

5 August 2008

BARCLAYS PLC

Barclays announces sale of Barclays Life to Swiss Re

Barclays Bank PLC ('Barclays') has agreed to sell Barclays Life Assurance Company Limited ('Barclays Life') to Swiss Reinsurance Company ('Swiss Re'), for a consideration of approximately £753 million payable in cash. The sale is expected to be completed by 31 October 2008, after receipt of appropriate regulatory approvals.

Barclays Life is the combined life assurance business of Barclays and Woolwich in the UK, which ceased to accept new customer applications in 2001. As at 31 May 2008, Barclays Life managed approximately £6.8 billion of assets in respect of c.760,000 policies which will transfer with the sale. The portfolio primarily comprises unit-linked life and pensions policies.

Barclays Life generated approximately £350 million in premium income in the financial year to 30 November 2007. The post-tax gain on sale for Barclays is expected to be approximately £330 million. Excluding the gain on sale, the transaction is not expected to have a material impact on Barclays earnings per share. Barclays will continue to sell life insurance products from a selection of third party providers.

Chris Lucas, Group Finance Director, Barclays, said: "Barclays Life is an attractive, high quality business which is not core to Barclays. We are delighted to agree a sale to Swiss Re which is an experienced and reputable partner. We are confident that Swiss Re, with its expertise in this area, will offer policyholders continuity of service and support."

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