

Global Retail Banking Investor Seminar Presentation

30 June 2010



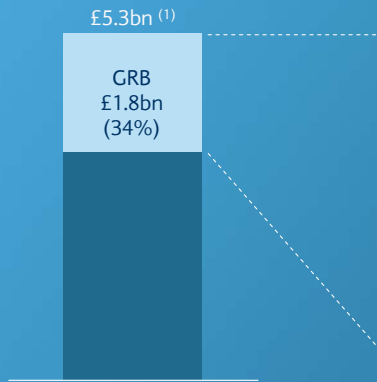
Global Retail Banking Investor Seminar Introduction

John Varley, CEO Barclays Plc
30 June 2010

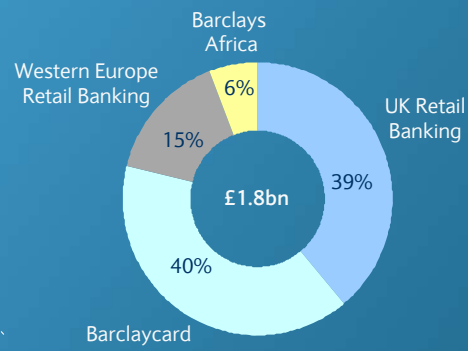


Global Retail Banking (GRB) contribution to Barclays

Barclays 2009 PBT
Composition



GRB
2009 PBT by business

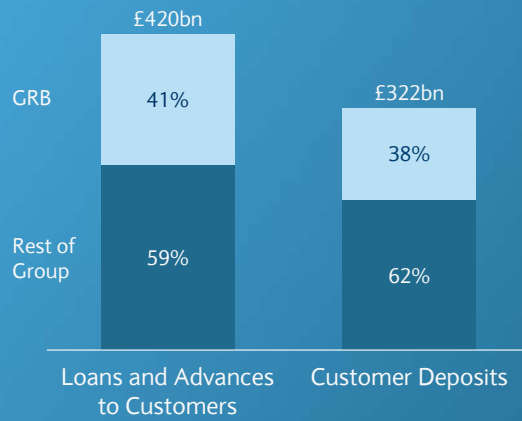


(1) Excluding the gain from disposal of BCI



GRB contribution to Barclays

2009 Customer Balance Sheet



GRB financial goals

Profit growth

Improved loan to deposit ratio

Depth, not breadth

Generation of net equity



GRB Overview and Strategy

Antony Jenkins, CEO Global Retail Banking
30 June 2010



GRB Investor Seminar: Agenda

GRB Overview and Strategy

Antony Jenkins

GRB Financials

Peter Estlin

Barclaycard

Valerie Soranno Keating

Western Europe Retail Banking

Leo Salom

Barclays Africa

Vinit Chandra

UK Retail Banking

Deanna Oppenheimer

Closing

Antony Jenkins





GRB is customer defined and geographically focused

Customer Defined

- Mass consumer
- Mass affluent
- Business clients

Geographically Focused

- UK
- US
- Western Europe
- Africa

GRB

- Global banking and payment provider
- 37m customers
- 3.5k distribution points
- 66k colleagues

UK Retail Banking

Barclaycard

Western Europe Retail Banking

Barclays Africa



GRB is building on strong foundations

Well diversified

Upgraded footprint

Innovative products

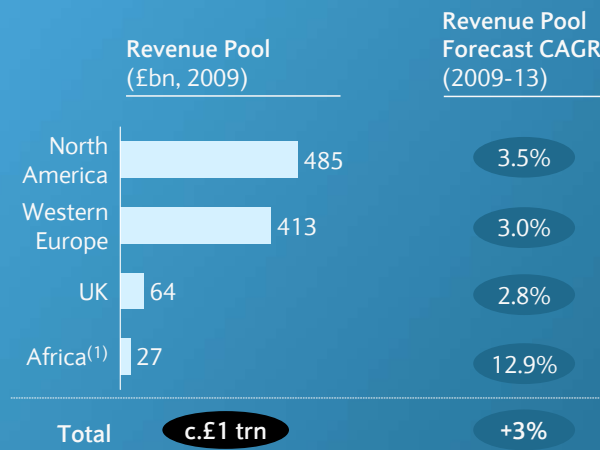
Leading edge technology

Strong customer franchise



Geographic opportunity

Retail, Cards and Payments Revenue Pool by Region

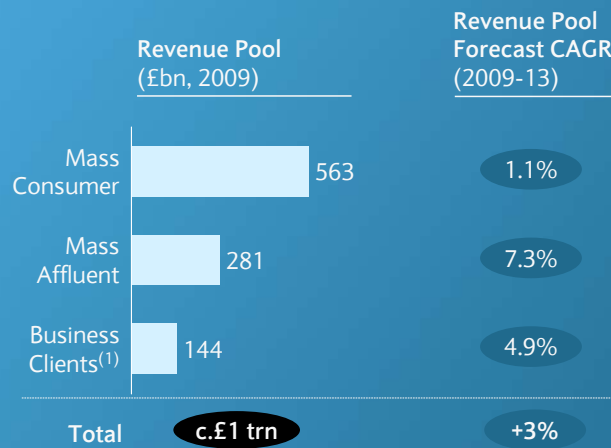


(1) Includes South Africa
Source: Barclays GRB market analytics



Segment opportunity

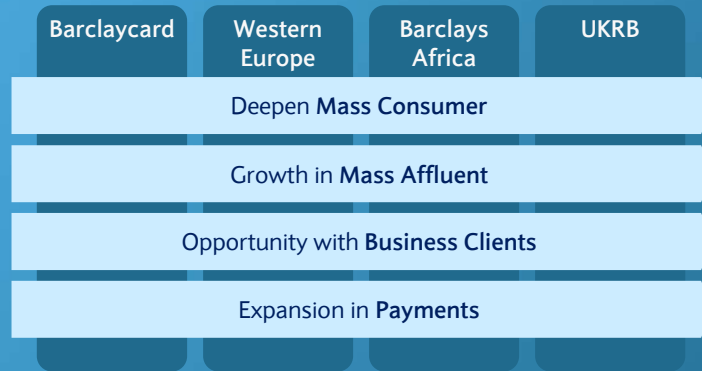
Retail, Cards and Payments Revenue Pool by Segment



(1) Include commercial clients up to £5m turnover, corporate clients in Africa, payment acceptance and B2B payment
Source: Barclays GRB market analytics



GRB strategy



Enabled by rigorous risk and cost management



GRB financial goals

Profit growth

▶ Strong compound annual profit growth

Improved loan to deposit ratio

▶ Liability growth exceeding asset growth

Depth, not breadth

▶ Focus on existing markets and continue to diversify through products

Generation of net equity

▶ Attractive returns and generation of net equity



GRB will differentiate itself by building stronger relationships with customers

THE GOAL

the
'go-to' bank
in our chosen
markets

THE VISION

LIVES MADE
MUCH EASIER

THE MEANS

- deeper impact with customers
- greater scale in all our markets
- higher performance



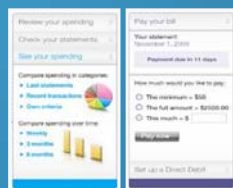
GRB will build on existing strengths to serve customers better

Where We Are Doing It Already (Examples)

Barclays.Mobi



MyBarclaycard



Where We Are Building

Customer Insight & Innovation

Customer Delivery

Holistic Customer Data Management



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GRB will build scale and deliver higher performance

THE GOAL

the
'go-to' bank
in our chosen
markets

THE VISION

LIVES MADE
MUCH EASIER

THE MEANS

- deeper impact with customers
- greater scale in all our markets
- higher performance



Happy customers

Strong profit growth

Good returns



GRB Financials

Peter Estlin, CFO Global Retail Banking
30 June 2010



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Economic assumptions

Outlook
(2010 – 2013, %)

Region	GDP Growth Rates	Unemployment Rates	Interest Rates ⁽¹⁾
UK	1.4 - 3.0	7.9 - 7.5	0.50 - 3.25
Europe	1.1 - 2.0	10.3 - 9.5	1.00 - 2.25
US	2.5 - 3.5	9.4 - 6.5	0.25 - 3.50
Africa	5.0 - 7.0	-	-

(1) Represents Base rate in the UK, Refi rate in the Eurozone and Fed funds rate in the US
Source: Barclays internal forecasts



