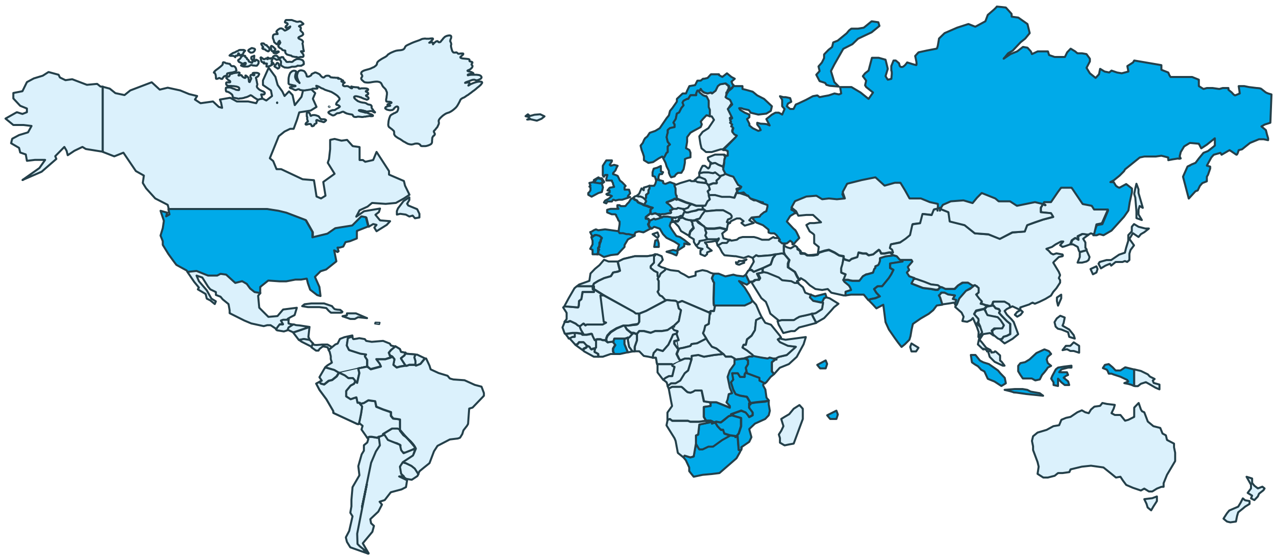
Global Retail and Commercial Banking

Autumn 2009

GRCB operates in 28 countries around the world



49m	4,864	£465bn
Customers	Distribution Points	Customer Balances

UK Retail Bank | Barclaycard | Western Europe

Barclays Commercial Bank

Emerging Markets | Absa

 Note: 1) Customer Balances = Loans and Advances to Customers (non-banks) + Customer Accounts (non-banks)

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Operating with a clear and consistent strategy

Staying Close to Customers and Clients | Maintain Strategic Momentum | Manage our Risk

Strategic Pillars	Build the Best Bank in the UK	Build Non-UK Presence Selectively	Operational Excellence
2009 Priorities	• Capitalise on share gains across all UK businesses • Seek opportunities to offset margin compression • Selective, high-quality lending growth	• Consolidate acquisitions • Capitalise on expansion of network	• Rigorous focus on impairment • Continued focus on cost control • Returns and capital generation

…while prioritising returns over growth

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GRCB delivered a strong H1 PBT performance relative to peers

GRCB H109 Performance

P&L (£m)	H109	H208	H108	vs PY B/(W) %
Income	**8,051**	8,051	7,040	14%
Cost	**(4,160)**	(4,274)	(3,682)	(13%)
Operating Margin	**3,890**	3,777	3,358	16%
Impairment	**(2,660)**	(1,714)	(1,207)	(120%)
PBT	**1,256**	2,122	2,245	(44%)

Balance Sheet & Capital (£bn)	H109	H208	H108	vs PY B/(W) %
Customer Assets	**275.0**	285.7	255.0	8%
Customer Liabilities	**190.6**	192.3	182.8	4%
RWAs	**181.7**	191.3	170.1	(7%)

Ratios (%)	H109	H208	H108	B/(W) %
CIR	**52%**	53%	52%	1%
LLR	**1.77%**	0.94%	0.88%	(1%)

Footprint	H109	H208	H108	vs PY B/(W) %
Distribution Points	**4,864**	4,928	4,711	3%
Customers (millions)	**48.8**	48.3	42.7	14%
FTE	**114,330**	120,400	118,400	(3%)

