary shares; and (6) have purchased and intend to continue to purchase Barclays ordinary shares on behalf of participants in employee share incentive plans. All of these activities have occurred and are expected to continue to occur in the United Kingdom and elsewhere outside the United States.

Separately, certain Barclays affiliates (1) have purchased and sold, and intend to continue to purchase and sell, Barclays ordinary shares and Barclays ADSs as part of their ordinary asset management activities; (2) have effected and intend to continue to effect unsolicited brokerage transactions in Barclays ordinary shares and Barclays ADSs with their customers; and (3) have engaged in and may continue to engage in the lending of Barclays ordinary shares and Barclays ADSs, as well as accepting Barclays ordinary shares and Barclays ADSs as collateral for loans. These activities have occurred and are expected to continue to occur both outside and inside the United States.

Barclays Global Fund Advisors has engaged and may continue to engage in the issue of shares, known as iShares, from certain iShares Index Funds in exchange for deposit securities that are purchased in the United States and which contain Barclays ordinary shares or Barclays ADSs.

Barclays has also received no-action relief from the SEC to conduct the share buy-back program described under The Exchange Offer Investments by China Development Bank and Temasek Share Buy-Back Program

***Purchases of Barclays Ordinary Shares and Barclays ADSs by ABN AMRO Affiliates***

Since the announcement of the exchange offer, certain ABN AMRO affiliates have engaged and intend to continue to engage in various dealing and brokerage activities involving Barclays ordinary



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shares. Among other things, ABN AMRO affiliates have made a market, from time to time, in derivatives (such as options, warrants and other instruments) on Barclays ordinary shares by purchasing and selling derivatives on Barclays ordinary shares for their own accounts. ABN AMRO affiliates have also engaged, and intend to continue to engage, in dealings in Barclays ordinary shares for their accounts and the accounts of customers for the purpose of hedging their positions established in connection with certain derivatives activities (such as options, warrants and other instruments) relating to Barclays ordinary shares entered into by ABN AMRO affiliates and their customers. In addition, certain ABN AMRO affiliates have engaged and intend to continue to engage in transactions in Barclays ordinary shares as trustees and/or personal representatives of trusts and estates. Certain ABN AMRO affiliates have also marketed and sold and intend to continue to market and sell to customers funds which include Barclays ordinary shares and have provided and intend to continue to provide to customers investment advice and financial planning guidance which may include information about Barclays ordinary shares. All of these may occur in the Netherlands, the United Kingdom and elsewhere outside the United States.

Separately, certain asset management companies that are ABN AMRO affiliates have purchased and sold, and intend to continue to purchase and sell, Barclays ordinary shares and Barclays ADSs as part of their ordinary investing activities, as well as to effect unsolicited brokerage transactions in Barclays ordinary shares and Barclays ADSs with their customers. Other ABN AMRO affiliates have engaged in and may continue to engage in the lending of Barclays ordinary shares and Barclays ADSs. These activities expected to continue to occur solely outside of the United States.

Further, ABN AMRO, through an affiliate, has made a market, from time to time, and intends to continue to make a market, from time to time, in Barclays ordinary shares by purchasing and selling Barclays ordinary shares for its own account in the United Kingdom on the London Stock Exchange. ABN AMRO is not obliged to make a market in Barclays ordinary shares and any such market making may be discontinued at any time. All of these activities could have the effect of preventing or retarding a decline in the market price of the Barclays ordinary shares.

**Listing of Barclays Ordinary Shares and Barclays ADSs**

It is intended that the Barclays ordinary shares issued pursuant to the exchange offer will be issued on the settlement date. The Barclays ordinary shares to be issued pursuant to the exchange offer will be issued credited as fully paid and will rank pari passu in all respects with existing Barclays ordinary shares and will be entitled to all dividends and other distributions declared or paid by Barclays by reference to a record date after the settlement date but not otherwise. Barclays pays dividends semi-annually.