Financial summary

Financial Summary

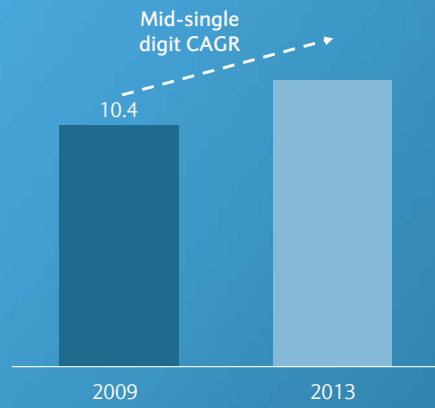
	2009 (£m)	2008 (£m)	YoY Growth
Income	10,374	9,926	5%
Operating expenses	(5,490)	(5,357)	2%
Impairment charges	(3,288)	(1,982)	66%
Profit before tax ⁽¹⁾	1,821	2,736	(33%)
RoRWA	1.5%	2.6%	

(1) Includes other profit from share of post-tax results of associates and joint ventures, profit on disposal of subsidiaries, associates and joint ventures, and gains on acquisition

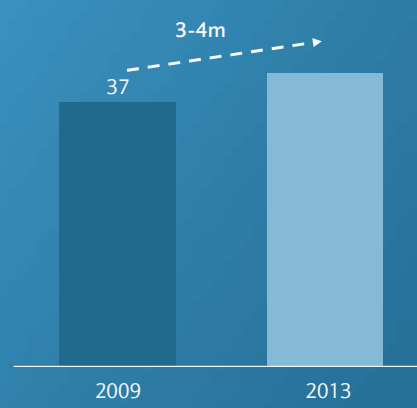


Growth targets

Income
(£bn)

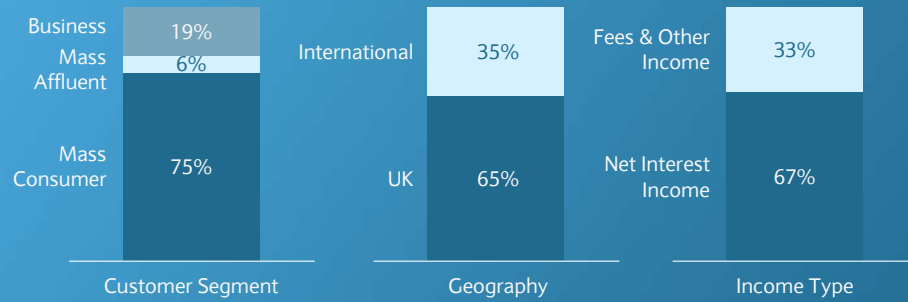


Number of customers
(m)



Income diversification

Income Distribution
(2009)



Strategic goals:

Higher growth rates in Mass Affluent & Business Segments

Higher international contribution

Increased diversification



Margins

(%)	2009	2008
Asset margin	2.71	2.26
Liability margin	1.34	1.98
Net interest margin ⁽¹⁾	2.42	2.36

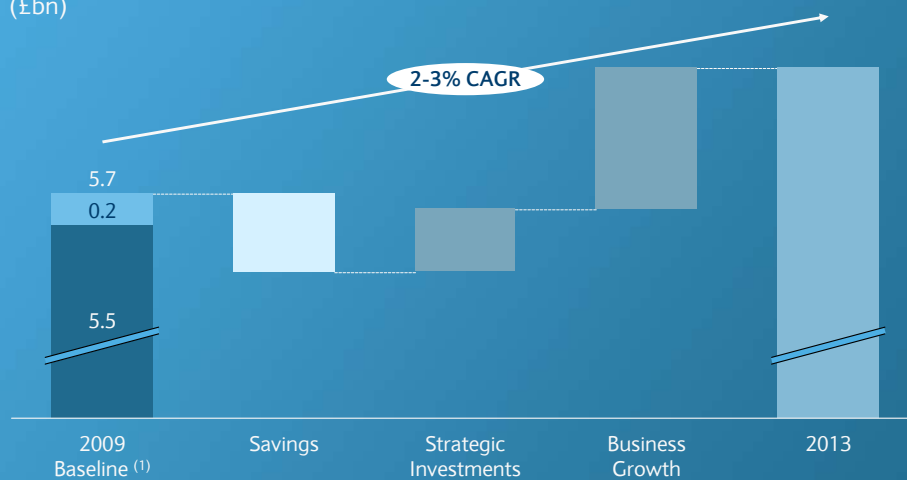
- Attractive front book asset margins
- Improving back book margins
- Competition for deposits
- Active hedging
- Broadly stable net interest margins

(1) Net Interest Income divided by the sum of average customer loans & advances and average customer deposits. Net Interest Income divided by average customer loans & advances is 3.98% and 3.99% in 2008 and 2009, respectively



Cost management targets

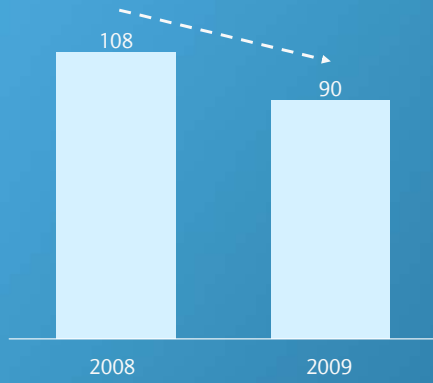
Costs
(£bn)



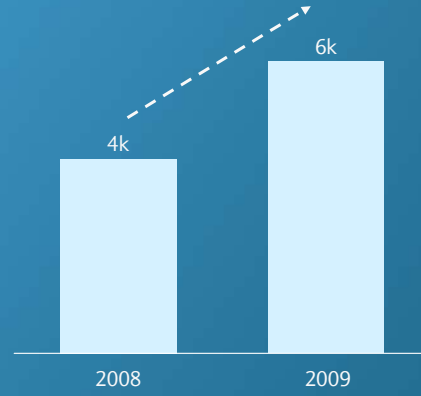
(1) £5.7bn excluding gains from the closure of the UK final salary pension scheme to existing members

Operational efficiency

Number of Operating Sites

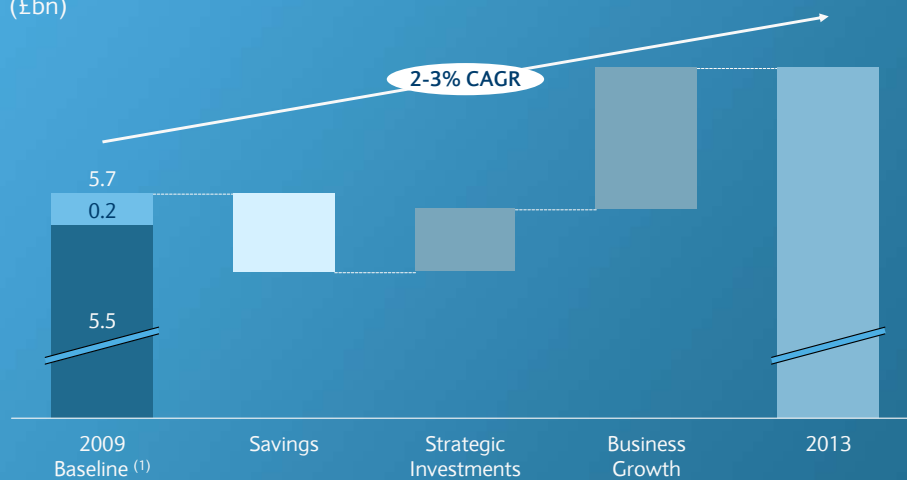


Rightshored FTEs



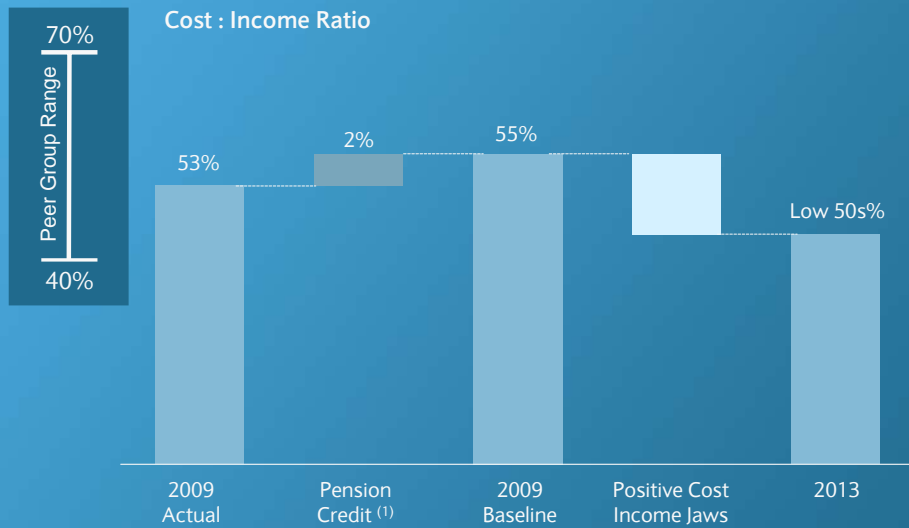
Cost management targets

Costs
(£bn)



(1) £5.7bn excluding gains from the closure of the UK final salary pension scheme to existing members