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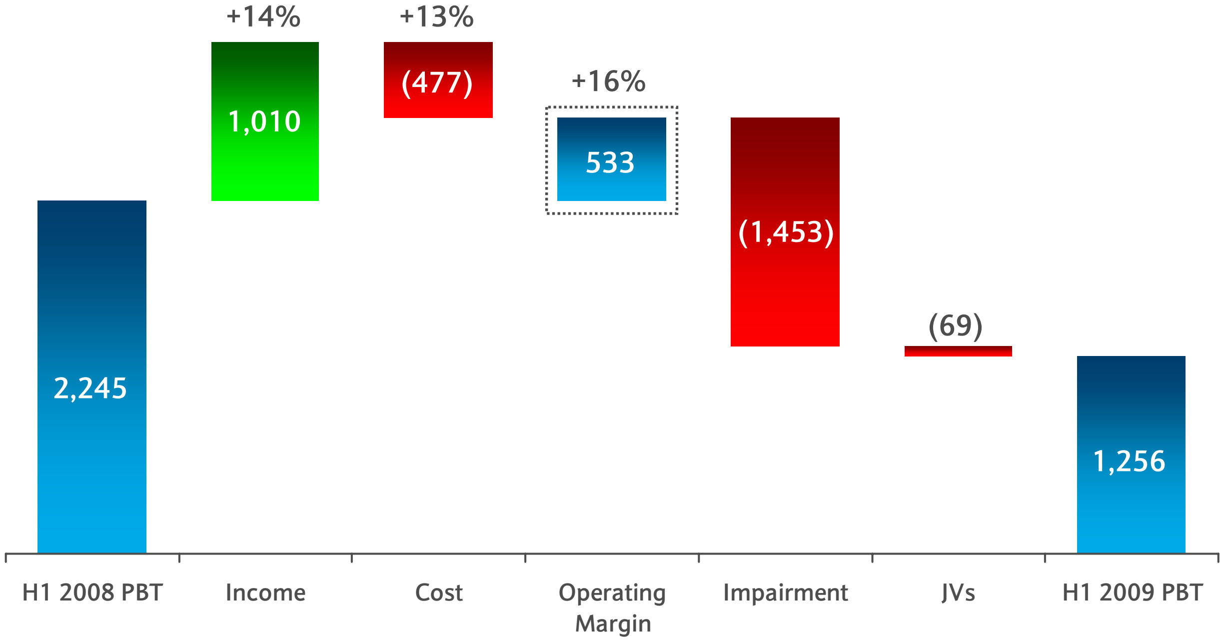
GRCB remains solidly profitable through tough economic conditions….

H109 Operating Performance (£m)



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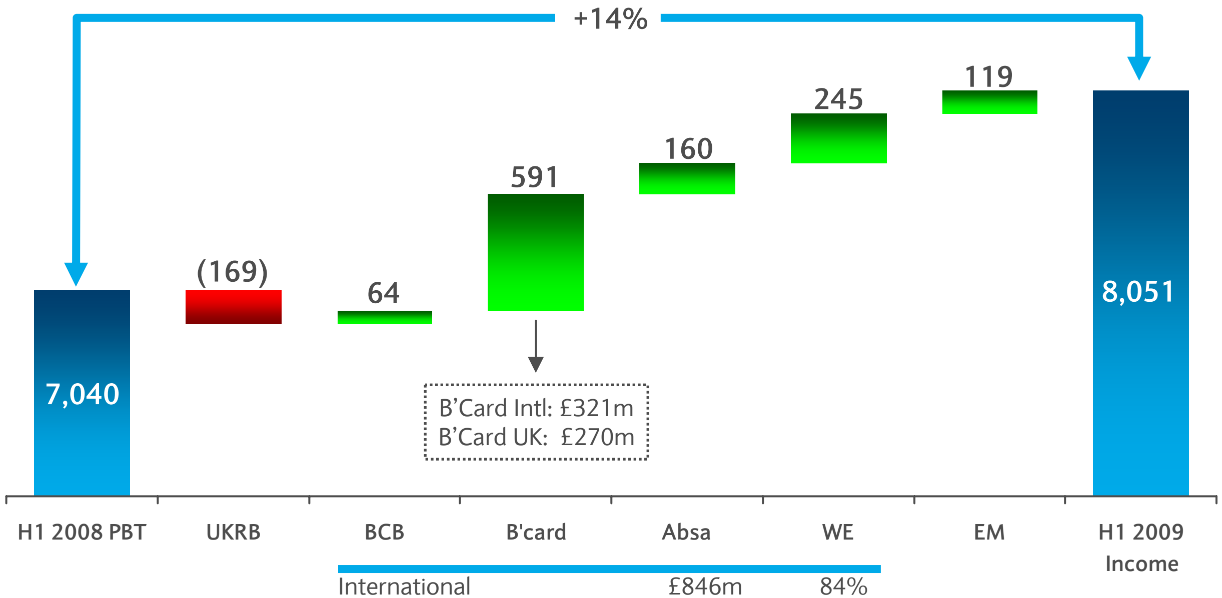
...reflecting very strong income growth primarily driven by international expansion