The Barclays ordinary shares issued pursuant to the exchange offer will be created under the Companies Act, and the legislation made thereunder, and will be issued in registered form. The Barclays ordinary shares issued pursuant to the exchange offer will be capable of being held in certificated and uncertificated form.

***London Stock Exchange***

Applications will be made to the FSA for the Barclays ordinary shares issued pursuant to this exchange offer to be admitted to the Official List of the UKLA and to the LSE for the Barclays ordinary shares be admitted to trading on the LSE's main market for listed securities under the symbols `BARC`. The applications are expected to become effective and dealings in the Barclays ordinary shares for normal settlement are expected to commence on the settlement date. It is expected that the Barclays ordinary shares issued pursuant to the exchange offer, when issued and fully paid, will be eligible to be held and transferred by means of CREST. It is expected that the Barclays ordinary shares to be issued pursuant to the exchange offer will trade under ISIN GB0031348658.

ABN AMRO and Barclays have received confirmation from the FTSE and Euronext that, following the settlement date, Barclays ordinary shares are expected to qualify for inclusion with a full weighting in the UK Series of the FTSE indices, including the FTSE 100 Index, and in the AEX-Index (subject to a maximum weighting of 15%), respectively.



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***Euronext***

Barclays will also apply for a secondary listing of Barclays ordinary shares on Euronext. It is expected that admission of the Barclays ordinary shares on Euronext will become effective and dealing for normal settlement through the Euroclear Netherlands will also commence on the settlement date.

***New York Stock Exchange and Tokyo Stock Exchange***

Applications will also be made to list the Barclays ordinary shares and the Barclays ADSs, which represent Barclays ordinary shares, issued pursuant to the exchange offer on the NYSE, where Barclays ADSs currently trade under the symbol BCS , and also to list the Barclays ordinary shares issued pursuant to the exchange offer on the TSE.

***Delisting of ABN AMRO Ordinary Shares and ABN AMRO ADSs***

Following completion of the exchange offer and depending on the number of ABN AMRO ordinary shares acquired pursuant to the exchange offer by Barclays, Barclays intends to request that ABN AMRO seek the delisting of the ABN AMRO ordinary shares from the Euronext and the ABN AMRO ADSs from the NYSE as soon as reasonably practicable following the completion of the transaction. In addition, depending on the number of ABN AMRO ADSs acquired pursuant to the exchange offer, the ABN AMRO ADSs may no longer be eligible for trading on the NYSE.

In order to seek de-listing of the ABN AMRO ordinary shares with the cooperation of Euronext, Barclays and its subsidiaries (other than ABN AMRO and its subsidiaries) must, in general, hold for its account at least 95% of the ABN AMRO ordinary shares.

While ABN AMRO ordinary shares could continue to be traded in the over-the-counter market and price quotations could be reported, there can be no assurance that such an over-the-counter market will develop. The extent of the public market for ABN AMRO ordinary shares and the availability of such quotations would depend upon such factors as the number of holders of ABN AMRO ordinary shares remaining at such time, the interest on the part of securities firms in maintaining a market in ABN AMRO ordinary shares, and the possible termination of registration of ABN AMRO ordinary shares under the Exchange Act, which would adversely affect the amount of publicly available information with respect to ABN AMRO.

***Certain Legal and Regulatory Matters***

***General***

ABN AMRO's and Barclays obligation to complete the combination is conditioned upon the receipt of certain approvals from governmental authorities. While ABN AMRO and Barclays believe that they will receive the requisite regulatory approvals for the combination, there can be no assurances regarding the timing of the approvals, their ability to obtain the approvals on satisfactory terms or the absence of litigation challenging these approvals. There can likewise be no assurance that non-US, US federal or state regulatory authorities will not attempt to challenge the combination on antitrust grounds or for other reasons, or, if a challenge is made, as to the results of the challenge. See The Merger Protocol Conditions to the Exchange Offer .