Cost : Income Ratio evolution

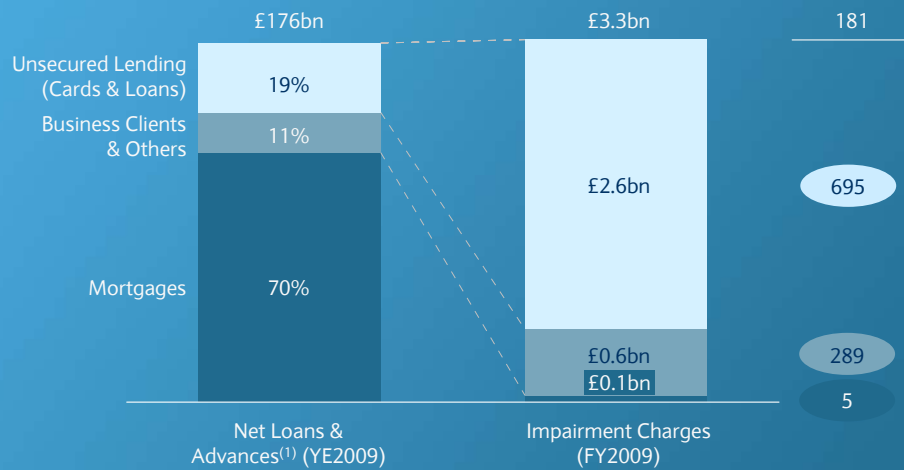


(1) Gains from the closure of the UK final salary pension scheme to existing members

Impairment profile

Net Loans & Advances and Impairment Charges

Loan Loss Rate ⁽²⁾ (2009, bps)

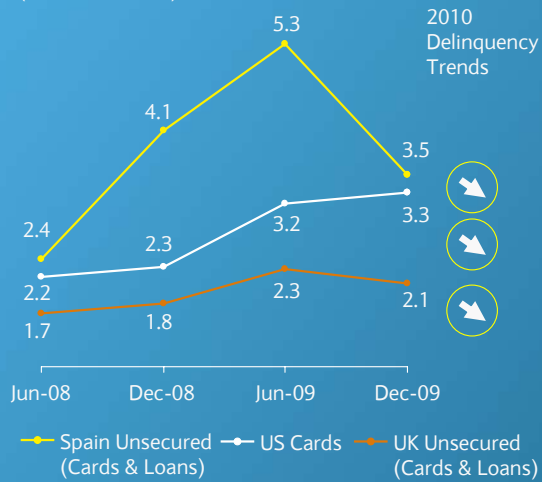


(1) Loans and advances to customers (including banks) at amortised cost net of impairment allowances
 (2) Impairment charges divided by loans and advances to customers (including banks) at amortised cost gross of impairment allowances



Risk appetite and performance – Unsecured Lending

90 Day Delinquency
(Period End, %)

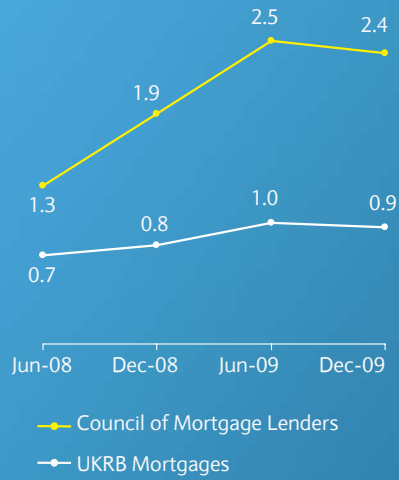


- Active credit line management
- Focus on customer affordability and lower risk segments
- Strong collections and recoveries capabilities

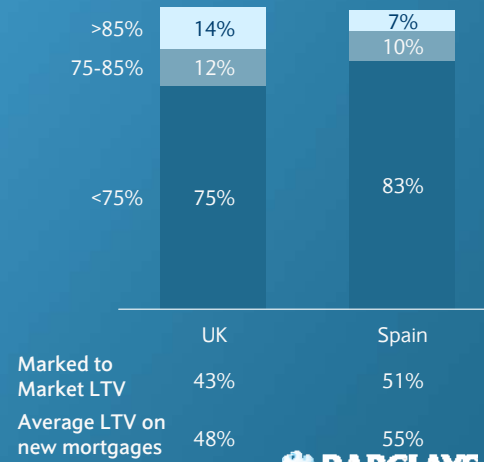


Risk appetite and performance - Mortgages

UK Mortgage – Arrears Rate
(% of loans >3 months in arrears)

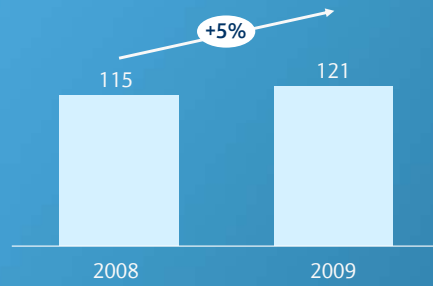


Distribution of Balances
(2009, by Loan to Value)



Liquidity

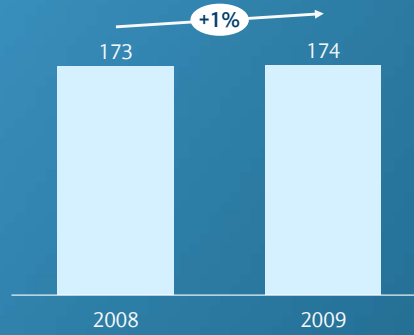
Customer Deposits
(£bn, Year End)



Average
Behavioural
Maturity 2009

9.4 Years

Loans and Advances to Customers ⁽¹⁾
(£bn, Year End)



4.5 Years



(1) Loans and advances to customers (ex. banks) at amortised cost net of impairment allowances

Returns

	2009	3 Year Target
RoRWA	1.5%	c.2.0%
Return on Tangible Equity	17%	c.20%
Return on Equity	10%	13-15%

New business hurdle: RoRWA =1.5%



GRB financial goals

Profit growth

▶ Strong compound annual profit growth

Improved loan to deposit ratio

▶ Liability growth exceeding asset growth

Depth, not breadth

▶ Focus on existing markets and continue to diversify through products

Generation of net equity

▶ Attractive returns and generation of net equity



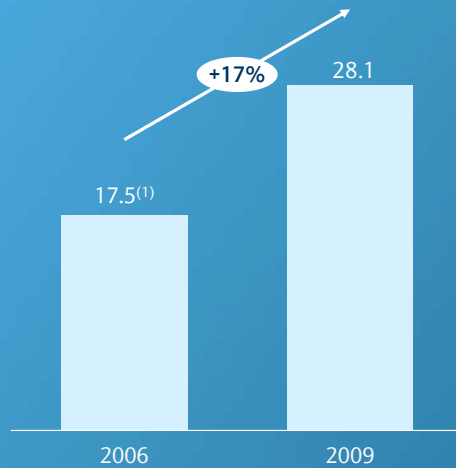
Barclaycard

Valerie Soranno Keating, CEO Barclaycard
30 June 2010

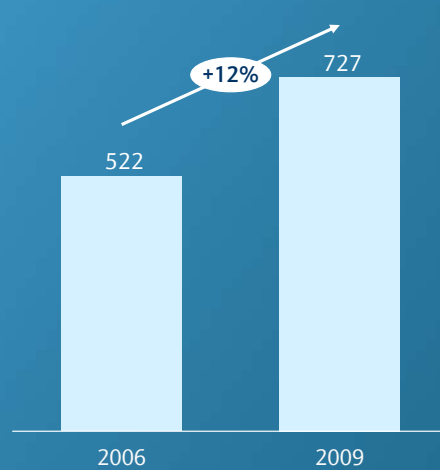


Strong track record of sustainable growth

Average customer receivables
(£bn, % CAGR)



PBT
(£m, % CAGR)

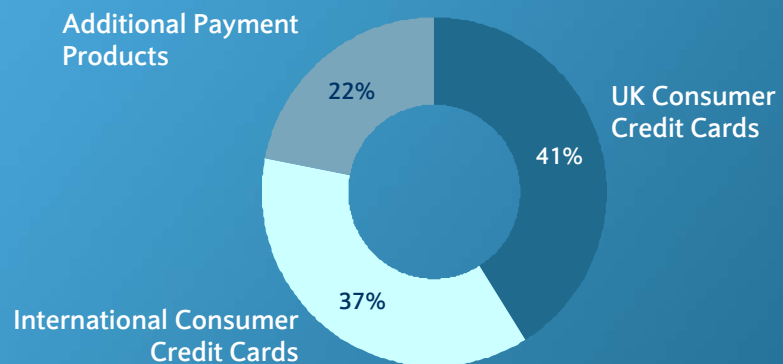


(1) Restated to reflect current Barclaycard business composition (excludes WE and Africa cards and Marine Finance; and includes Absa card)