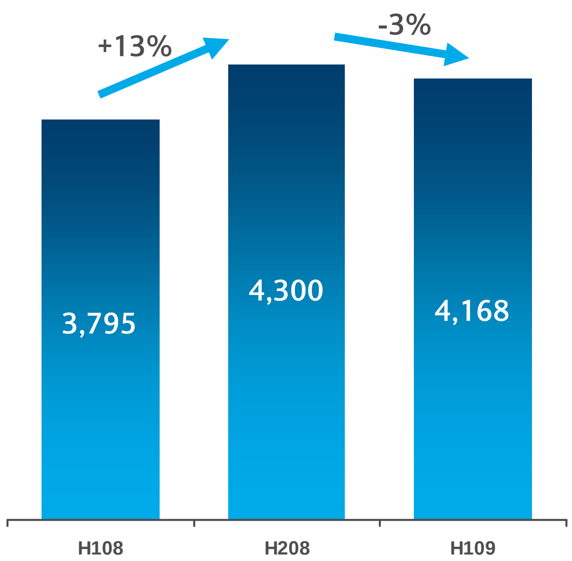
H109 Income Growth (£m)



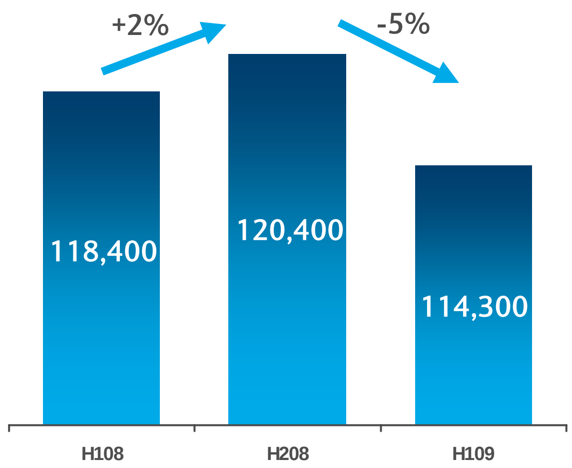
International	£846m	84%
UK Domestic	£165m	16%
Total	**£1,010m**	

…while maintaining stringent cost focus

H109 Operating Expenses (£m)

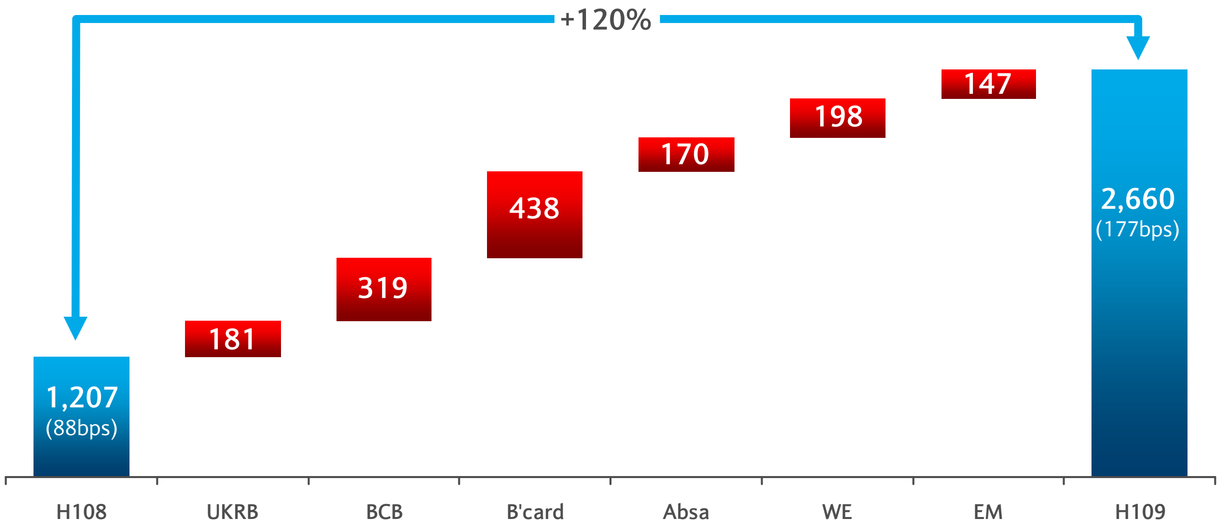


H109 FTEs



…absorbing higher impairment resulting from significant economic deterioration

H109 Impairment Growth (£m)



