GLOBAL RETAIL BANKING INVESTOR SEMINAR
WEDNESDAY, 30 JUNE 2010

John Varley, Group Chief Executive

Good afternoon and welcome.

Thank you for being with us today.

We're pleased to see so many people here for our first investor seminar for Global Retail Banking.

We created GRB and Corporate and Investment Banking last November in order to build a stronger alignment between capabilities that we have across the Barclays Group and the specific needs of customer segments.

In the course of this afternoon, you'll meet the senior GRB management team led by Antony Jenkins, who, as you know, previously ran our Barclaycard business.

Antony and his team are going to describe our strategy for GRB and each of the businesses within it.

Before they do that, let me place GRB in the context of the Group as a whole where, as the face of Barclays on the high street and in the electronic channels here in the UK and in the many countries around the world where it does business GRB makes an important contribution to our strategy, to our brand and to our financial performance.

In 2009, you'll remember, GRB delivered profit before tax of £1.8bn.

For the first quarter of 2010, its profits were just over £400m.

Its largest businesses are UK Retail Banking and Barclaycard.

But we also have substantial presences in Western Europe and Africa.
In terms of Group balance sheet, GRB comprises about 40% of our customer loans and advances and also about 40% of our customer deposits.

So it's an important source of stable retail funding for the Barclays Group as a whole.

Despite the levels of impairment experience through the economic downturn GRB has contributed attributable profit ahead of capital consumption throughout each reporting period. Our objective is to grow the profits and returns across all four businesses.

To put our target returns into context we're aiming to achieve an average return on equity through the cycle of 13% to 15% post tax for our retail and commercial banking businesses and 15% to 20% post tax for Barclays Capital.

Over the long term, we have a Group objective of generating 2/3rds of Group profit from GRB, Barclays Corporate, Barclays Wealth and Absa and 1/3rd from Barclays Capital.

This is a statement about direction of travel – we have not set a rigid timeframe for achieving this shape.

But of course the plans for GRB we're setting out for you today are part of that roadmap.

When I reported to you on our full year 2009 results, I told you about the goals that I had set for GRB.

There are four of them:

- Profit growth
- An improved loan to deposit ratio
- Deeper penetration in our existing markets
- The generation of net equity

Antony's track record of delivering at Barclaycard gives me a lot of confidence in his ability to deliver those goals too.

We'll talk about these goals in this afternoon's presentation.

Antony is going to introduce his team and take you through the agenda for the rest of the afternoon but first, we're going to show you a short film.

Antony Jenkins, Chief Executive Officer GRB

Good afternoon everyone and welcome to our first Barclays Global Retail Banking investor day.

Before we get going, here's the agenda for the afternoon.

I'll start by talking about the vision and strategy for GRB, and what this means at a high level in terms of the key financial metrics.

Peter Estlin, our CFO, will then take you through the financial outlook in more detail and the economic assumptions underpinning the numbers.

You'll then hear from each of the CEOs of our four key business units what the strategy means for their areas and what you can expect in terms of performance.

Val Soranno-Keating will cover Barclaycard.

You'll hear next from Leo Salom on Western Europe and Vinit Chandra on Barclays Africa.

After Vinit, we'll take a break before hearing from Deanna Oppenheimer on the UK Retail Bank.

I'll sum up and then we'll be happy to take your questions including those of you who are dialling in on the phone.

I hope those in the room will join us for drinks afterwards when we can pick up any further questions you have.

Our goals for our meeting today are quite simple. First to show you where we're going following the change in structure and leadership.
And secondly how we're building a scalable, customer focused franchise that enables us to deliver our financial goals.

I'll start by talking about where we are now.

I'll set out where we intend to get to by 2013 – happy customers, strong profits and good returns

And then I'll cover how we're going to get there.

But first some context. This slide is of the Barclays branch in South Kensington. Why South Kensington?

Because it's where I started my career in banking nearly 30 years ago, literally making the tea and stuffing envelopes.
Many things have changed since then - not least that I no longer make the tea, which is probably a good thing.

But one thing hasn't changed for me at all:

I have always believed that the purpose of retail banking – whether it's opening accounts or making loans – is not about achieving our goals.

It's about helping customers achieve their goals.

This was true when I started out and, given the lack of trust in banks after the financial crisis; it's even more true today.

This truth underlies our strategy for GRB and gives Barclays both a real and financially rewarding opportunity.

I'll start with where we are now.

Global Retail Banking was created last November when Barclays announced a reorganisation.

This reorganisation has created a much better alignment between our customers and clients and the products and services we offer them.

GRB is now focused on three major customer segments:

Mass Consumer

Mass Affluent - customers with significant and investible assets or higher income – for example in the UK, customers with assets above £50,000 or income higher than £75,000.

And Business Clients – companies, for example in the UK and Europe, with annual turnover of less than 5 million pounds or Euros.

Mass Consumer represents 94% of our customers and 75% of our income.

Mass Affluent accounts for 2% of customers and 6% of income.

Business Clients make up 4% of our customer base and 19% of income.

GRB is also geographically focused.

We serve 37 million customers in total, 21 million in the UK and 16 million internationally.

We're present in 21 countries split across four regions, the UK, US, Western Europe and Africa.

As you know, the UK is our anchor market.

UK Retail offers the full range of products and services to all three customer segments and Barclaycard UK offers consumer and commercial cards, partner finance and payment acceptance.

In the US, our activity centres on consumer credit cards and we have 6 million customers.

In Western Europe, we serve nearly 3 million customers:

We operate a full retail banking presence in Italy, Portugal and Spain.

We focus on the Mass Affluent in France.

And we also have consumer card businesses in Germany and Scandinavia.

In Africa, we serve 7 million customers in 11 countries, including Absa Cards in South Africa and corporate banking for all companies, irrespective of size.

The outline I've just given you shows clearly that GRB is built on very strong foundations.

We already have a diversified business and currently occupy leading market positions in many - but not all - of our countries:

In the UK, we are number 3 in retail banking and credit cards.

In the US, we're in the top 10 for credit cards.

In Western Europe, we're the number 8 retail bank in Portugal.

We're currently number 7 in Spain excluding mutuals, with smaller shares in Italy and France.

And in Africa, we're ranked in the top 3 in 8 of our markets.

We are improving the customer experience through investments in our distribution channels, our products, and in technology.

In the last 3 years we have transformed 50% of our branches in the UK and the balance are due for completion by the end of 2013.

You can have a look at some of the award winning designs for the branches in the lobby outside.

In terms of products, we've invested in making them simple and transparent – which is what customers tell us they want.

Deanna will tell you later about our success in the mortgage market and with Personal Reserve, the product we launched to address customer concerns about unauthorised overdraft charges.

But the UK is not the only place where we have invested in new products.

In Spain, for example, we've introduced the Cuenta Oportunidad account, which features a cash back option on direct debits for utility bills.
More than 100,000 new accounts were opened last year making it our best selling product in Spain, and it's being rolled out in Italy as well.

We've also invested in leading technology, and again we've put some examples outside for you to see.

One of our new technology services is Barclays.mobi.

It offers internet banking via your mobile phone in the UK, and half a million customers have already visited our site.

Contactless payment is another example.

We have 8 million contactless cards allowing our customers to buy a coffee or a tube fare by simply tapping their card to pay.

These are areas where we've already built a market leading position.

Customer satisfaction in most of our markets is at least in line with our competitors or better.

For example, based on the National Customer Satisfaction Index, UK Retail Banking has moved to the top of the major banking groups.

And a recent independent survey put us ahead of all our peers for trustworthiness.

These are strong foundations to build on and we see significant opportunities for our businesses to do just that over the next few years.

We have capacity to grow in all our four regions:

The total retail and payment business revenue pool in these regions is almost one trillion pounds, and it's expected to grow at a 3% annual rate for the next five years.

Our share of that revenue pool last year was just above 1% which gives us scope to grow faster and take market share, particularly in Western Europe and North America where we have lower penetration.

Looking at the revenue pool by customer segment:

First, in our Mass Consumer segment we already have a strong market position in the UK and Africa.