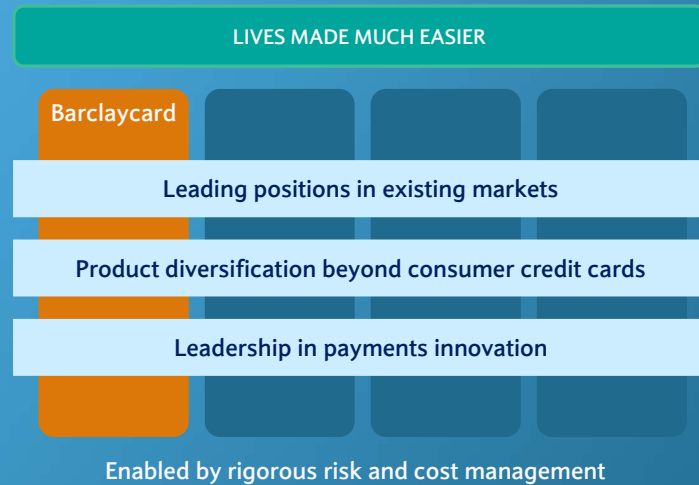


Strength from a diversified business model

Income 2009



Barclaycard growth strategy



Leading market positions

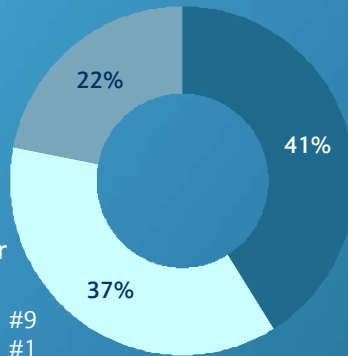
Income 2009

Additional Payment Products

- Payment Acceptance
- Commercial Payments
- Barclays Partner Finance
- Secured Lending

International Consumer Credit Cards

- United States: #9
- Germany: #1
- Absa Card: #2
- Entercard Joint Venture: #2



UK Consumer Credit Cards

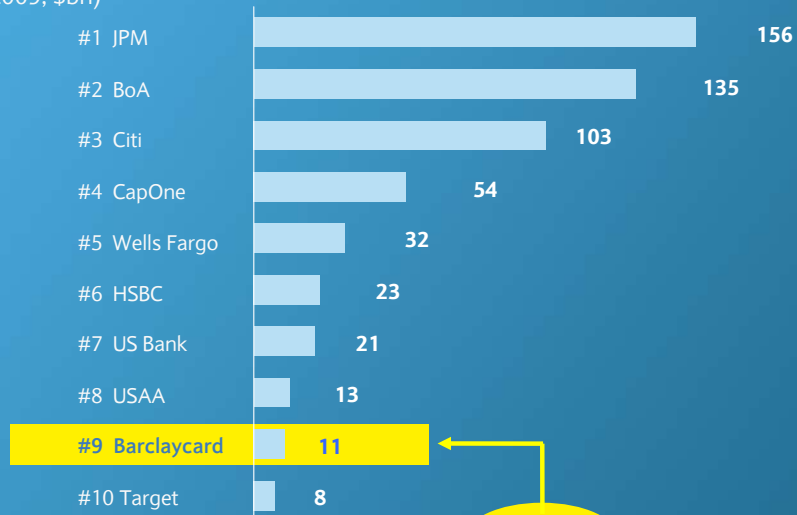
- United Kingdom: #3



Sources: US- Nilson 02/09; Germany, Entercard & UK - Datamonitor 06/09; Absa - competitor annual reports 2009

US example: From #18 to #9 in 5 years

Top US Credit Card issuers by card receivables
(2009, \$bn)



Source: Nilson report February 2010 Visa and Mastercard issuers, Datamonitor, annual reports



US example: select partners



 **BARCLAYS**

Product diversification: B2B example



Attractive B2B economics

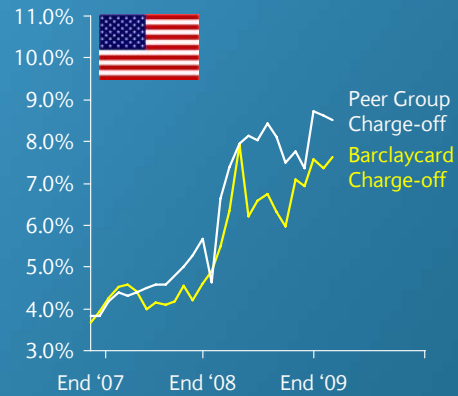
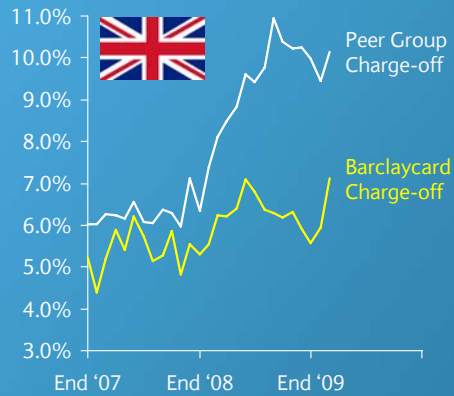
Business Model Characteristic	Comparison with Consumer	
RoRWA	4x	↑
Non-interest income contribution	4x	↑
Impairment	0.1x	↓

Note: B2B is our combined GCP and GPA business in the UK, consumer is our UK consumer cards business



Strong risk management...

Charge-off trends

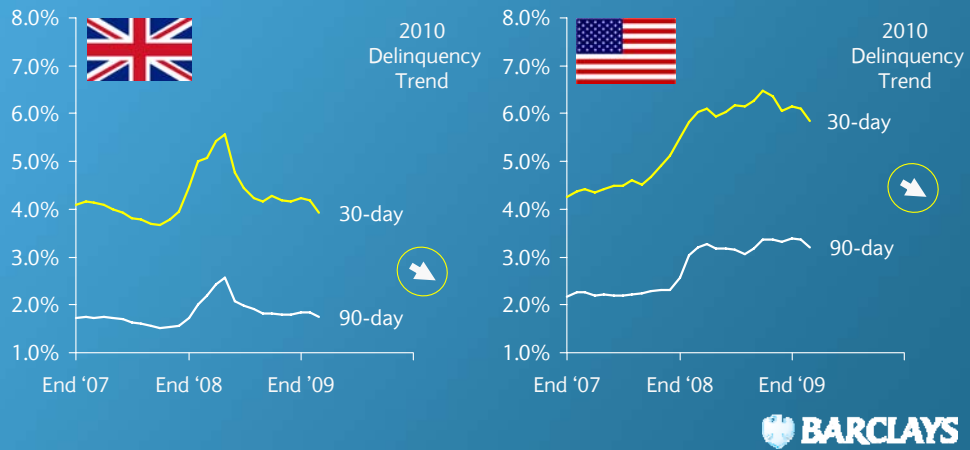


Note: UK comparison is based on weighted average of securitisation portfolios (RBS, MBNA, CapOne, HSBC)
US is data from Visa benchmark study with 6 of the top 7 US issuers in the peer group



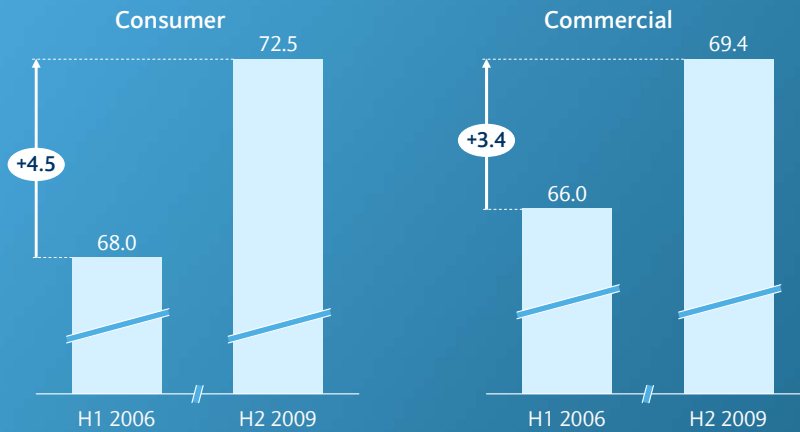
Strong risk management...

Barclaycard 30 and 90 day delinquency trends (%)



...but not at the expense of the customer

Customer Satisfaction UK
(%)

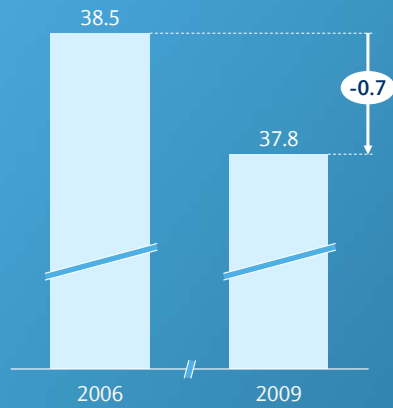


Note: % of customers extremely or very satisfied. UK Commercial satisfaction is the weighted average of GPA and GCP (Revenue used to calculate weighted average)
Source: Barclays Customer Satisfaction Surveys



Continuous CIR improvements ...