LLR (bps)						
H108	0.64%	0.37%	4.08%	0.82%	0.47%	1.52%
H109	**0.96%**	**1.23%**	**6.36%**	**1.57%**	**1.17%**	**5.00%**

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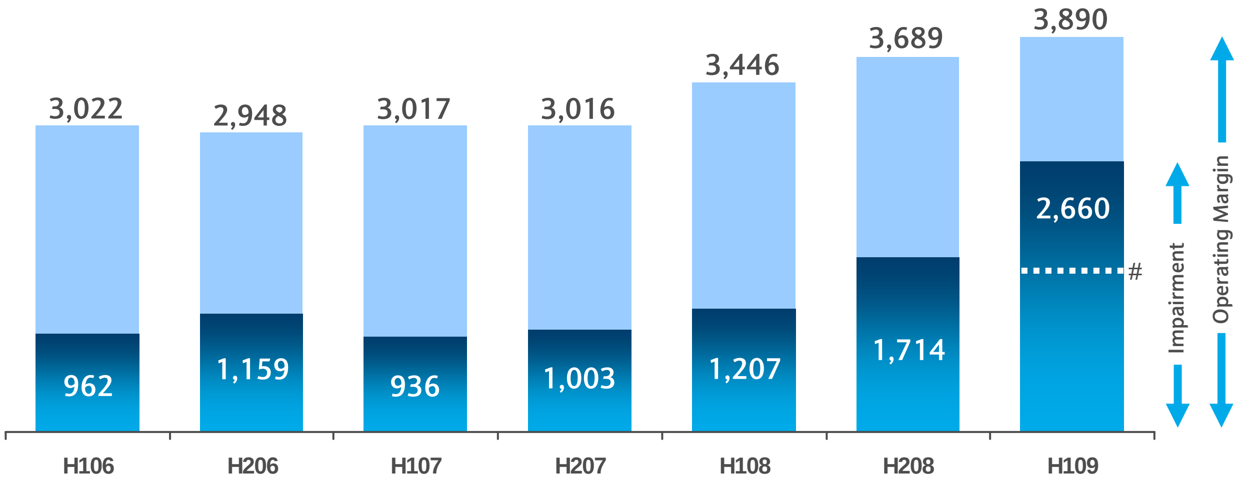
Increasing operating margin will drive earnings when impairment normalises

Operating Margin (£m)



LLR*	H106	H206	H107	H207	H108	H208	H109
	0.98%	1.14%	0.82%	0.79%	0.88%	1.10%	1.77%

* Annualised impairment excl. charges against AFS and Reverse Repos / Gross Loans & Advances to Customers (incl. Banks)

Implied impairment using average LLR (H106 - H109 average LLR and implied impairment = 1.09% & £1,635m respectively)

