



Robert E. Diamond Jr
President, Barclays PLC

Regulation and Returns

Morgan Stanley European Banks Conference, London
23rd March 2010

Barclays Objectives

- Managing our risks and returns
- Maintaining strategic momentum
- Staying close to our customers and clients

Regulatory change

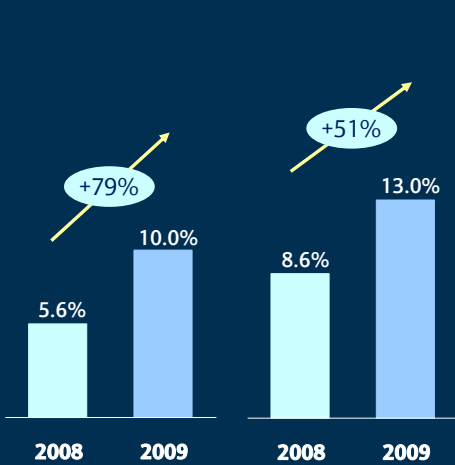
- Capital
- Oversight
- Resolution

Barclays positioning itself for new environment...

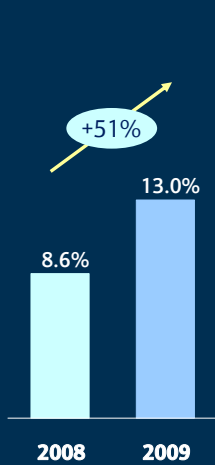
Barclays year end 2009 position (vs. 2008)

Capital Ratios

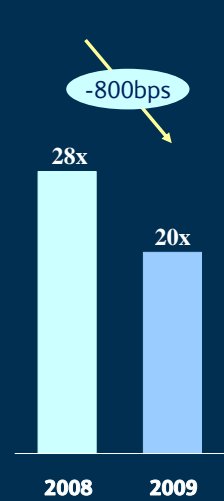
Core Tier 1



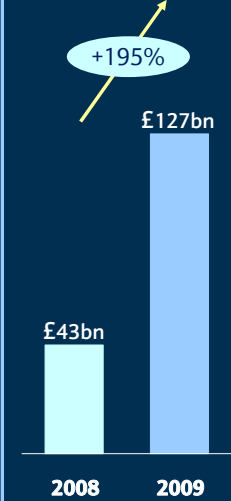
Tier 1



Adj. Gross Leverage



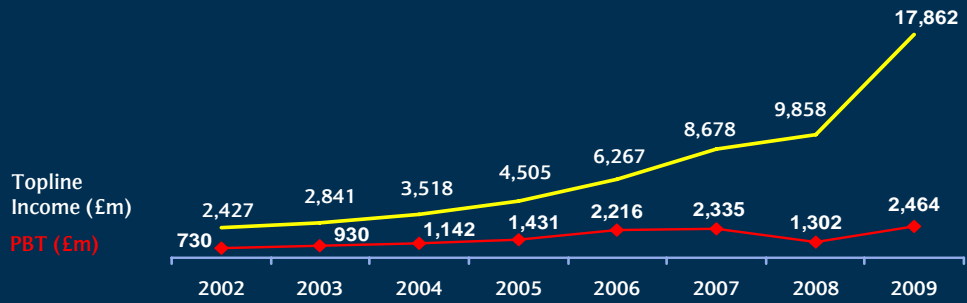
Liquidity Pool



...while delivering strong performance

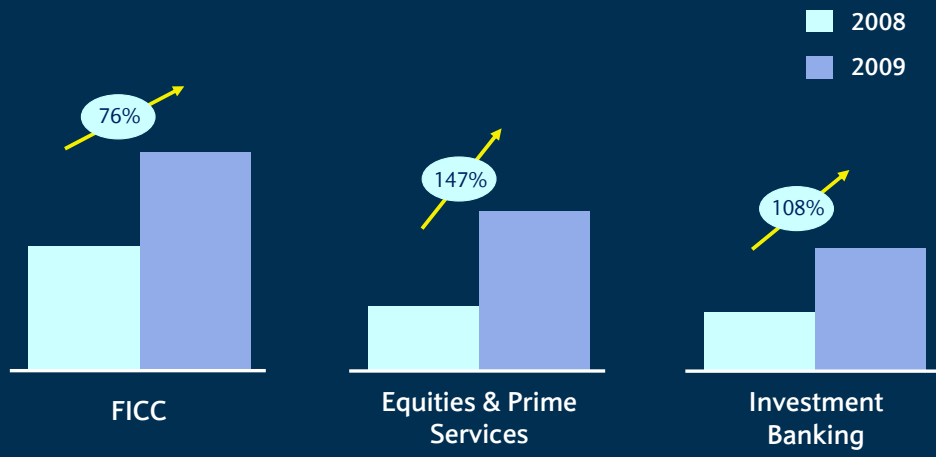
<i>(£m)</i>	<u>2008</u>	<u>2009</u>	<u>% Change</u>
Income	23,115	30,986	34%
Impairment	(5,419)	(8,071)	49%
Operating Costs	(14,366)	(17,852)	24%
PBT	6,077	11,642	92%
Cost : income ratio	62%	58%	
RoE (incl. BGI gain)	16.5%	23.8%	
RoE (excl. BGI gain)		7.9%	

Barclays Capital delivered across the cycle...



Interest Rates	Down		Up	Up	Up	Down	Down	
Credit Spreads	Up	Down	Down	Down	Down	Up	Up	Down
Volatility	Up	Down	Down	Down	Down	Up	Up	Down
Equity Markets	Down	Up	Up	Up	Up		Down	Up
M&A activity	Down		Up	Up	Up	Up	Down	Down
Inflation	Down		Down	Up	Up	Up	Down	Down

...and across asset classes



Summary

- Regulation
 - Too big to get wrong
 - Too close to lose momentum
- Banks are responding
- Barclays well positioned



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