We'll focus on deepening and strengthening our business and customer relationships through better delivery and enhanced channels.

This will help us retain existing customers as well as attract new ones.

Second, the Mass Affluent segment, where we currently have close to a million customers, has a revenue pool of approximately £280bn.

This segment looks especially attractive given the high growth expected, the returns it generates relative to Mass Consumers, and the greater balance towards liabilities that it offers.

We're under-represented in Mass Affluent.

So we aim to grow disproportionately in this segment, particularly in the UK and Western Europe, by drawing on our product and relationship management expertise from France and Italy.

The third segment is Business Clients, where we also have a million customers.

This segment has a revenue pool of £144 billion.

It has high growth rates and income per customer is significantly higher than that of Mass Consumers.

We see immediate opportunities here to expand business to business payments in Barclaycard; to share our expertise across markets, especially with Western Europe and Africa; and to leverage contacts from Barclays Corporate and ABSA.

In my view, to succeed in both the Mass Affluent and Business Client segments, banks need three things:

Effective distribution channels, established customer relationships and the ability to leverage wealth and risk management products.

At Barclays, we are strong in all these areas.

On top of our scope for growth in Mass Consumer, Mass Affluent and Business Clients, we also see a major opportunity that cuts across both our market and customer focus.

That opportunity is in delivering the next generation of payment products.

Technological change is opening up new ways to make payments, and customers' expectations are shifting in a world where everything is instant.
Barclaycard is driving our agenda with market leading innovation to deliver mobile and digital payments, which is completely transforming the customer experience.

It's helping customers to achieve their goals.

Finally, we have an opportunity - which we can and will grasp – to work together across GRB and across Barclays.

Already there are many introductions, for example between Premier in the UK and Barclays Wealth for private banking, and between Barclays Egypt and Barclays Capital for risk management products.

Our new organisation means we're much better aligned and focused to maximise these opportunities.

So as I stand back, what I see is that we have critical mass in many of our markets, but that we can also take this to new levels.

We have opportunities to grow our customer base and deepen relationships.

We have a powerful brand.

We have transferable capabilities – a good example is risk management.

We have a reputation for innovation

And we have a strong track record of delivery.

I want to move on to talk about our financial priorities. We're focusing on four areas, as you've heard.

First, profit growth. We expect strong compound annual profit growth over the period 2010 to 2013.

Second, an improved loan to deposit ratio. We expect customer liability growth to exceed asset growth over the same period.

Third, depth not breadth. We expect to increase the proportion of international income by deepening our presence in our existing markets.

And last generation of net equity. We expect to make a positive contribution to net equity, and target a post-tax return on equity of 13-15%.

Of course – as I did at Barclaycard - we'll do this while maintaining a strong control environment.

Here I would particularly highlight the credit risk management and analytical function we built at Barclaycard, elements of which will operate as a centre of excellence for GRB as a whole.

Our plans are based on organic growth, though we'll consider "in-fill" deals – like Standard Life Bank or the Citibank card portfolios - if they meet our strict financial hurdles.

We'll also look at more significant opportunities in our existing markets but only if – and it's a very big "if" – they meet our group criteria of supporting scale, generating attractive returns and enhancing liquidity.

And I want to be clear that our ambitions are not purely financial.

The environment demands - and we intend to deliver - an improved performance for all our stakeholders.

We want increased customer satisfaction and real engagement from all our people across GRB, with top quality talent driving the strategy we're outlining today.

All this will be in the context of strong relationships with regulators and of responsible banking, serving the communities in which we operate.

There are also some important lessons, in my view, from the past few years, and we've taken these into account.

We need to balance better the pace of investment and growth with a focus on improved returns.

Greater scale and depth in each market is required to be competitive and to drive value, and we have to enhance our customer capabilities to pull ahead of the competition.

So these are our plans. Now I'll talk about how we're going to get there.

It's clear to me that simply delivering more of the same will not be enough.

Customers everywhere – not just in the UK – are looking for a simpler, more effective way to do business and a more transparent approach to banking and payments.

They want more control, and less complexity.

At the same time, rapid technological change is transforming the customer experience, and opening up new product and service opportunities.

As delivery through internet and mobile banking increases, the role of the branch is being redefined from transactional to customer orientated.

I believe that we're at a fork in the road driven by these changes.

We can go on optimising what we currently do, or we can take advantage of these changes.

I'm confident that we're better placed than others to take advantage, thanks to the strength of our brand, our scale, and our track record.

Over the next few years we want to move from being a "me-too" bank to being the "go-to" bank.

How will we do that?

By remembering what we're here to do.

By remembering - as I said earlier - that we're here to help our customers do the things they want to do – buy food, book a holiday, start a business.

We're here to make their lives easier.

But we won't differentiate ourselves by making their lives a little bit easier.

Our starting point is to make our customers' lives MUCH easier.

“Lives Made Much Easier” is the phrase we use to encapsulate our approach to customer focus.

You’ll hear the team talk more about how we’re making this real in each business.

It’s all very well to say we want to make customer’s lives much easier – what we want to show you today is that this is not just fluff.

Our focus on the customer does benefit them, but it also benefits our shareholder.

For example, growth in new current accounts in our refurbished branches in the UK is on average double that of branches awaiting investment.

Another example would be in Barclaycard, where research has shown that highly satisfied customers on average increase their card utilisation by over 8%.

In terms of delivery we have three overarching priorities:

First, to deepen our impact with customers,

Second, to build greater scale in all our markets,

and third to drive performance across the organisation.

Starting first with the customer:

We’ll build on the capability we already have in the organisation and roll it out consistently across our business.

As I’ve said we’re the leading mobile bank in the UK, enabling our customers to do their banking when and where they want, using just their mobile phone.

With Mybarclaycard customers can easily analyse their spending on-line.

Both these examples address our customers’ desire to take control of their finances and our desire to deepen our impact with them.

We’ll make all decisions based on real customer insight.

Customers consistently tell us they want simplicity and transparency in our products and services.

And they want us to get the basics right all the time!

We've made good progress here, for example, reducing the average wait time to speak to a person in our UK mortgage contact centre by 70%.

But I'm very clear there's more to do and we're continually looking for ways to make the customer experience better.

For example, when I began my banking career back at the South Kensington branch, I could open a business account when the customer first came into the branch.

Today it takes a few days!

The team will be improving on this significantly. My goal is to get as close to immediate account opening as possible.

Focusing on getting these things right will earn us the right to build stronger relationships and do more business with each customer.

Our Second priority is to achieve greater scale.

To achieve critical mass and be cost effective, my clear conviction is that we need to be a top five player in our chosen markets.

Or at least see a path to becoming one over a reasonable time frame.

We're not aiming to be Top 5 in every country, for every customer segment or every product area.

We'll focus where we can compete best and you'll hear how we intend to do this from each of the CEOs later on.

Our third priority is to drive higher performance.

We need an effective and flexible organisation to make that happen.

We're developing integrated platforms to improve efficiency.

We'll also continue to focus on quality of execution.

We've shown we can do this at Barclaycard in the past few years.

We've shown we can do this with the roll out of faster mortgage processing in UK Retail.

And we've shown we can do this with the integration of the Citicards business in Western Europe or Standard Life Bank in the UK.

These transactions have all out-performed their business cases and been delivered on time.

So, in conclusion, we're well placed to deliver on the significant opportunities we see.

Not just in our markets, customer segments and product lines, but by capitalising on the strong capabilities we have both within GRB and across the Barclays group.

We have a clear direction.

We have a shared vision - to make customers' lives much easier.

And we have an experienced management team with a strong track record of delivery.

I'm looking forward to leading that team to:

make customers happy, deliver strong profit growth, and generate good returns.

Thank you. I'll now hand over to our Chief Financial Officer, Peter Estlin.

Peter Estlin, Chief Financial Officer GRB

Thanks Antony and good afternoon.

Our strategy and financial plans have been developed within the context of economic assumptions in our 4 regions so I want to start by sharing these with you focusing on GDP, unemployment, and interest rates.

In the UK and Europe we expect modest, but relatively slow economic recovery with GDP growth in the UK reaching 3% per annum by 2013, and a marginally lower rate in Europe.