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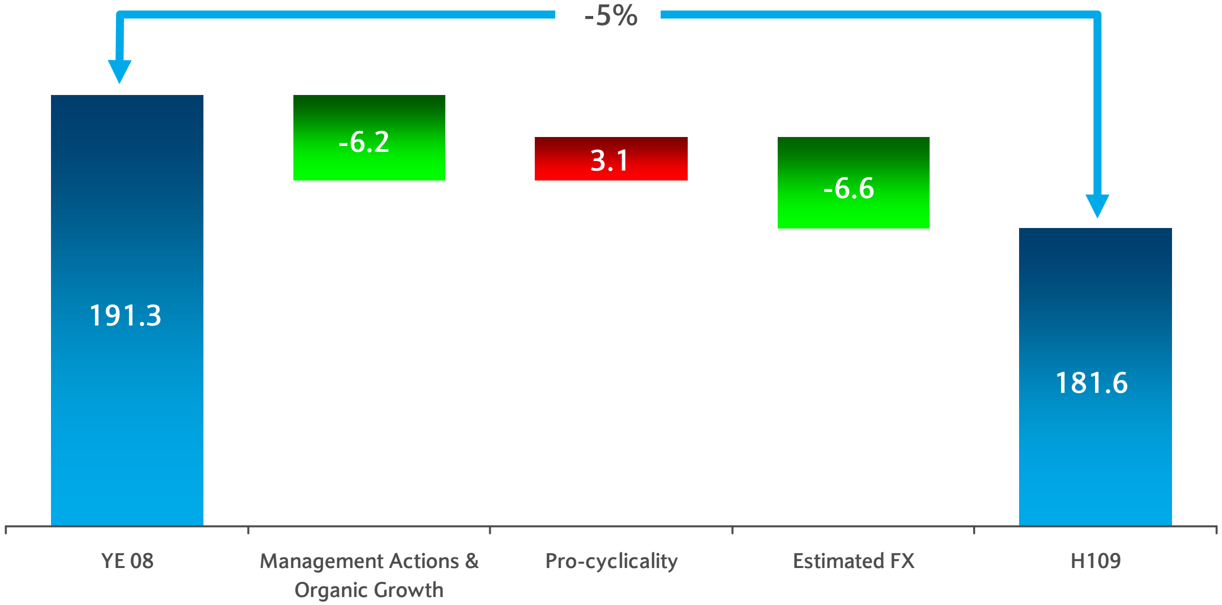
This was achieved whilst reducing RWA consumption

H109 RWAS (£bn)



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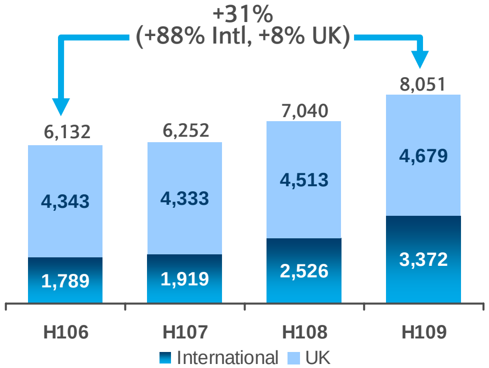
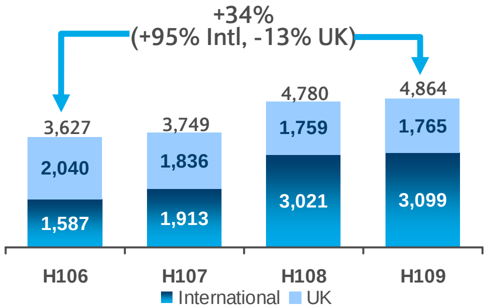
… geographically diversifying the franchise

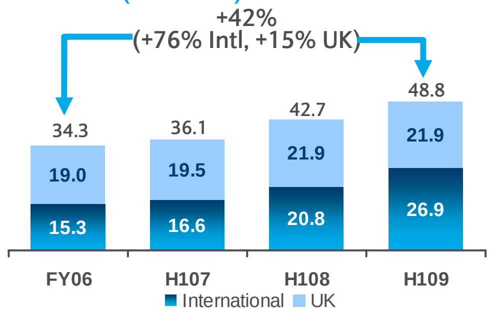
Income (£m)



Distribution Points



Customers (millions)