Cost : Income Ratio
(%)

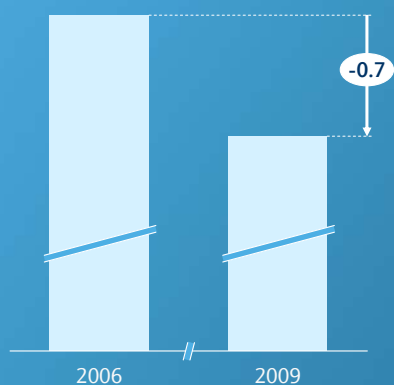


- Right shoring
- Site rationalisation
- Productivity gains
- Resource sharing

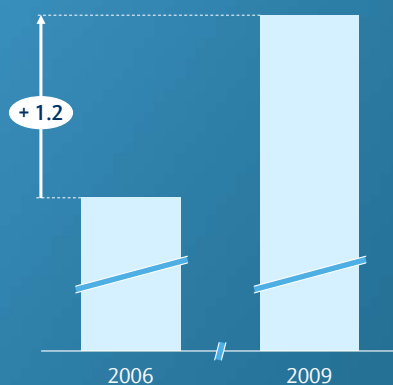


...balanced with investment in future growth

Cost : Income Ratio
(%)



Gross Investments⁽¹⁾ : Income Ratio
(%)



(1) Investments in business development, marketing and other related spend



 **BARCLAYS**





 **BARCLAYS**

50



 **BARCLAYS**

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Barclaycard priorities

LIVES MADE MUCH EASIER

Barclaycard

Leading positions in existing markets

Product diversification beyond
consumer credit cards

Leadership in payments innovation

Enabled by rigorous risk and cost management

- Strong compound annual profit growth
- Continued growth in existing markets
- Continued product, customer and income diversification
- Payment innovation



Western Europe Retail Banking

Leo Salom, CEO Western Europe Retail Banking
30 June 2010



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Western Europe footprint

Broad based retail banks (2009)

<u>Spain</u>	
0.9m customers	38%
£19.0bn customer loans & advances	46%
£590m income	45%

<u>Portugal</u>	
0.7m customers	29%
£5.4bn customer loans & advances	13%
£205m income	16%

<u>Italy</u>	
0.6m customers	25%
£13.5bn customer loans & advances	33%
£335m income	25%

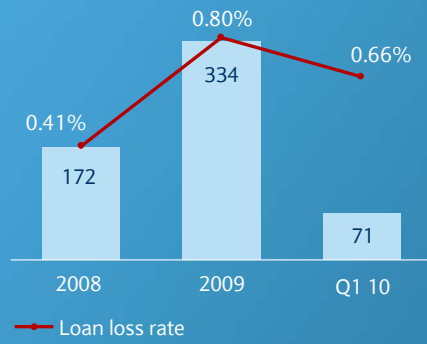
Mass affluent only (2009)

<u>France</u>	
0.2m customers	8%
£3.2bn customer loans & advances	8%
£188m income	14%

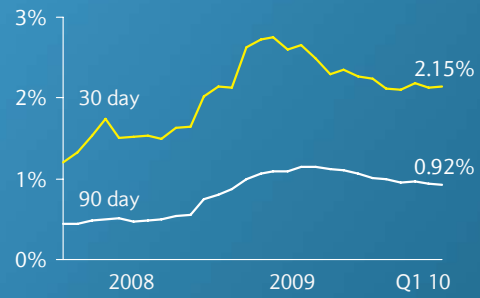


Western Europe credit quality

Total WE Portfolio Impairment
Charge (£m) and rates (%)

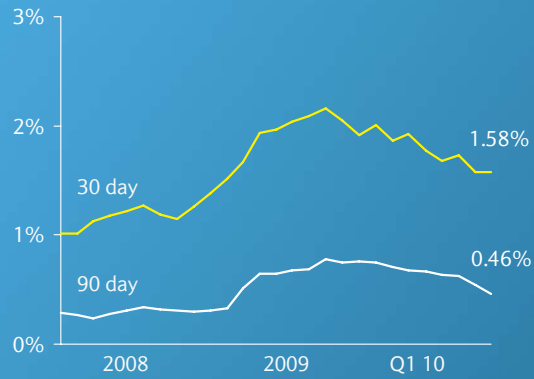


Total WE Portfolio
(Delinquency rates as % ENR)



Spain mortgage credit quality

Delinquency rates
(% of end net receivables)



- Average MTM LTV of mortgages portfolio is 51%
- Average LTV on new mortgages is 55%
- 94% is branch originated
- 92% of Spanish mortgages are to Spanish residents



Product shares - Spain

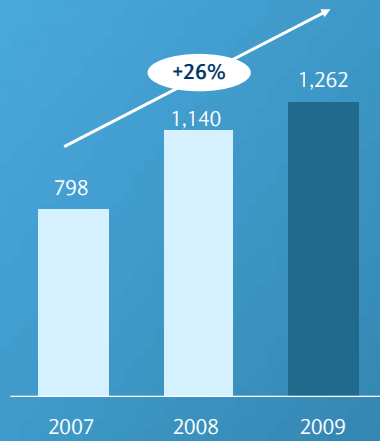
Product	2007	2009
Mortgages	2.5%	2.6%
Personal loans	0.8%	1.4%
Cards	1.3%	1.3%
Deposits	0.9%	1.4%

Source: Bank of Spain

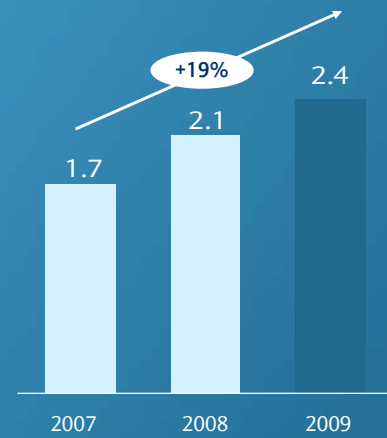


Western Europe franchise growth

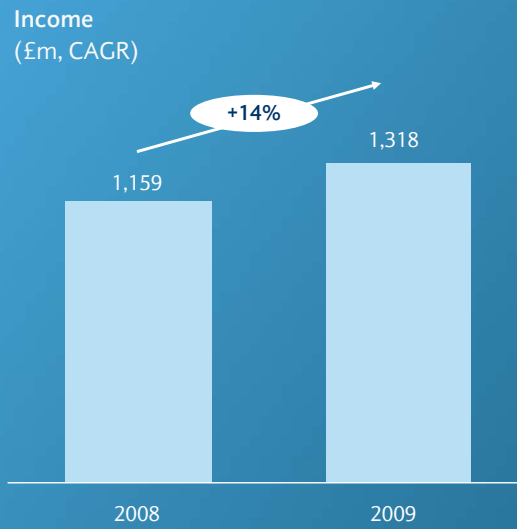
Distribution points
(#, CAGR)



Customers
(#m, CAGR)

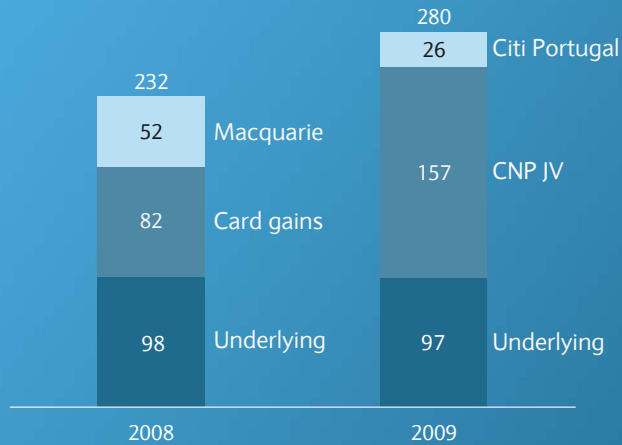


Western Europe franchise growth



Western Europe performance

PBT
(£m)