We're expecting US GDP growth of about 3% this year moderating slightly over the next three years.

And we're expecting good single digit growth rates in our African markets.

We've assumed an overall revenue growth rate in the banking sector of just over 3% per annum, broadly in line with the GDP growth rates in our markets.

We expect unemployment to decline slightly in the UK and Europe and more substantially in the US.

And we anticipate interest rates will start to rise this year and will climb steadily over the next three years.

Against this economic backdrop, we believe GRB is well placed to deliver on our financial priorities

So let me now turn to review our overall performance and our expectations for income and cost growth, risk appetite and impairment, as well as balance sheet management and returns

I'll start with a snapshot of the business overall.

GRB has remained solidly profitable throughout the downturn

We generated 1.8 billion pounds of profit before tax last year yielding a Return on Risk Weighted Assets of 1.5% post tax.

Breaking this down further, UKRB and Barclaycard generated the majority of our PBT and overall profits were geographically diversified with 27% generated by Western Europe, Barclays Africa and the international division of Barclaycard.

Moving now to expectations for income.

As you can see, we expect solid growth in the next 3 years driven by an increase in customers as well as a better business mix

We expect total income to grow at a rate marginally above GDP in each of the countries in which we operate, outpacing the market as we increase share and deepen customer penetration.

Over the past four years, GRB has grown its customer base by 10 million to 37 million customers.

Over the next three years, we have detailed plans for organic growth albeit at a slower rate, adding another 3 to 4 million customers.

About a third of this growth will come from mass affluent and business customer segments.

This is important for two reasons.

First, these customers are key contributors to our deposit growth and to strengthening our liquidity profile.

Second, they generate three to four times more income per customer than mass consumers as they buy a broader array of products.

Nevertheless, deepening our customer penetration across all three customer segments is a strategic priority

To achieve this, we plan to expand our product offerings in the areas of life time savings and investments, in the distribution of insurance and protection products and in business finance, working closely with colleagues in Barclays Wealth, Barclays Corporate and Absa and we expect to achieve income growth while maintaining a constant risk appetite.

Overall these initiatives will strengthen the diversification of our income stream as we target:

Higher growth rates in the mass affluent and business segments, a larger contribution from our international franchise, reflecting stronger growth in these markets than the UK over time; and a greater proportion of fees and commissions in relation to net interest income which leads me on to our expectations for interest margins.

While there are several factors influencing the overall direction of margins over the medium term at a GRB level, we expect net interest margins to remain broadly in line with the past two years

But given the diversity of our businesses let me walk you through the dynamics in our asset and liability margins in more detail

First, on the asset side

Over the past two years we've seen growth in our customer asset margins driven largely by Barclaycard but also Barclays Africa and our unsecured portfolios in the UK and Western Europe

We're writing new business at attractive spreads but as rates rise, it's likely to be more difficult to maintain these, especially in our higher margin businesses and portfolios

So we expect these businesses to see modest declines in asset margins over the period.

In our secured books we see more opportunity.

For example, looking at our UK mortgage book we're gradually re-pricing our back books at improved margins.

Nearly 20% of the book is fixed rate products.

Two thirds of this will mature over the next 3 years, reverting to tracker mortgages which currently attract higher margins UK tracker mortgages, which include offset mortgages, account for about two thirds of our UK mortgage book and of these, half are life time trackers

Yet despite low interest rates at present we're experiencing sizeable levels of repayment enabling us to use these funds for new mortgages

Indeed, over 20% of the UK mortgage book has been originated in past 18 months at attractive margins relative to current funding costs

Nevertheless, for GRB as a whole, reflecting the mix of our businesses, we expect our asset margin to decline slightly over the medium term

On the liability side, low interest rates have led to margin compression over the last 18 months especially in the UK Retail Bank

We expect some of this to unwind as rates rise, though this will be tempered by increased competition for retail deposits especially as market-wide refinancing of government facilities occurs over the next few years

So in aggregate, we expect GRB's liability margin to improve slightly over the medium term

New industry wide liquidity requirements are also likely to impact net interest margins and our enlarged liquidity position has had a small downward impact of about 2 basis points

We continue to actively hedge our interest rate exposure as they arise.

On the asset side, we hedge our new fixed rate exposures using interest rate swaps on a daily basis

On the liability side, as you've heard from Chris Lucas in the past, we have a series of UK structural hedges to limit interest rate exposure on our current account and savings portfolios.

As part of these structural product hedges, we've taken reasonable steps to mitigate against a potential "low for longer" interest rate scenario, by extending their scale and duration

Turning now to costs.

We intend to maintain tight cost control, achieving positive cost income jaws and fully funding strategic investments from significant cost savings

We aim for net cost growth of 2 to 3% per annum, from a 2009 baseline of 5.7 billion pounds, which excludes last year's one-off pension credit of 229 million pounds

We are targeting cost savings for reinvestment over the period to reach at least 400 million pounds per annum from:
process improvements, operational site consolidation, technology optimisation and other initiatives

For example, we'll continue to optimise our operational footprint in the UK and abroad.

As you can see, we reduced our non-branch operating sites last year by 16% bringing the total number to 90 and we intend to continue strengthening our operational efficiency.

This will be driven by process optimisation and technology convergence amongst the businesses

We'll also continue to move roles to lower cost locations where we can attract quality talent, enhance our business continuity and make our processes more efficient

These cost savings, once captured, are expected to fund further strategic investments, including 300 new branches and distribution points, mainly in Western Europe as well as product innovation, for example in the area of next generation payments which Val will talk more about later.

With the rate of income growth slightly outpacing cost growth we expect to deliver improvements in our cost income ratio

Our baseline cost income ratio is 55% adjusting for last year's one-off pension credit.

Generating positive cost income jaws should enable us to deliver a cost income ratio improvement of a few percentage points

Turning now to impairment and risk appetite

Net loans and advances were 176 billion pounds and we incurred 3.3 billion pounds of impairment in 2009

As you can see, unsecured lending and credit cards drove the majority of our impairment, so let me start there

We have seen consistent improvement in the 90 day plus delinquency rates across all our major unsecured portfolios and we are seeing continuing trends in this direction though the rate of improvement going forward will depend on the pace of economic recovery and unemployment levels as well as continued rigorous risk management

We actively manage our credit risk by focusing business growth on low risk customer segments; close to 100% of our new UK unsecured loans have been extended to existing current account customers, for example, where there's clear evidence of their ability to pay

But where delinquencies do occur, early remedial action makes a huge difference and we continue to focus resources in this area

Turning to mortgages, these represent more than 70% of our customer asset base, with our UK mortgage book now close to 100 billion pounds

Impairment here remains very low, with a charge of just 26 million pounds in 2009, equating to a loan loss rate of approximately 3 basis points

This is reflected in our arrears rates which are also very low.

Our UK 3 month arrears were 90 basis points at the end of last year compared to an industry average of 240 basis points and these low levels continue in 2010

Our low mortgage impairment reflects our conservative risk appetite.

Our average loan to value across the whole UK book is 43%, with 14% of the portfolio above 85% LTV

Our average loan to value on new mortgages in the UK is 48%. In Spain our mortgage book at year end, was 17 billion pounds at an average loan to value of 51% with just 7% of the portfolio above an 85% LTV

2009 impairment in Spain amounted to £24 million pounds equivalent to a loan loss rate of 14 basis points

Looking at GRB overall, we expect impairment to improve this year with the contribution from GRB in line with the Group guidance given in February

Turning now to the balance sheet and returns

In 2009, customer deposits grew 5% or by over 6 billion pounds

The growth rate of customer deposits is substantially higher than the growth in our asset portfolios.

As a result, GRB's customer loan-to-deposit ratio improved from 151% to 144% in 2009 and this improvement has continued in 2010, and remember, this does not include the benefit of BarCorp and Barclays Wealth, both of which are deposit gathering businesses

This loan to deposit ratio reflects the business mix in GRB:

Barclaycard is an asset led business, funded by group-wide customer deposits, securitisations and a small amount of wholesale funding; Barclays Africa has surplus liabilities, while Western Europe is improving its loan to deposit ratio with strong deposit growth; and UK Retail Banking is broadly self-funded.