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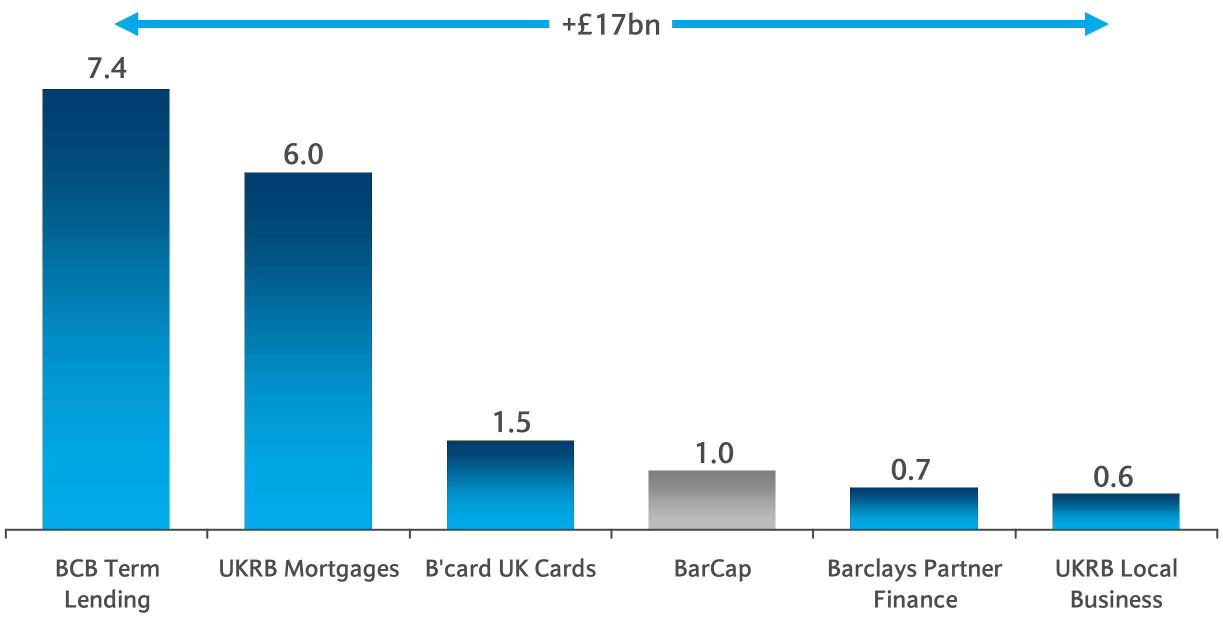
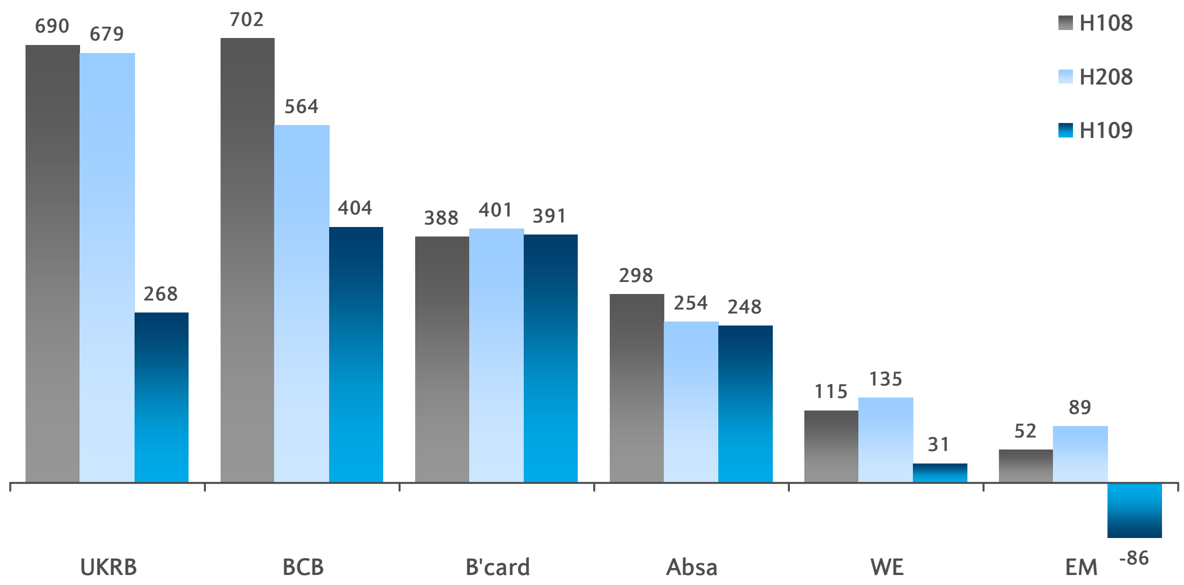
… and staying committed to our UK customers

H1 09 Gross UK Lending (£bn)



Performance by business

PBT Performance by Business (£m)



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Conclusion

- Strong relative performance in the first half versus peers
- Income growth demonstrates underlying franchise momentum
- Inevitably not immune from impact of UK margin compression
- Loan loss rate maintained below 200 basis points, reflecting solid book quality
- Management actions taken to prioritise returns over growth
- No change to strategic objectives
- Well set to capitalise on economic recovery when the cycle turns

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Appendix

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UKRB: profitable in a challenging UK retail environment

UKRB H109 Performance

P&L (£m)	H109	H208	H108	vs PY B/(W) %
Income	**2,007**	2,306	2,176	(8%)
Cost	**(1,272)**	(1,317)	(1,202)	(6%)
Operating Margin	**735**	989	974	(25%)
Impairment	**(469)**	(314)	(288)	(63%)
PBT	**268**	679	690	(61%)