***Competition and Antitrust***

In order to complete the exchange offer, competition and regulatory notifications and approvals are required from certain European authorities. In particular, competition consent has been sought from the European Commission under Article 6(1)(b) of the EU Merger Regulation to declare the combination and the exchange offer compatible with the Common Market without attaching to its decision any conditions or obligations. ABN AMRO and Barclays are also required to make notifications under the HSR Act and the rules promulgated thereunder.



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While ABN AMRO and Barclays believe that they will receive the requisite regulatory approvals for the combination, they can give no assurance that a challenge to the combination will not be made or, if made, would be unsuccessful.

***Financial and Other Regulatory Authorities***

The completion of the exchange offer is also subject to the receipt of the following approvals:

The competent regulatory authorities in The Netherlands shall have given their declaration of no objection and the FSA shall have notified its approval of each person who will acquire control over any United Kingdom authorized person which is a member of the combined group or the relevant waiting period has expired;

ABN AMRO and Barclays shall have received confirmation from the Dutch Central Bank that it has no objection to the parties proposal for the composition of the managing board and supervisory board of ABN AMRO Bank and the FSA shall have approved the nomination of the proposed directors to the Group Board of Directors;

Neither Barclays nor ABN AMRO shall have received any notification from the Dutch Central Bank or the FSA that there is likely to be a change in the supervisory, reporting or regulatory capital arrangements that will apply to the combined group;

The tax clearances from the relevant UK and Dutch tax authorities have not been withdrawn or amended; and

Confirmation has been given that the Barclays ordinary shares being offered will be admitted to the Official List of the UKLA, admitted to trading on the main market for listed securities on the LSE, authorized for listing on Euronext and the TSE, and the Barclays ADSs representing such shares or a portion thereof have been approved for listing on the NYSE.

***Commitment to Obtain Approvals***

ABN AMRO and Barclays have agreed to use reasonable best efforts to obtain as promptly as reasonably practicable all consents and approvals of any governmental entity or any other person required in connection with the combination, subject to limitations as set forth in the Merger Protocol.

***Certain Consequences of the Offer***

Please see *Risk Factors* *Risks Related to the Exchange Offer and the Combined Group* for a discussion of potential consequences to holders of ABN AMRO ordinary shares who do not tender their ABN AMRO ordinary shares or ABN AMRO ADSs, if the transaction is consummated.

***Accounting Treatment***

The transaction will be accounted for as an acquisition under International Financial Reporting Standards ( *IFRS* ) by use of the purchase method of accounting and as a business combination under US GAAP by use of the purchase method of accounting. For accounting purposes, Barclays will be the acquirer and ABN AMRO will be the acquired entity.

***Dealer Manager and Related Fees and Expenses***

Barclays has retained Deutsche Bank Securities, Inc. ( *Deutsche Bank Securities* ) to act as dealer manager in the United States in connection with the exchange offer. Deutsche Bank Securities will perform certain services in connection with the exchange offer, including soliciting tenders pursuant to the exchange offer and communicating generally with brokers, dealers, commercial banks and trust companies and other persons. Deutsche Bank Securities will be reimbursed for certain of its expenses, including certain attorneys' fees, incurred in connection with performing such function. Barclays has agreed to indemnify Deutsche Bank Securities and related persons against certain liabilities and expenses

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in connection with their services, including liabilities and expenses under the Securities Act and the Exchange Act, or contribute to payments that the dealer manager may be required to make in that respect. Deutsche Bank Securities is currently engaged by Barclays, including as a financial advisor to Barclays in connection with the proposed combination with ABN AMRO, and has in the past provided, and may in the future provide, financial advisory or financing services to Barclays and has received, and may receive, fees for rendering these services. In the ordinary course of Deutsche Bank Securities' business, Deutsche Bank Securities and its affiliates may actively trade securities of ABN AMRO and Barclays for their own account and for the accounts of their customers and, accordingly, may at any time hold a long or short position in these securities.