The vast majority of our liabilities exhibit long term behavioural characteristics.

The average behavioural maturity of our customer deposits is now close to 10 years, with less than 20% of the book under one year.

While this is re-assuring , working with Group Treasury, we'll seek to supplement our retail deposit growth with a wider programme of retail liabilities gathering.

We'll also leverage our brand and high quality asset book for further covered bond issuance, subject to market conditions.

All of this underscores the strength of our franchise, which will enable GRB to deliver on its goals targeting a return on equity of 13-15% and a return on tangible equity of about 20%

This will be achieved by focusing on portfolio optimisation allocating capital appropriately between those businesses and portfolios able to meet this target and imposing a minimum life time hurdle rate on new business of at least 1.5% return on risk weighted assets post tax.

Several products, for example, new UK mortgages currently generate substantially in excess of this hurdle.

And as a result we've diverted additional capital to this product this year

Sound portfolio optimisation will also ensure that our business growth is paced to generate attributable profit in excess of our capital consumption

So, in conclusion, based on the economic assumptions I've outlined, GRB will deliver against four key financial goals:

First, we expect strong compound annual profit growth over the period 2010 to 2013 reflecting solid income growth outpacing costs, and an improvement in our Loan Loss Rate

Second, we'll continue to improve our loan-to-deposit ratio and strengthen our liquidity profile

Third, we want to diversify further our business internationally, focusing on achieving greater depth in our existing markets

And lastly, we expect to deliver attractive returns and make a positive contribution to net equity

Thank you very much

I'll now hand over to Val Soranno-Keating to talk about Barclaycard.

Valerie Soranno Keating, Chief Executive Officer Barclaycard

Thank you Peter and good afternoon

Before I talk about our strategy going forward

I want to set the context by first talking about the strong growth we have achieved at Barclaycard in recent years

You can see that our receivables have grown at a compound annual rate of 17% from £17.5bn in 2006 to £28.1bn in 2009

At the same time, we have delivered a strong record of profit growth increasing from £522m in 2006 to £727 million last year

The net result is that Barclaycard has delivered 12% compound annual profit growth in the last three years

When you take into account the economic conditions of recent years, that is a significant achievement

We have accomplished this through a combination of sound organic and inorganic growth

In the UK we successfully integrated the Goldfish portfolio which we acquired in 2008

In the US, growth has been achieved through a partnership model which I will cover in more detail shortly.

At the core of our success has been the ability to deliver year on year performance while still investing for the future and we intend to continue this approach as we move forward.

Another factor that has been key is the diversity of our business model.

Barclaycard has grown and diversified over time beyond UK consumer credit cards to become a broad based international payments business

More than half our 2009 income came from outside our UK consumer credit card business

Our international income is driven by our businesses in the US, Germany and South Africa, and we also have a joint venture with Swedbank in Scandinavia – called Entercard

Income from non-consumer credit cards was driven by four different businesses:

Our merchant acquiring business, called Payment Acceptance, provides retailers and other merchants the ability to accept card payments at point of sale and on-line;

Commercial Payments, provides corporate, travel and procurement cards to UK businesses and government agencies;

Barclays Partner Finance, provides point of sale finance products; and Secured Lending, which includes Firstplus

This model has been very important during the turmoil of recent years

It provides diversification:

across geographies and economies
across income streams,
and across consumer and commercial customers.

It is this model and our track record that underpins the confidence we have in our plans for the future

Looking forward Barclaycard has three key growth priorities:

First, we intend to build on our already strong position in each of our existing markets

We've been making good progress against our ambition to increase earnings outside the UK.

In 2006 our non-UK income was 19%

By the end of this year it will be closer to 40% and just over half our customers are now outside the UK.

Second, we will continue to diversify our product set beyond consumer credit cards

Some examples here include our Payment Acceptance and Commercial Payments.

We are already well placed in the UK and South Africa but there are still strong opportunities for growth.

Our third growth priority is to be a leader in payment innovation

It is clear that the payments landscape is changing at a rapid pace.

We intend to keep out ahead of these trends and continue Barclaycard's tradition of being a market mover

This growth will of course be underpinned by rigorous on-going risk and cost management as well as our focus on making customers' Lives Much Easier

When you look at the markets in which we operate today you can see we have demonstrated the ability to swiftly establish scale and market share, and to build on that platform over time

We have also been able to share our deep product knowledge and capabilities cross-border, as we do with our joint venture in Scandinavia, with Absa Card and across GRB businesses.

In UK consumer credit cards we are a top 3 issuer and we have been one of the market leaders for four decades

We have also built and maintained strong market positions in merchant acquiring and commercial cards

It took us just four years to become the #2 consumer credit card issuer in Scandinavia through our joint venture with Swedbank and it is a similar picture in the US

Some of you will remember that we acquired Juniper in 2004, a small boutique player with a No. 18 market position and $1.4bn of receivables, 5 years later in 2009, we had grown to a No. 9 position with receivables of $11bn.

This has been achieved by both acquiring and establishing new partner-branded card portfolios

Our primary business model in the US is to issue partner-branded credit cards to major US companies including the No. 1 US book store Barnes & Noble, Apple, and the No. 3 airline US Airways

These partner branded cards have attractive characteristics:

They are very loyal customers who accumulate rewards that they can use at their favourite stores;

Over one third of these customers pay an annual fee;

Spend per active account is 7x higher than for our non-partner cards;

both delinquencies and credit losses are about half; and, partners provide us with direct access to their customers.

We are competing against the big card issuers in the US

Just this month we announced a partnership with the National Football League providing credit cards for their fans which were previously issued by Bank Of America.

We estimate that $80 billion in co-brand portfolios will come up for renewal over the next 5 years - so there is still plenty of opportunity for growth.

Now, I know some of you will be wondering about the impact of the US Card Act on our business

Just like every other US credit card issuer, there has been an impact on income

During our first quarter trading update we told you that it had reduced income by about £30 million - in line with our expectations

And, we have been able to put in place actions to mitigate the vast majority of these impacts

In summary

We have made strong progress in the US

We are seeing very positive signs of economic recovery and we are confident in our ability to continue building scale.

Another area where we are continuing to diversify is our product set.

A good example of this is the payment products that we sell to commercial businesses.

One example is Merchant Acquiring which provides retailers and other merchants with the ability to accept card payments at the point of sale and on-line.

Nearly 1 in 3 purchases in the UK are made at a merchant that buys this service from Barclaycard.

Putting this into context, whenever a Barclaycard customer uses their card in a Barclaycard merchant, we have two sources of income – the customer and the merchant.

Another example is Commercial Payments

We provide about 145 thousand UK businesses with the corporate, travel and procurement cards that they give to their employees.

As well as important controls and reporting to help them manage their spend and cash flow.

Payment products for businesses offer some interesting opportunities they diversify our risk and help us mitigate some of the volatility in consumer markets, and they also have attractive economics.

Barclaycard's overall returns on risk weighted assets are already above GRB's average

Comparing our business payment products to UK consumer credit cards:

Returns on risk weighted assets are 4x stronger

They attract 4x the amount of non-interest income, and impairment is just one tenth.

This provides us with important financial and product diversification and brings balance to our business model.

In terms of future opportunities, Barclaycard is well positioned we're able to leverage our broad customer base within GRB and the Corporate Bank.

For example, when the UK Retail Bank signs a new small business for a bank account they often buy payment acceptance and commercial cards as well.

We also have several initiatives underway to expand this product set:

We announced today a new online payments page which makes it easy for businesses to accept all types of payments online.

This opens up a new income stream for Barclaycard in the vast and quickly growing area of online payments.

We are also expanding our commercial payment products

About 40% of our UK commercial card customers also operate outside the UK and they want a single card provider.

Later this year we will be announcing the expansion of our commercial card products to additional markets across Europe.

This leverages our existing scalable platforms and allows our business customers to put more of their spending on Barclaycard products
So, I have talked about our future priorities by market and by product I now want to describe the strong risk management that underpins our business model

Successful management of impairment has been a key factor in driving sustainable growth in recent years so let me spend some time showing you what we have achieved – starting with the UK

This data comes from a weighted average of securitised portfolios
it shows very clearly that when we look at charge-off rates.