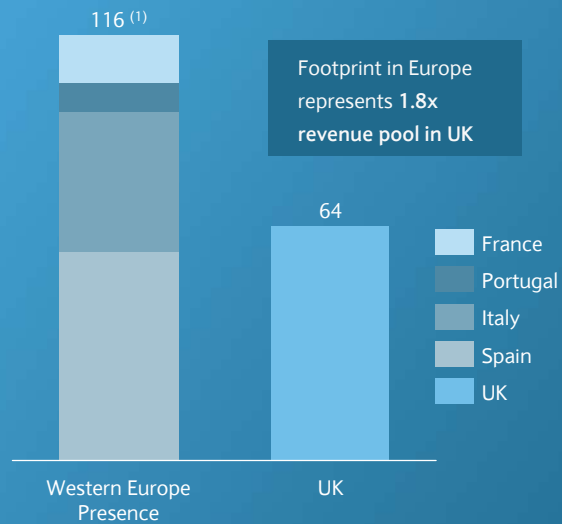


- Headline profit growth
- One-offs with strategic and financial benefits to enable:
 - Self-funded expansion
 - Credit cycle absorption
- Strengthening underlying profitability



Western Europe revenue pool

Revenue Pool
(2009, £bn)



(1) Country banking and payment revenue pools for Portugal, Italy and Spain and mass affluent revenue for France



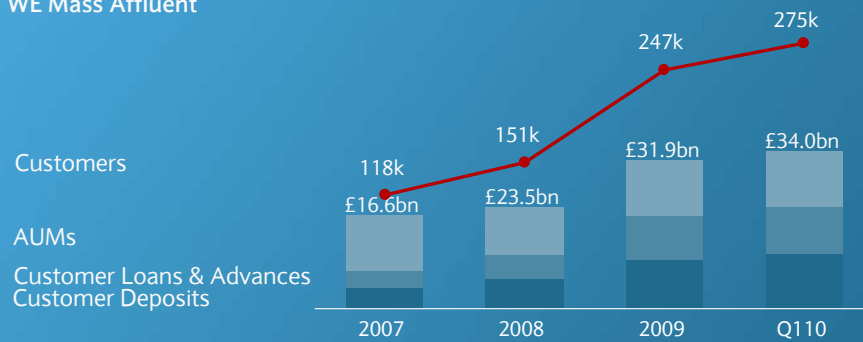
Western Europe ambition



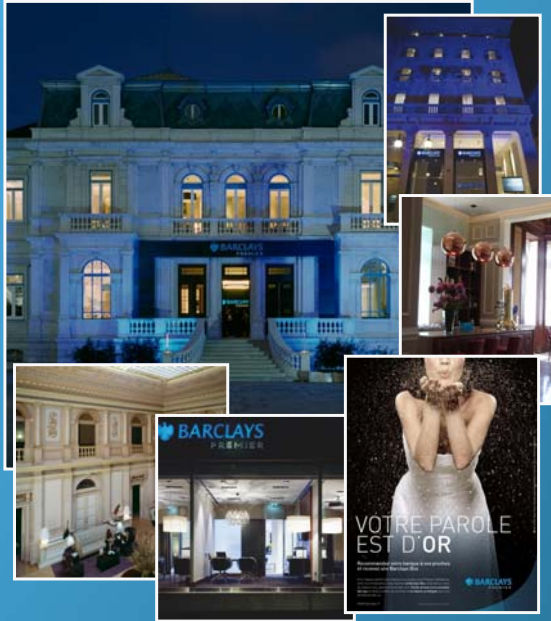
Mass affluent segment – premier proposition

Ambition: Double mass affluent customer base

WE Mass Affluent



Premier differentiation: “A private banking advisory and service experience for mass affluent customers”



- Dedicated relationship management model
- Sophisticated advisory capability
- Open architecture investment product
- Distinctive flagship branches
- Differentiated customer experience

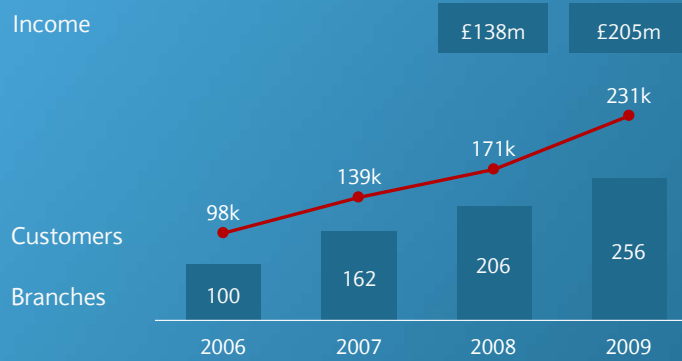


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Portugal branch expansion

Ambition: Top 5 retail bank with 300 branches nationwide

Portugal Branch Expansion



Italy distribution expansion

Ambition: Top 5 retail bank in 10 cities with 700 distribution points

Italy Distribution Expansion

Income

£242m

£335m

Customers

147k

177k

217k

285k

Distribution
Points

31

75

224

296

2006

2007

2008

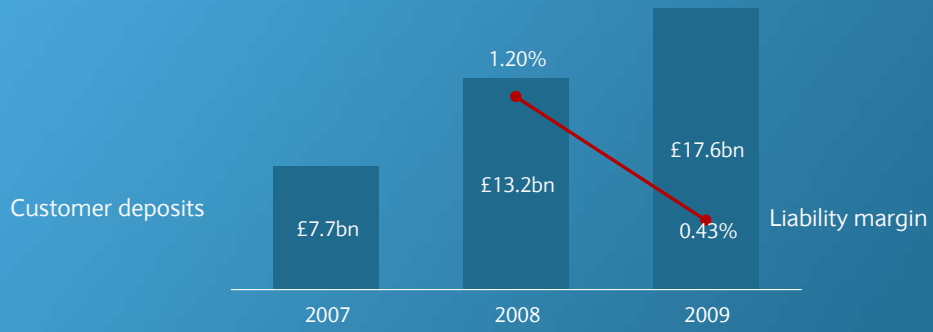
2009



Liability momentum

Ambition: Improve loan : deposit ratio contributing to GRB target

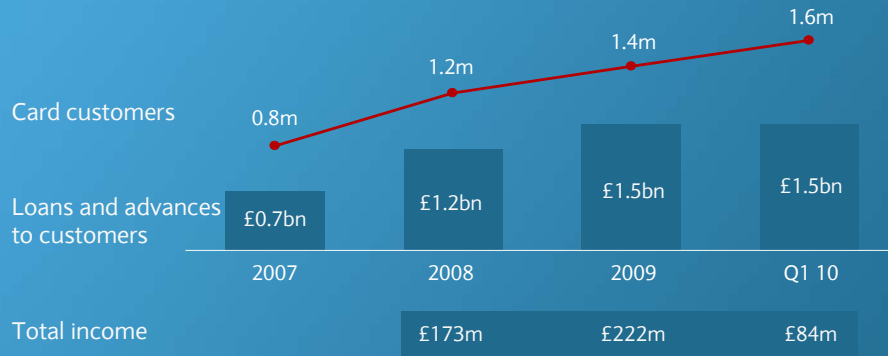
WE Liability Build



Cards opportunity

Ambition: Top 3 cards issuer in Spain, Portugal and Italy

WE Card Franchise



Western Europe priorities



- Top 5 retail bank in Spain and Portugal
- Scale player in Italy with top 5 presence in 10 affluent cities
- Leading mass affluent provider across the region
- Improve underlying profitability
- Achieve a more balanced funding profile
- Self fund the investment in the franchise



Barclays Africa

Vinit Chandra, CEO Barclays Africa
30 June 2010



Leading retail and commercial bank with a rich heritage



- Average 85 year presence
- Strong brand recognition
- Includes Commercial business
- Local, not international competitor
- With Absa, unique African footprint

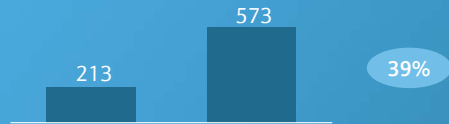
	Present Since	Rank ⁽¹⁾
Botswana	1950	1
Zambia	1918	1
Kenya	1925	1
Seychelles	1959	2
Ghana	1917	2
Uganda	1927	2
Mauritius	1919	3
Zimbabwe	1912	3
Tanzania	1916	6
Egypt	1864	12



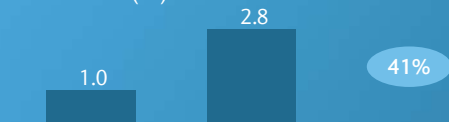
(1) Source: Bankscope 2008

Solid growth, with success recognised

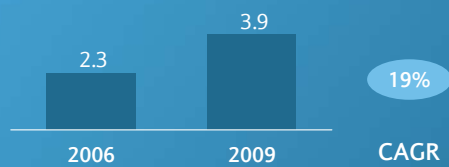
Distribution Points (#)



Customers (m)



Loans & advances to customers (£bn)



