Société Générale

The Premium Review Conference

02 December 2009
Chris Lucas

Group Finance Director
## Group performance

<table>
<thead>
<tr>
<th>Nine months ended September</th>
<th>2009 £m</th>
<th>2008 £m</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>23,786</td>
<td>18,830</td>
<td>26</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(13,226)</td>
<td>(11,091)</td>
<td>19</td>
</tr>
<tr>
<td>Impairment charges</td>
<td>(6,214)</td>
<td>(3,762)</td>
<td>65</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>4,542</td>
<td>5,595</td>
<td>(19)</td>
</tr>
<tr>
<td>Adjusted profit before tax*</td>
<td>4,413</td>
<td>2,046</td>
<td>116</td>
</tr>
</tbody>
</table>

* Profit before tax, own credit, gains on acquisitions and disposals, and gains on debt buy-backs
GRCB performance

Profit before tax £2.2bn

Income +11%

Cost +4%

Positive jaws of +7%
UK Retail Bank

- Margins: Partly offset by income growth in mortgages and hedging programme
- Impairment: Grew at lower rate than in first half
- Costs: Brought down by tight control of discretionary spending
- Acquisition: Standard Life Bank acquisition grows UK Retail Bank liabilities and mortgage book
Barclays Commercial Bank

Margins
• Liability margin compression partly offset by improved asset margins

Impairment
• Higher but continued to benefit from diversified loan book

Costs
• Reduced by tight cost control
Barclaycard

**Income**
- Growth driven by higher customer balances and improved margins

**Impairment**
- Rate of impairment growth declined in Q3

**Risk**
- Conservative approval rate and reduced limits to new customers

**Costs**
- Increased slightly due to Goldfish acquisition in 2008, offset by lower discretionary spending
Western Europe

- **Income**: Growth from higher net interest income driven by strong growth in customer balances
- **Impairment**: Rate of growth lower than in first half
- **Costs**: Growth significantly lower than income growth
- **Strategic JV**: Growth benefited from one-off gain of £153m following completion of JV with CNP
Emerging Markets

- **Income**
  - Very strong growth without equivalent growth in customer assets

- **Impairment**
  - Rate of growth was slightly higher than in first half – UAE and India key focus

- **Costs**
  - Grew at higher rate than income due to investment in infrastructure and roll out costs
GRCB Absa

Income
Slightly ahead in rand terms

Impairment
Rising delinquencies in retail banking

Cost
Reduction in operating expenses

Overall reduction in profit
• Income growth 32%, driven by Barclays Capital

• Profit before tax of almost £2bn for first nine months – well up year-on-year, excluding:
  – £1.5bn gain on acquisition in 2008
  – Impact of movements in own credit
Barclays Capital - Cost to net income ratio

Reflects cost of build-out in Equities and M&A

9M 09: 78%
H1 09: 75%
Barclays Global Investors

Profit

- Increased in sterling but declined in dollar terms

Assets under management

- Increased by £87 bn to £1.2 trillion – net new asset inflows continued in most asset classes

Disposal

- Sale of BGI business to BlackRock completed 1 December
Barclays Wealth

Costs

- Costs of integrating Barclays Wealth Americas affected profits – but a platform for future growth

Revenues

- Broadly stable on a like-for-like basis

Client Assets

- Total client assets were in line with end-2008
# Balance sheet management

<table>
<thead>
<tr>
<th>£bn</th>
<th>31 Dec 08</th>
<th>30 June 09</th>
<th>30 Sep 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>2,053</td>
<td>1,545</td>
<td>+5%</td>
</tr>
<tr>
<td>Liquidity buffer</td>
<td>36</td>
<td>88</td>
<td>110</td>
</tr>
<tr>
<td>Adjusted gross leverage</td>
<td>28x</td>
<td>22x</td>
<td>Broadly consistent</td>
</tr>
<tr>
<td>Risk weighted assets</td>
<td>433</td>
<td>406</td>
<td></td>
</tr>
</tbody>
</table>
Capital ratios

Core Tier 1

<table>
<thead>
<tr>
<th>Year</th>
<th>Tier 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 08</td>
<td>5.6</td>
</tr>
<tr>
<td>Jun 09</td>
<td>7.1</td>
</tr>
<tr>
<td>Pro-forma Jun 09</td>
<td>9.2</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Year</th>
<th>Tier 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 08</td>
<td>8.6</td>
</tr>
<tr>
<td>Jun 09</td>
<td>10.5</td>
</tr>
<tr>
<td>Pro-forma Jun 09</td>
<td>11.9</td>
</tr>
</tbody>
</table>
Outlook

• Trading in October was consistent with trends in the first nine months of the year

• Full year impairment now expected to be around £9 bn

• Relatively few large single name charges in third quarter – typically would expect an increase in final quarter
GRCB and ExCo reorganisation

- Global Retail Banking
- Retail Bank
- Barclaycard
- Corporate and Investment Banking and Wealth Management
- Barclaycard
- Barclays Capital
- Barclays Corporate
- ABSA
- Barclays Wealth
Regulatory framework

- Capital ratios
- Liquidity requirements
- Leverage ratios
- Other factors
Summary

• Good nine months with profit before tax of £4.5 bn

• Very strong income growth of 26% was significantly higher than cost growth

• Rate of growth in impairment slowed in Q3

• Capital ratios and liquidity position strengthened further

• Resumption of payment of a cash dividend
Chris Lucas
Group Finance Director