We have outperformed our key competitors throughout the past two years and the picture is similar in the US

This data is from the Visa benchmark study with 6 of the top 7 US issuers in the peer group again it shows us outperforming our peers

As Peter said earlier, we expect unemployment levels to decline modestly in the UK and Europe and more substantially in the US

Typically there is a lag between movement in unemployment and charge-offs of six to nine month in the US and nine to 12-months in the UK

Let's look at two key indicators of impairment . . . our 30 and 90 day delinquency rates

In both markets, they are stabilised or improving

We have achieved this performance through rigorous analysis and an excellent predictive capability.

This is a core strength for us and we are able to leverage our specialized risk management centre in the US to support other businesses in GRB.

At the same time, we have maintained strong engagement with our customers

Since 2006 customer satisfaction has risen by:

4.5 percentage points amongst our retail customers, and 3.4 percentage points amongst business customers.

To have achieved a statistically significant improvements in customer satisfaction during a period of turmoil is unusual.

We fundamentally believe that deepening the relationship with our customers and increasing their loyalty is a key platform for success
and this is why we continue to invest in customer initiatives and in our vision of making lives much easier

I told you earlier that a balance between effectively controlling costs and investing in the future is core to our success

Over the past three years we improved our cost income ratio and delivered positive jaws through:

strong income growth - both organic and inorganic

and tight cost management, which includes sharing resources with other GRB businesses - for instance in India through Barclays Shared Services.

This has enabled us to continue investing in areas for future growth

Our investment in long and short term initiatives as a percentage of income has increased by 120 basis points since 2006

Barclaycard has always been seen as an innovator and we have remained true to this – it is in our DNA

Our growth plan for 2010 starts and ends with our customer since they are at the heart of our thinking

We have to make our customers lives much easier and to clearly stand out from the competition. And we can do this by addressing some of the age old frustrations that customers have when they are making or receiving payments.

Let me give you a brief example of what I mean

I'd guess that most of you are in some sort of loyalty or point scheme and know just how frustrating these can be . . .

You can never remember how many points you have accumulated

You earn all the points, but never know how or when you have earned enough to redeem something and, when you do want to redeem the points, you have to spend loads of time on-line or on the phone and remember all sorts of PIN numbers and log-ins

It's pretty cumbersome

So imagine a program where every time you insert your Barclaycard in a terminal at a participating store this happens . . .

The rewards you earn are in pounds, not points

so you know the value of them and you never have to wait for a statement since you see your balance every time you use your card. And what if, at the end of every purchase, you were offered the opportunity to redeem your rewards

within seconds

with no hassle

right there at the terminal. . .

What if the terminal also recognized how you were spending and provided another offer tailored just to you? . . .
I am talking about Barclaycard Freedom which we launched just 3 months ago.

It is a unique example of how we are able to leverage the fact that we have direct relationships with both retail customers and with merchants.

27,000 merchant locations and over 8 million Barclaycard customers are already on board

Like for like turnover growth for participating merchants has been 6 percentage points higher than for non-participating merchants

One of our biggest partners is Shell. Their Global Head of Loyalty and Payments Crispin Rogers wrote recently saying "We've seen an immediate impact from Barclaycard Freedom. It is easy for our customers to use and understand – I am delighted with the early results"

This is a great example of how we are investing to make customers' lives much easier and to grow our business and, as I stand here today, we have over 50 different payment innovations at various stages of development

I mentioned contactless earlier, where we are leading the UK market.

8 of the 9 million contactless cards in the UK are Barclays-issued credit and debit cards.

Approximately 25,000 of the 26,000 contactless terminals in the UK are from Barclaycard and in the last year we have seen a 12% month on month increase in transactions

I hope you've already seen our stands outside if not, I would encourage you to have a look

Barclaycard is very well positioned to be one of the leaders in defining the payment landscape

Payment innovation helps Barclaycard achieve our financial objectives

It enables us to:

Retain existing customers and attract new ones,

Create new revenue streams that are less dependent on interest income, and reduce our cost to serve.

In fact our first innovation was 44 years ago this week with the launch of the very first credit card in the UK. That innovation has proved a strong foundation for growth

In summary, Barclaycard has a strong and diversified business model

With a track record of delivering year on year performance while still investing in the future.

We will deliver strong profit growth by continuing to:

grow scale in our existing markets – with a focus on international,

diversify our product set, customers and income beyond consumer credit, and lead in payment innovation.

Thank you very much

Now, let me introduce Leo Salom who will cover Western Europe

Leo Salom, Chief Executive Officer Western Europe

Thank you very much Val.

I'll begin today by describing our existing footprint across Western Europe.

We serve nearly 3 million customers with about £41 billion in customer assets across four European markets: Spain, Portugal, Italy and France.

Collectively, these businesses generated income of more than £1.3 billion in 2009.

Spain is our largest franchise, representing 45% of total income.

Portugal and Italy, together contributed 41% and they represent our fastest growing markets.

Looking forward, we have 3 fundamental ambitions:
to achieve a top 5 retail position in Spain and Portugal; a top 5 retail presence in ten affluent cities in Italy; and to become a leading niche affluent bank in France.

I know many of you are concerned about our business in Western Europe and Spain in particular.

So before I talk about our strategy, I'd like to discuss in some detail our current position and credit quality in our retail business.

We are not immune to the macroeconomic environment, but I believe that our retail franchise in Western Europe is well positioned to weather the headwinds.

In Western Europe, over 80% of our retail customer asset portfolio is secured.

And in late 2007/early 2008, we tightened credit criteria across all major asset products and we strengthened our collection capabilities.

As a result, 30 day delinquency across the portfolio was 2.15% at the end of the first quarter which is an improvement of 22% year on year.

90 day delinquency was 0.92%, an improvement of 16% over the same period.

This trend has been observed across all portfolios; mortgages improved 15% year on year, retail unsecured 18%, and business banking 29%.

This improvement is translating into lower impairment charges.

Now let's take a closer look at Spain. Barclays has both corporate and retail businesses here.

However, I am going to focus only on GRB's business, specifically our retail portfolios where we have seen improvements in our delinquency rates across all our retail product categories.

Turning first to mortgages, our 90-day delinquency on this portfolio was 0.46% in the first quarter an improvement of 32% year on year.

As Peter said earlier, our mortgage portfolio in Spain has an average Loan to Value of 51% at the end of 2009; only 7% of the portfolio has an LTV of over 85% and the majority of these loans have prime insurance coverage.

Over 90% of our mortgages are originated via our branch network to Spanish residents who also have a current account with us.

In our Spanish credit card and unsecured loan portfolios early and late stage delinquency levels have improved by over 30% from the peak in the second quarter last year.

So relative to local competitors our retail portfolio is very well positioned.

In addition to the recent improvements in our credit indicators, Barclays Spain has also made some important inroads in terms of product share.

In fact, we've increased our position in virtually all retail product categories.

In customer deposit products, we've increased our share from 0.9% to 1.4% with a series of innovative current account and savings products including our successful cash-back Cuenta Opportunidad product which Antony referred to earlier in his presentation.

I expect product share gains to continue as we capitalise on organic growth opportunities as the industry consolidates.

Scale is core to our strategy in Western Europe and we've made a significant investment to allow us to play a bigger role in these markets

We now have almost 1,300 distribution points in Western Europe and in the past three years we've opened over 600 new distribution points including about 450 new branches.

This has resulted in a customer growth rate of 19% in that period which has translated into income growth of 14% between 2008 and 2009.

Moreover, we have also differentiated Barclays as a leading service provider with strong brand preference and customer satisfaction.

For example, in Portugal last year, a leading independent client satisfaction survey conducted by MultiMetrica ranked us first amongst all banking institutions.

Similarly, in Spain, Stiga has consistently ranked Barclays as a top 3 service provider amongst the largest 35 financial institutions.

This is a real achievement in markets that have well established national champions.