Balance Sheet & Capital (£bn)	H109	H208	H108	vs PY B/(W) %
Customer Assets	**96.1**	94.4	89.1	8%
Customer Liabilities	**91.5**	89.6	88.4	3%
RWAs	**31.7**	30.5	31.7	(0%)

Ratios (%)	H109	H208	H108	B/(W) %
CIR	**63%**	57%	55%	(8%)
LLR	**0.96%**	0.63%	0.64%	(0%)

Footprint	H109	H208	H108	vs PY B/(W) %
Distribution Points	**1,720**	1,724	1,733	(1%)
Customers (millions)	**15.3**	15.9	15.6	(2%)
FTE	**31,400**	32,600	32,600	(4%)

UKRB Key Notes

- Remains profitable despite fully-absorbing the impact of
  - Significant margin compression
  - Increased impairment charges
  - The non-recurrence of gains from the sale of property and higher pension costs
- Solid income growth in Home Finance and Consumer Lending
- Average LTV ratio of new mortgage lending 46% (2008: 47%)
- Second lowest arrears (>3 months) vs. competitors for mortgages in UKRB
- Benefits of hedging to offset margin compression will reduce from H2 09

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BCB: strong income growth despite difficult economic conditions

BCB H109 Performance

P&L (£m)	**H109**	H208	H108	vs PY B/(W) %
Income	**1,413**	1,396	1,349	5%
Cost	**(542)**	(565)	(498)	(9%)
Operating Margin	**870**	832	850	2%
Impairment	**(467)**	(266)	(148)	(216%)
PBT	**404**	564	702	(42%)

Balance Sheet & Capital (£bn)	**H109**	H208	H108	vs PY B/(W) %
Customer Assets	**62.5**	67.5	67.5	(7%)
Customer Liabilities	**56.8**	60.6	61.3	(7%)
RWAs	**61.5**	63.1	58.6	(5%)

Ratios (%)	**H109**	H208	H108	B/(W) %
CIR	**38%**	40%	37%	(2%)
LLR	**1.23%**	0.50%	0.37%	(1%)

Footprint	**H109**	H208	H108	vs PY B/(W) %
Distribution Points	**45**	46	26	73%
Customers (millions)	**0.1**	0.1	0.1	(1%)
FTE	**9,200**	9,500	9,500	(3%)

BCB Key Notes

- Solid income growth despite margin compression reflecting
  - £83m from the repurchase of securitised debt issued (2008 included £42m gain from restructuring of Barclays interest in a third party finance operation)
  - Very strong growth in debt fee income
  - Increased demand for risk management solutions
- Significantly higher impairment reflecting the impact of the economic recession on Larger and Medium businesses
- Excluding the impact of higher pension costs and the non-recurrence of gains from the sale of property, costs remained flat YoY

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Barclaycard: profit maintained with step change in business scale

B'card H109 Performance

P&L (£m)	H109	H208	H108	vs PY B/(W) %
Income	**2,009**	1,801	1,418	42%
Cost	**(708)**	(781)	(641)	(10%)
Operating Margin	**1,301**	1,020	777	67%
Impairment	**(915)**	(620)	(477)	(92%)
PBT	**391**	401	388	1%

Balance Sheet & Capital (£bn)	H109	H208	H108	vs PY B/(W) %
Customer Assets	**26.0**	27.4	22.1	17%
Customer Liabilities	**0.2**	0.2	1.5	(88%)
RWAs	**26.9**	27.3	22.8	(18%)

Ratios (%)	H109	H208	H108	B/(W) %
CIR	**35%**	43%	45%	10%
LLR	**6.36%**	3.69%	4.08%	(2%)

Footprint	H109	H208	H108	vs PY B/(W) %
Distribution Points				
Customers (millions)	**23.7**	23.3	20.0	19%
FTE	**10,400**	10,600	10,400	0%

B'card Key Notes

- 42% income growth reflecting
  - Loan growth in Barclaycard US
  - Lower funding rates
  - Portfolio acquisitions
  - FX
- Higher impairment reflects
  - Deterioration in economic conditions
  - Goldfish acquisition
- 8 percentage point improvement in cost:income ratio
  - Significant reduction in cost base from H2 08
  - Benefits of customer growth
  - No repeat of 2008 Goldfish restructuring charges

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WE: strong income growth helps offset impairment and restructuring costs