CAGR

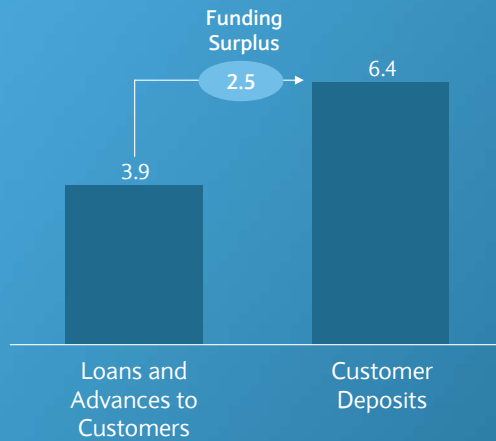


- £104m PBT in 2009
- Self-funded growth
- Attractive returns



Strong funding profile

Loans & Advances to Customers and Customer Deposits
(2009, £bn)

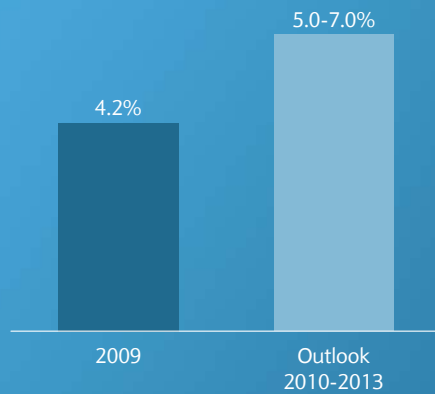


- Limited capital markets
- Flight to quality attracts deposits
- Funding surplus in all 10 markets
- Loan : deposit ratio of 61%



Attractive growth markets

Africa GDP Growth
(YoY)

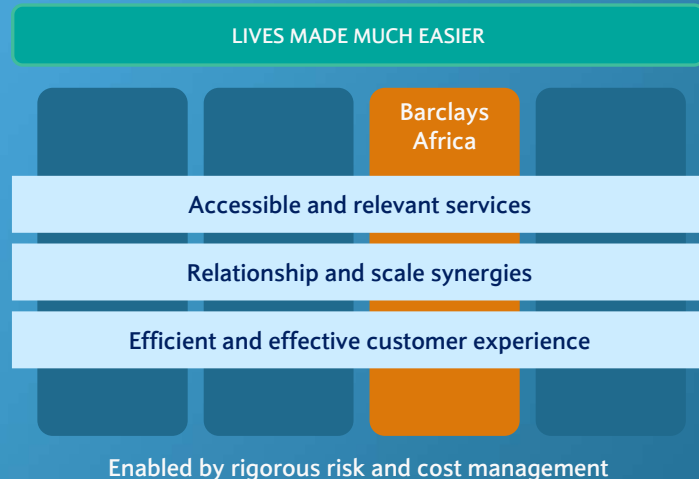


- Commodity-based economies
- Banking revenue pool growth expected to outpace GDP
- Increasing investment in infrastructure
- Political, social & economic headwinds

Source: Barclays internal forecasts

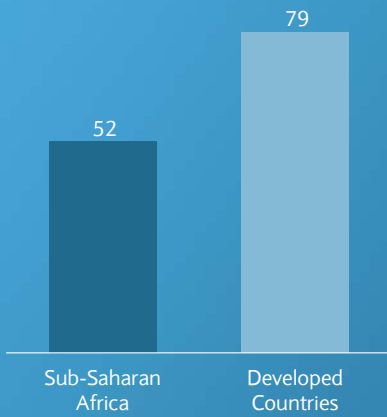


Focused on strengthening lead market positions

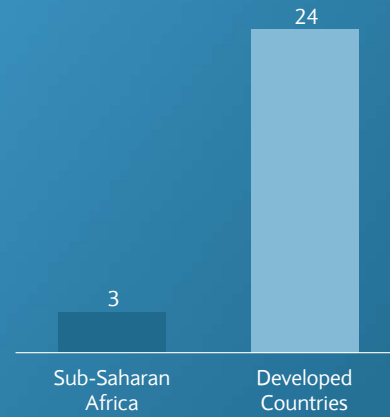


Socio-economic factors

Average Life Expectancy⁽¹⁾
(years)



Access to Banking Services⁽²⁾
(branches/100,000 of population)



(1) Source: UN Population Division Report 2009

(2) Source: Consultative Group to Assist the Poor/The World Bank: Financial Access 2009



Making access for customers easier

African mobile phone market

Mobile subscriptions (m)



Mobile penetration rates (%)



Hello Money

- Launched in Kenya & Botswana in 2009
- Extend capability in 8 other markets
- Relevant & accessible to wider market
- Lower cost per account

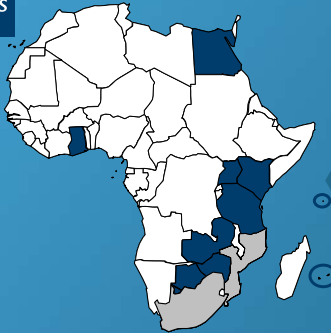


Source: 2010 Informa Telecoms & Media

Building scale and deepening relationships



Global client base
Mass Affluent, MNC
& FI
Product innovation
Specialist resources



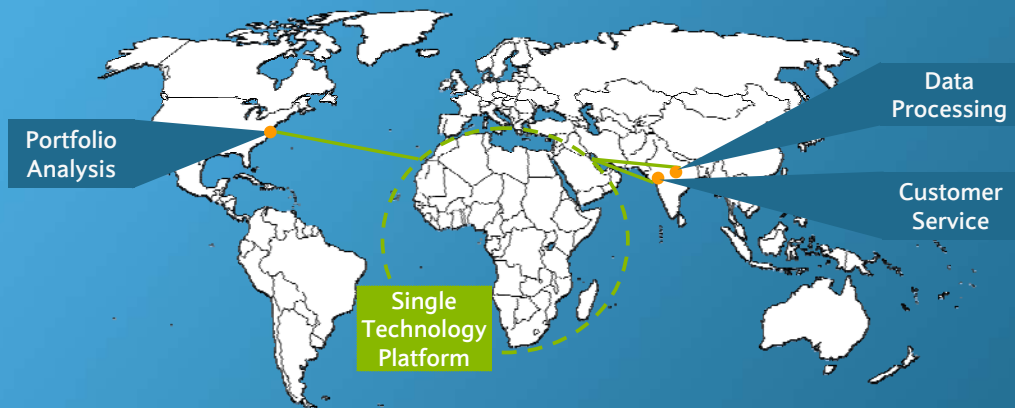
African client base
Large Regional
Corporate
Channel Expertise
Market Insight



- Enhanced collaboration model
- Complete product suite
- Consistent customer experience
- Joined-up relationships



Continuing to improve the customer experience



Global Connectivity:

- Single technology platform
- Drawing on Group expertise
- Enabled by new infrastructure

Creating:

- Lower cost per account
- Consistent customer experience
- Process efficiency & control



Placing importance on responsible banking

- Fair & transparent banking
- Investment in social infrastructure
- Encouraging financial inclusion

Building sustainable markets with long-term growth potential



Barclays Africa priorities



- Deliver strong compound annual profit growth, contributing to GRB diversification
- Maintain customer deposit surplus
- Deliver attractive returns



UK Retail Banking

Deanna Oppenheimer, CEO UKRB & Vice-Chair GRB
30 June 2010



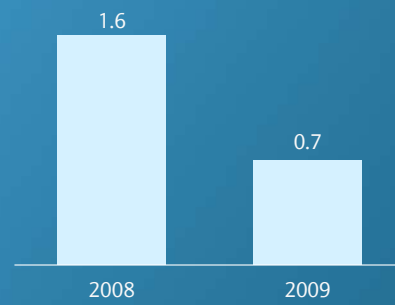
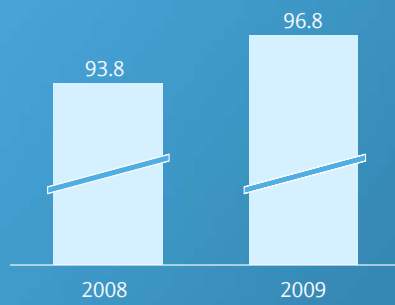
83

Strong and profitable

Customer deposit balances
(£bn, year end)

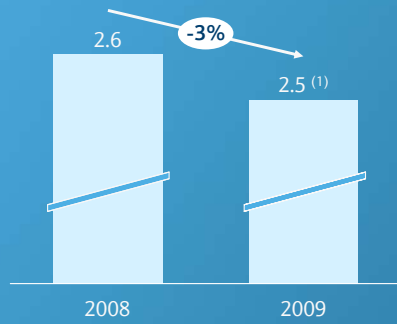
PBT
(£bn)

Loan : deposit
ratio 106%



Efficient customer-focused franchise

Total cost
(£bn)



Customer Satisfaction⁽²⁾
(rank)