Turning to our financial performance in 2009, we posted headline PBT of £280m, an increase of 21% on the prior year.

These results included the formation of a strategic alliance with CNP to distribute life insurance products in Spain, Portugal and Italy as well as the purchase of the Citibank cards portfolio in Portugal.

As a result of these transactions, we have managed to:

self fund much of our investment in distribution, strengthen our core product proposition, absorb the cyclical increase in impairment charges and still deliver profits to our shareholders.

Going forward, we expect to contribute to all 4 GRB financial objectives; as our branch network matures, as impairment falls and as we generate attractive returns from new business.

Without question, current market conditions in Europe are challenging.

Macroeconomic growth will remain sluggish throughout this year
as European governments implement fiscal austerity measures;
unemployment levels will remain high, especially in Spain; concerns over the sovereign debt crisis will continue to impact market liquidity, and as a result higher wholesale funding costs will increase pressure on deposit margins.

Collectively, these factors will impact short-term income and margins in Western Europe.

However, there are three key reasons we're confident about the opportunity Western Europe represents.

First is the size of the prize:

we estimate the Retail Banking income pool in the markets and segments we serve to be about £116bn, close to double the size of the UK revenue pool.

Our current share is about 3% in Portugal, 1.5% in Spain and just under 1% in Italy, so we clearly have headroom to grow.

Second market dislocation presents an immediate window of opportunity.

I believe we're seeing a fundamental transformation in the banking industry in Western Europe and institutions with financial strength, liquidity, and a strong brand will be able to capitalise on this.

Third, the relative strength of our retail credit portfolio should enable us to take advantage of these opportunities while others retrench.

Which brings me to our strategy.

Looking forward, our ambition is to achieve real scale in the specific markets that we serve. Scale defined as: a top 5 position in Spain and Portugal; a top 5 retail presence in 10 affluent cities in Italy and a leading niche affluent bank in France.

In the following slides I'll talk more about how we will achieve this:

First, by growing our mass affluent customer base; second, by expanding our distribution network, third, through product innovation especially in liability products and lastly by building regional scale in our cards business.

To deliver against this ambitious agenda, we will also implement a single integrated operating platform and embed Lives Made Much Easier, a customer-focused culture throughout Western Europe.

Let me begin with the Mass Affluent Segment.

Internally, we call this Premier. These customers have average assets under management and liabilities of €97,000 which is more than eight times that of an average mass consumer client.

Since 2007, we've more than doubled our Premier customer base to 275,000 and grown total loans, deposits and assets under management to £34bn.

The Premier customer proposition is at its most developed in our French business and is characterised by:

an individual relationship management model; a sophisticated investment advisory capability supported by Barclays Wealth, a robust, open architecture investment product offering, high quality Premier flagship branches and service centres, and a fundamentally differentiated customer experience.

Our customer promise, quite simply, is to deliver a Private Banking advisory and service capabilities to the Mass Affluent client.

Our ambition is to double our mass affluent portfolio again maintaining an average income per customer of over £1,000, generating incremental non-credit related income, and contributing to our Return on Risk Weighted Assets.

Turning to our distribution network I told you earlier that Italy and Portugal are growing faster as a result of expanding our distribution network.

Let me begin by describing what's happened in Portugal.

In mid 2006, we served 98,000 banking customers with 100 branches.

By the end of 2009 that had grown to 230,000 banking customers and 256 branches with 11 distinctive Premier sites.

Retail income increased to £205m which together with our cards franchise, positions Barclays Portugal as the eighth largest financial institution by income.

This expansion was predicated on careful site selection, highly cost efficient build-out and effective local pre-opening marketing programs.

Branches breakeven after 18 to 24 months, and at maturity, we target average branch profitability in Portugal to be approximately £250k per annum on a marginal basis.

We've leveraged the same operating model in Italy.

By way of background, Barclays operated a mortgage focused business up until 2006 when we launched a retail and commercial banking franchise.

Our objective is to achieve scale in a limited number of highly attractive cities.

In just three years we've opened 265 distribution points, almost doubled the number of customers and increased operating income to £335m.

After two years an average branch has approximately £15m in client deposits and assets under management, and at maturity, contributes a target average annual PBT of approximately £330k.

At the heart of this performance is our ability to offer a real alternative to local competition, through quality of service and disruptively priced but profitable product offerings.

Our objective over the next 4 years is to reach a total of 700 distribution points, including 600 branches in order to establish a Top 5 retail presence in ten affluent cities largely concentrated in Northern Italy and greater Rome.

Our branch expansion programme directly supports our third priority - which is to increase our liability gathering throughout Western Europe.

As you can see from the graph, since 2007 we've increased liability balances to 17.6 billion pounds, at a compound annual growth rate of 51%.

More importantly, we've improved our loan/deposit ratio largely due to our expanded distribution network.

While this represents good progress, our aim over time is to continue to improve our loan to deposit ratio to make broader use of collateralised borrowings and to leverage our strong mortgage portfolio as markets stabilise.

We've experienced substantial liability margin compression over the past two years which has impacted our underlying profitability and I expect that liability margins will remain depressed through much of 2011 with recovery in mid 2012.

Our final strategic priority is to create real scale in the cards and payments space to become a top 3 cards issuer in Spain, Portugal and Italy.

For the most part, the revolving credit card market is relatively underdeveloped in these countries compared to the US and UK.

To make the most of this opportunity, we're drawing on expertise in Val's team, actively leveraging our specialised risk management centre in the US.

We've applied their science in fact to purchase two quality portfolios from Citibank in Portugal and Italy, which has helped double the number of credit card customers to 1.6m since 2007.

As a result the income contribution from cards increased to 28% in the 1st quarter of 2010 from just 15% in 2008.

More importantly income after impairment was £59m in the 1st quarter alone, compared to £71m for the whole of 2009.

Our objective is quite ambitious and to achieve this, we will continue to on the build global card partnerships and pursue quality portfolio acquisitions consistent with our risk appetite whilst reducing costs, rationalising operation centres and consolidating onto a single operating platform.

In summary, market conditions will remain challenging and will require a prudent and disciplined approach to our franchise development.

With this in mind let me reiterate our ambition for Western Europe:

to become a top 5 retail bank in Spain and Portugal; a scale player in Italy with top 5 retail presence in ten affluent cities; and a leading niche affluent bank in France.

From a financial perspective we will improve underlying profitability over the next 3 years, achieve a more balanced funding profile and
self fund the investment in our franchise.

I strongly believe that we have the brand, the people and the financial strength to capitalise on this market dislocation
and emerge with a stronger position across our markets in Western Europe.

Thank you very much – it is now my pleasure to introduce Vinit Chandra, the CEO of Barclays Africa.

Vinit Chandra, Chief Executive Officer Barclays Africa

Thank you Leo and good afternoon

Barclays Africa is a very well established business

We have been present for an average 85 years in each of our 10 markets and have been involved in the formation of the financial systems in many of these countries.

We are a leading bank in most of these markets:
we are top 3 in 8 out of 10 and we benefit from the great strength of the Barclays brand.

That's reflected in the awards we win – for example "Best Bank" in Mauritius, "Best Bank" in Botswana and "Best Bank" in Kenya, as well as "Best Bank in Africa" from several different financial publications.

In three of our markets we are listed on the local stock exchange as an example we are the 4th largest company by market capitalisation in Kenya.

In fact, in many ways, we are considered a local bank in these markets, not an international competitor.

That means we compete in some of these markets against both local banks – such as KCB in Kenya as well as international competitors such as Citigroup and Standard Chartered.

The business is strengthened by our relationship with Absa which gives us a leading presence in a major African economy that is the source of pan-African trade flows

Together with Absa, we have a unique footprint giving us nearly 1,600 distribution points across the continent.

Barclays Africa comprises an integrated Retail and Commercial bank.

The rationale for this reflects both the size of the economies and the length and depth of our customer relationships in Africa.

We serve a full range of customers from mass consumer and mass affluent to small and large local corporates to Multinational Corporates and Financial Institutions

Over the last 3 years, as you can see, we have invested significantly in our African business.