WE H109 Performance

P&L (£m)	H109	H208	H108	vs PY B/(W) %
Income	**885**	814	641	38%
Cost	**(554)**	(537)	(423)	(31%)
Operating Margin	**332**	277	218	52%
Impairment	**(301)**	(194)	(103)	(193%)
PBT	**31**	135	115	(73%)

Balance Sheet & Capital (£bn)	H109	H208	H108	vs PY B/(W) %
Customer Assets	**49.0**	53.9	41.1	19%
Customer Liabilities	**16.5**	15.6	11.4	44%
RWAs	**30.1**	37.0	29.1	(3%)

Ratios (%)	H109	H208	H108	B/(W) %
CIR	**63%**	66%	66%	3%
LLR	**1.17%**	0.53%	0.47%	(1%)

Footprint	H109	H208	H108	vs PY B/(W) %
Distribution Points	**1,221**	1,181	989	23%
Customers (millions)	**2.5**	2.5	2.0	24%
FTE	**11,300**	11,800	9,400	20%

Western Europe Key Notes

- 38% income growth reflecting underlying franchise momentum
  - 23% growth in distribution points vs H1 08
  - 32% growth in average customer assets
  - Acquisition of Barclays Russia in H208
  - Offsetting margin compression
- Higher impairment
  - Spanish market conditions
- Performance also reflects
  - Increase in rouble funding costs in Q1 and £35m loss in Barclays Russia
  - £24m of restructuring costs
  - 15% appreciation in the Euro

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EM: well-placed to deliver rapid growth when conditions improve

EM H109 Performance

P&L (£m)	H109	H208	H108	vs PY B/(W) %
Income	**529**	584	410	29%
Cost	**(419)**	(396)	(292)	(44%)
Operating Margin	**110**	188	118	(7%)
Impairment	**(213)**	(99)	(66)	(223%)
PBT	**(86)**	89	52	(266%)

Balance Sheet & Capital (£bn)	H109	H208	H108	vs PY B/(W) %
Customer Assets	**7.4**	9.7	6.7	11%
Customer Liabilities	**7.7**	9.3	7.1	8%
RWAs	**11.3**	14.6	12.1	7%

Ratios (%)	H109	H208	H108	B/(W) %
CIR	**79%**	68%	71%	(8%)
LLR	**5.00%**	1.43%	1.52%	(3%)

Footprint	H109	H208	H108	vs PY B/(W) %
Distribution Points	**805**	800	802	0%
Customers (millions)	**3.9**	3.8	2.9	33%
FTE	**18,300**	20,100	18,600	(2%)

Emerging Markets Key Notes

- Profit performance reflects local market conditions
  - 29% increase in PBT from established Africa and Indian Ocean businesses
  - UAE and Indian performance impacted by local economic slowdown
  - Pakistan and Indonesian businesses in start -up phase
- Strong income growth
  - 53% increase in net interest income to £383m
- Balance sheet and cost discipline
  - RWAs reduced by 23% vs H1 08
  - 9% reduction in FTEs vs H2 08

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GRCB – Absa: strongly profitable in a challenging local environment

GRCB – Absa H109 Performance

P&L (£m)	H109	H208	H108	vs PY B/(W) %
Income	**1,208**	1,151	1,047	15%
Cost	**(665)**	(678)	(627)	(6%)
Operating Margin	**542**	473	420	29%
Impairment	**(295)**	(222)	(125)	(136%)
PBT	**248**	254	298	(17%)

Balance Sheet & Capital (£bn)	H109	H208	H108	vs PY B/(W) %
Customer Assets	**34.1**	32.7	28.5	20%
Customer Liabilities	**18.0**	17.0	13.1	37%
RWAs	**20.2**	18.8	15.8	(28%)

Ratios (%)	H109	H208	H108	B/(W) %
CIR	**55%**	59%	60%	5%
LLR	**1.57%**	0.97%	0.82%	(1%)

Footprint	H109	H208	H108	vs PY B/(W) %
Distribution Points	**1,073**	1,177	1,161	(8%)
Customers (millions)	**11.1**	10.5	10.1	10%
FTE	**33,700**	35,800	37,900	(11%)

GRCB – Absa Key Notes

- 15% income growth predominantly reflects FX movement
- 5 percentage point improvement in cost:income ratio
  - Strong cost control and FTE reduction
- Higher impairment
  - Slowing local economy
- Performance also reflects
  - 100bps decline in liability margin caused by lower interest rates, mix and increased competition for deposits
  - £72m reduction in gains from principal transactions

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