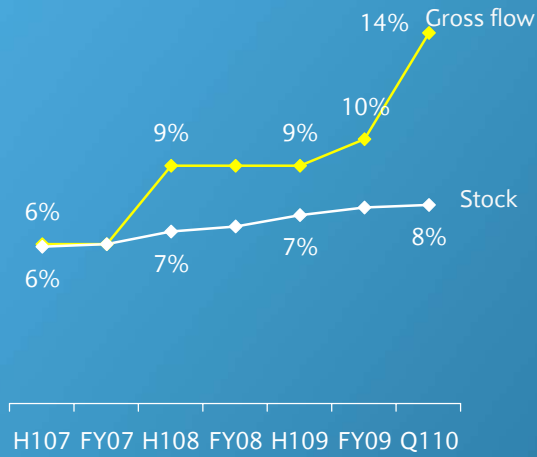
(1) Includes UKRB share of one-off pension credits

(2) Source: NCSI measures (external survey) – 1st in Q409; joint 1st with HSBC and NatWest Q110

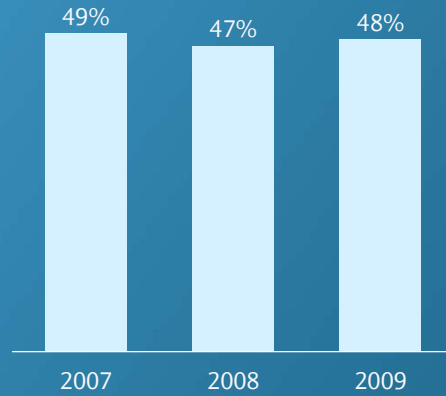


Taking share of new mortgage lending, whilst maintaining credit quality

Mortgage share⁽¹⁾

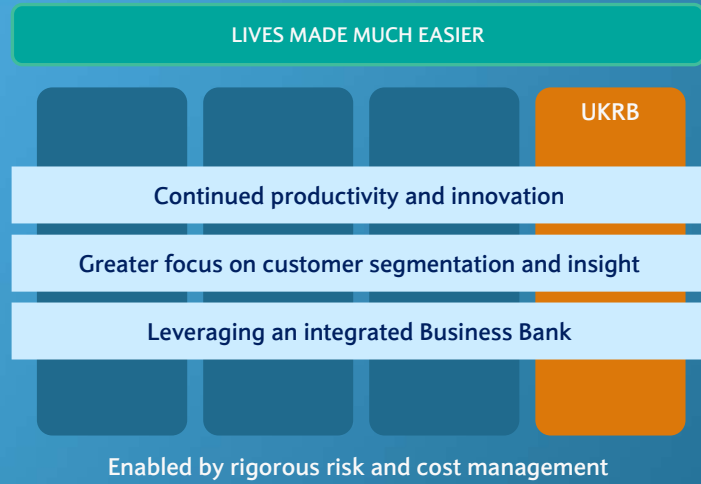


LTV of new mortgage flow



(1) Source: BoE total mortgage lending

Lives Made Much Easier within UKRB



Product innovation in the regulatory environment

1

Personal Reserve

- Emergency funds
- Clear and transparent
- Flat fee
- 6m accounts following 2008 introduction
- Endorsed by *Which?* and *Moneynet*



2

Supporting home ownership

- Partnership with leading developer, Bovis Homes
- Helps first time buyers
- Builder bears risk above 60% LTV
- ...therefore limited risk to Barclays



3

Financial inclusion

- #1 for new basic bank account flow
- Developed with consumer groups
- 927k customers
- 31% share⁽¹⁾ of new basic bank accounts

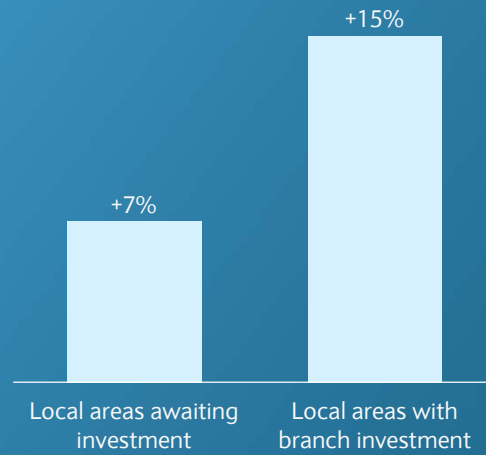


(1) Account share (CACI – share of flow, March 2010)

Mass consumer: Driving productivity and investing in branches



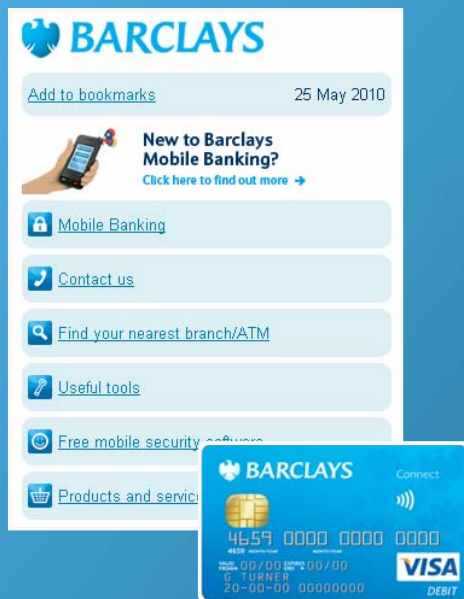
Growth in new current account share⁽¹⁾



(1) Total account flow share (CACI); Total flow since investment completed vs. 6 months prior to start on site; Three control groups used for areas 'awaiting investment'



A 'new generation' of innovative channels



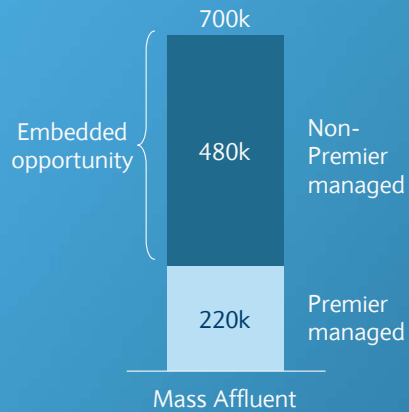
.mobi site visitors⁽¹⁾



(1) Visitors defined as unique mobile devices accessing the public or secure .mobi site per month

Premier: Activating mass affluent customers

Mass affluent customers within UKRB



Premier mass affluent customers have ⁽¹⁾...

- 19% higher UKRB savings balances
- 24% higher product cross-holdings with UKRB

...leading to:

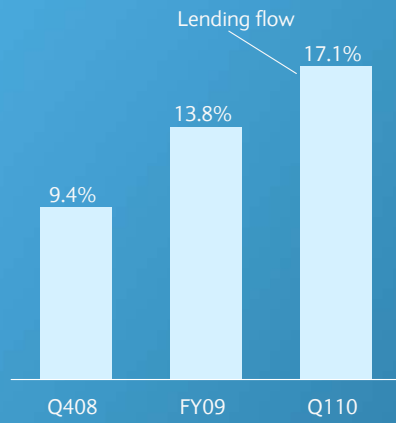
- Almost 2.5 x higher annual UKRB income per customer



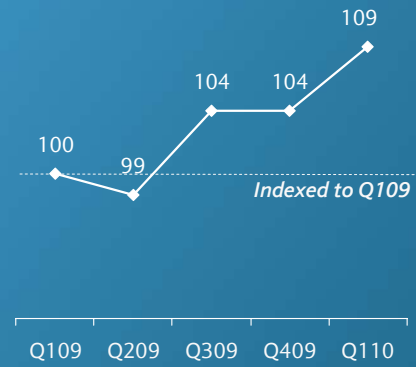
(1) Product cross holdings, UKRB income and savings balances - estimated by UKRB

Business: Creating an integrated Business Bank

Local Business lending share⁽¹⁾



Local Business satisfaction⁽²⁾
(Relationship manager)



(1) BBA Small Business Statistics (Exc. Barclays Business migration)

(2) Customer interaction surveys (12-15 questions, c.2.5k customers/month)



UKRB priorities

LIVES MADE MUCH EASIER

UKRB

Continued productivity and innovation

Greater focus on customer
segmentation and insight

Leveraging an integrated Business Bank

Enabled by rigorous risk and cost management

- Strong compound annual profit growth
- Good returns
- Deposit funding
- Positive cost income jaws



UK Retail Banking

Deanna Oppenheimer, CEO UKRB & Vice-Chair GRB
30 June 2010



Closing Remarks

Antony Jenkins, CEO Global Retail Banking
30 June 2010



LIVES MADE MUCH EASIER

Barclaycard

Western
Europe

Barclays
Africa

UKRB

Deepen Mass Consumer

Growth in Mass Affluent

Opportunity with Business Clients

Expansion in Payments

Enabled by rigorous risk and cost management



Happy customers

Strong profit growth

Good returns



Global Retail Banking Investor Seminar Q&A

30 June 2010



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Disclaimer

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