By extending our distribution footprint we have almost tripled the number of customers to 2.8 million, we have grown customer loans and advances by 19% and we have delivered strong double digit income growth.

We have self-funded this investment and continued to deliver positive PBT maintain strong returns on equity and remain capital accretive.

The strength of our global brand and the depth of our local presence means we are seen as a "Flight to Quality" bank.

This is a real source of strength resulting in a funding surplus in all 10 of our markets.

That is important in countries where capital markets are not well developed.

So we are well positioned to deliver strong results and take advantage of the growth opportunities that we see in our markets.

And those opportunities are very attractive with GDP set to grow at 5-7% over the next 3 years and a banking revenue pool of 8 billion pounds that is expected to grow faster than GDP.

As you know Africa is naturally rich in commodities and world demand for these resources is increasingly fuelled by China.

There were 93 billion dollars of trade flows between Africa and China in 2009 up from just 10 billion in 2001 and these trade flows are growing at double digit rates this year.

Alongside trade flows, investment in people, systems and infrastructure is starting to pay off and this investment makes the future look very exciting for our African business.

Having said that, operating on the continent carries its own political, economic and social risks.

These markets were not completely immune from the global downturn but they are now rebounding faster than other world economies.

And as a well-established bank within each market with a healthy balance sheet and strong risk management, we believe we are well positioned to continue to deliver growth.

Going forward, we will strengthen our franchise in Africa with a focus on 3 customer segments.

First, our mass consumer customers - they want simple financial products which address their needs – this is all about banking made more accessible we are innovating in this space to take banking to those customers who have no access to a branch.

We expect this to further strengthen our leading positions with growth that outpaces GDP.

Second, our mass affluent customers – here it's about protecting their money they want access to investment products to diversify risk.

We will provide tailored solutions for these customers with Tailored relationship management.

The opportunity here is to grow mass affluent revenues at least 20% year on year.

Third, our large business customers – they want reliable cross-border capabilities clearly, the strength and breadth of our African franchise is unique and for large multi nationals operating in Africa we are well on the way to being the go-to bank.

Today, these customers account for 30% of our revenues.

This is expected to grow at double digit rates through our ability to offer cross border transaction banking and through closer collaboration across the Group.

You have heard Antony talking about Lives Made Much Easier.

Our "Lives Made Much Easier" vision is tailored to this market.

Socio-economic factors are an important consideration

Average life expectancy in Sub-Saharan Africa is 52 years compared to 79 in developed economies.

This means that products such as life insurance are very important for our customers.

Accessibility is also an important factor there are on average 3 branches per 100,000 of population in Sub Saharan Africa compared to over 24 in developed markets.

Approximately 80% of the population do not have access to banking services today.

We believe that mobile banking will address the lack of access.

As you can see there were 453 million mobile subscribers last year which is 44% of the population and the market is growing rapidly.

That's why we have developed a mobile banking proposition called "Hello Money"

which we launched in Kenya and Botswana last year

that allows customers to use their phones to check balances, pay utility bills and transfer money between accounts

We are now building out and extending this capability

in other markets across Africa and working with Absa.

We are also exploring how to develop this capability further with the UK Retail bank.

In addition, we are using Contact Centres, enhanced ATMs and the Internet to improve customer service.

As we continue to develop our franchise we are also delivering greater scale and connectivity across Africa using an enhanced collaboration model with Absa, Barclays Capital, Barclays Corporate and Barclays Wealth.

To give you some examples…

For our mass consumer customers we will provide Absa Life Insurance products

For our Mass Affluent customers, we are working with Barclays Wealth to give them access to Wealth Management products.

And for our commercial customers we are offering Risk Management Solutions and Debt Capital Market products through Barclays Capital and cross-border cash management and trade products with Absa and Barclays Corporate.

I spoke earlier about our African heritage, and for many of Barclays largest clients this is a real competitive advantage

We are the only UK bank with a significant commercial banking franchise in both the UK and Africa and our footprint matches many of our FTSE customers.

We are working closely with Absa to operate as one so that these customers benefit from a joined up coverage and product model across all our markets, including South Africa.

We are also implementing low cost solutions to enhance our customers' experience and ensure consistency across our markets.

We are moving towards a single technology platform across all 10 countries which we plan to complete by the end of 2012.

This will allow us a single view of the customer, improved processes and controls, and detailed Management Information including customer profitability.

We are also centralising our operations in Africa to create Centres of Excellence in specific domains such as payments, reconciliation and early fraud detection.

And we are drawing on expertise from across the group using portfolio analysis from Barclaycard in the US as well as high-quality and experienced customer service from the Barclays Shared Service Centre in India.

All this is helped by new infrastructure in the region

As an example, SEACOM is a fibre optic link across the East Coast of Africa which greatly increases reliability, speed and bandwidth for moving data around these markets

Implementing these operational improvements will realise significant savings across all 10 markets delivering a reduction of about 15% in Cost per Account by 2013.

Our approach to responsible banking is also an important part of our strategy and this is built on three key pillars

First, it's about developing products and services which are fair and transparent, Second, it's about investing in social infrastructure, mainly health and environmental sustainability and third, it's about encouraging financial inclusion and income generation.

One example of this is the Katine Community Partnership Project in Eastern Uganda.

This provides basic microfinance savings and lending products to farmers which has resulted in more farming activity and increased economic returns;

It improves livelihoods across the community it reduces disease and it increases enrolment in primary schools.

And as a result, it contributes to a "virtuous circle" of economic and social sustainability.

We see financial inclusion as a major component of our strategy.

Of course this commitment to our communities gives us the licence to operate but we are also working to build sustainable markets with good long term growth potential.

So to sum up…

Barclays Africa represents a growing opportunity for Barclays.

We have excellent foundations in place with leading market positions; deep customer relationships; an extensive footprint across much of the continent
and the ability not just to serve African customers locally but to help large multinationals globally.

We intend to build on these foundations by helping our Mass Consumer customers access our services more easily by helping Mass Affluent customers diversify their risk with the help of Barclays Wealth and by helping our Multinational Corporate and Financial Institution clients operate across borders and grow, benefiting from the strength and breadth of our African presence.

With this strategy, we believe we are strongly placed to:

- deliver strong compound annual profit growth
- contribute to international diversification
- maintain a surplus of customer deposits over loans
- and deliver attractive returns over the next five years.

Thank you very much.

Deanna Oppenheimer, Chief Executive Officer UK Retail Banking

Welcome Back… Good afternoon.

The focus of my comments will be where we've come from in UK Retail Banking and the journey ahead.

A brief look back…

Between 2005 and 2008, when markets were less turbulent than they are now, we made great strides in preparing our business for what lay ahead.
Today UK Retail Banking has turned from an underperforming business to one that is stable and strong. We're not perfect – and there's still a long way to go to become 'the go-to bank' – but our results are encouraging.

We now have nearly 15 million mass consumer and mass affluent customers and nearly three quarters of a million Business Banking customers.

And we've delivered good balance sheet growth. Since 2008, customer liabilities have increased by 3% annual growth rate – translating to a deposit growth of £3 billion. This reflects the power of our brand and distribution.

Throughout the recession we have remained profitable and we too were impacted by liability margin compression in 2009; however UK Retail Banking still contributed 39% of Barclays GRB total profits.

To continue to deliver PBT in the current, more challenging, environment, we've had to be even stricter and more disciplined in our cost and risk management…

UK Retail Banking is now a leaner and more efficient organisation, with a 3% reduction in costs seen between 2008 and 2009, and we will continue to find more ways to utilise our resources efficiently. These are targeted and strategic cost savings that don't sacrifice the customer experience.

Let me walk through a few examples of cost and operational efficiencies.

We've reduced our staff by 6% - that's almost 2,000 FTEs - since 2008. There are now more than 2,400 of our back office positions right shored via our captive servicing operations and outsourced partners.

We've also reduced the number of operational sites by 71% since 2006.

Fewer sites interestingly have resulted in smoother, faster processing.

Today, if you're applying for a mortgage - it takes 70% less time for approval than it did in 2005. If you want to open an ISA, you can now do this immediately at point of sale - in a branch, online or over the phone.

Meanwhile, customer satisfaction in UK Retail Banking has moved from the middle of the pack at the start of 2009, to the top compared with our peers.

Additionally, our brand health is now in the top quartile, measuring metrics such as trustworthiness and liking. And brand consideration for future financial needs has moved from near the bottom of the pack at the start of 2009 right to the top. What's interesting here is that we've delivered these increases whilst managing our marketing spend.

Now let's turn to lending and risk…

Peter has talked about mortgages from a GRB perspective and we've heard from Leo on Spanish mortgages, so let me now discuss the UK.

The changes and innovations in our mortgage products have fuelled substantial growth in this business. Our share of gross mortgage lending has increased to 14% for Q1 2010, up from 10% in 2009. Likewise, our share of stock balances has increased from 6% in 2007 to 8% at the end of Q1 2010.

In the 18 months to March 2010, gross mortgage lending (excluding any impact of acquisitions) totalled £22.5bn, representing over 20% of Q1 2010 balances. These loans were originated at good returns and within our conservative risk appetite.

While our lending book continues to grow, our focus on credit risk remains unchanged. Our 3 month arrears rate was 90 basis points at the end of Q1 2010 and has remained significantly below the Council of Mortgage Lenders' average which peaked close to 2.5% in 2009.

This risk management discipline carries over to our business bank, overdraft and unsecured loan portfolios.

You heard Antony speak earlier about deepening and strengthening our relationships with customers across GRB, and in the UK we're doing just that.

Here is how we will make 'Lives Made Much Easier', come alive:

1. Continued productivity and innovation
2. Greater focus on customer segmentation and insight
3. Leveraging an integrated business bank

Here are some examples of innovation in the current consumer and regulatory environment we find ourselves in, in the UK.

Our Personal Reserve feature on current accounts replaced our traditional fee structure and received accolades from many sources, including Which?, the consumer group, when it launched in August 2008.

Personal Reserve gives customers access to funds outside their agreed balance limits. Its limits and rules are clear and transparent to the customer.

The product launched well ahead of our competitors and not only meets the needs of our customers, but is also good for the economics of the business. In fact we now have 6 million Personal Reserve accounts.

Moving on…we've all heard that banks are not lending, right? Wrong. Barclays is very much open for business and our mortgage lending is better than ever. We're at the forefront of supporting customers with loans as is exemplified by our Home Ownership initiative.

Launched earlier this month, this program makes mortgages more accessible to First Time Buyers and those with smaller deposits. We've partnered with one of the leading UK property developers, Bovis Homes, to offer up to 90% LTVs. But the risk to Barclays is limited, as the developer guarantees against security, any risk above 60% LTV.

And a final example…

In the area of financial inclusion. Barclays Cash Card account is the UK's number 1 basic bank account by share of flow[1], leading the way for customers that were previously financially excluded. This Cash Card account was developed jointly with community groups and so far over 900,000 customers have the account.

These are just some examples that show how we take our responsibilities as a bank seriously and have and will continue to adapt to the new regulatory environment.

Now let's take a look at what we're doing to restructure our business model around our different customer segments.

For the mass consumer:

Customers may not necessarily rate banks as institutions, but they do like their bank manager.

[1] #1 share of new basic bank account flow (CACI, March 2010)

In UK Retail Banking, we're building on this insight. Customers told us they didn't like being handed off from person to person; so we launched a programme to put the bank manager back at the centre of the banking experience. Reporting lines were changed so the branch manager now oversees all specialists; ensuring customer needs are met consistently across product lines. This has been a contributing factor to improving cross sell and customer satisfaction. And through local planning tools, organisational structure, and an incentive system that rewards colleagues serving customers' needs, we continue to drive results.

Preventable complaints have reduced by 22% for 2009 compared to 2008 and we've seen productivity significantly increase – up nearly 80% for Personal Bankers. As mentioned earlier, customer satisfaction has been on a strong upward trend.

But what about the branches themselves?

As some of you may recall, we launched a branch refurbishment programme in 2006, partly funded by branch sales. We're reinvesting because branches remain the top channel for our customers. Over 60% of customers use a branch during a year - and the location of the nearest branch to home or work is still one of the top reasons people choose a bank.

So we've been systematically refreshing our branch estate, and with half of the network already completed, the programme has already touched over 70% of our customer base.

You may have seen one of our flagship designs at Piccadilly Circus, which was awarded the International 2009 FX Interior Design Award for Best Retail Space. It was the first time that a bank has been nominated, let alone won, against traditional retailers. You can see some of the flagship technology out in the lobby today – please feel free to have a try.

If we look at new current account sales, local areas with branch investment have seen volume share growth of 15% - more than double the growth in local areas awaiting investment.

However, we have not centred solely on branches. Our multi-channel strategy develops alternative channels and technologies such as contactless cards and mobile banking.

Following the launch of mobile banking in Africa that Vinit talked about, we've developed Barclays.mobi as the leading mobile banking channel here, and the only one that offers mobile payments.

Through .mobi customers can keep control of their money no matter where they are, at any time, through their web enabled phone. They can check their balance, make transfers and complete payments.

And we are seeing a very positive customer response to .mobi. June 2010 brand health results so far, show that consumers rank Barclays .mobi 1st, as the bank they are most likely to consider for mobile banking.

Since launching a year ago, we now have nearly half a million mobi visitors, and over 300,000 payments were made through mobile devices during Q1 2010 alone.

We're also leading the way with contactless technology. Leveraging off Barclaycard's investment and expertise that Val shared with us earlier, we were the first bank to launch contactless technology in debit cards with 'wave and pay', giving customers a new way to pay that is quick, secure and convenient.

We now have over 3.1 million contactless debit cards in circulation.

Now on to the mass affluent segment:

As Leo discussed, mass affluent customers generate more deposits per customer.

We've been improving and scaling our mass affluent offering, Premier. Approximately 220,000 of our mass affluent customers are now managed through Premier.

There remains two thirds of our mass affluent base who bank with Barclays but are not yet Premier-managed. So we have a great opportunity – embedded in our own customer base.

When a mass affluent customer becomes Premier-managed they bring more of their banking relationship to us. On average, their deposit balances are almost 20% higher, the number of different products that they hold with us increases, and subsequently income per customer is nearly 2.5 times higher than it is for those that are not Premier-managed.

And what are the opportunities for our Business Banking customers?...

For our local business franchise serving customers with turnover of 1 million pounds and below, our share of loan origination flow was 17% in Q1 2010, up from 9% in Q4 2008.

Customer satisfaction and share within business customers has continued to grow, and we have been recognised as Business Moneyfacts' 'Best Commercial

Mortgage Provider' for the third year in a row, and were also highly commended by Business Moneyfacts for 'Innovation in the SME Finance Sector'.

At the end of 2009, part of the Group segmentation, we created a holistic segment of firms with revenue up to £5 million.

As a result, we have welcomed 56,000 customers into UK Retail Banking, joining our existing Local Business customers to create Barclays Business which now serves 742,000 small businesses. And it makes sense for them to be here – these customers are primarily served through the branch and have much simpler banking needs.

In the future, we will continue to leverage our existing model and capabilities to accelerate the untapped opportunity in this customer base as this will be an important area of incremental growth.

In summary…

We will continue to be a strong contributor to GRB's results through:

- Delivering strong compound annual profit growth
- Generating good returns and driving net equity
- Growing deposit funding through our customer-focused franchise
- Maintaining disciplined cost management through positive cost income jaws
- And 'best in class' risk management.

In the mass consumer segment we will grow by:

- Investing in our traditional and alternative channels and continuing to deliver results through a powerful multi-channel service model.
- Delivering innovative products in response to the regulatory environment and being responsive to customer needs.

In our other customer segments:

- We'll tap the potential in our existing mass affluent base.
- And leverage Local Business capabilities to better serve our new Business Banking customers.

And just to bring this session to a close…

In my role as GRB Vice-Chair, I've had the opportunity to spend time with many of our businesses, our colleagues and our customers.

We have a fantastic opportunity to leverage our leading UK customer propositions into our growth markets, as well as to share the best products and practices among all our markets.

This also extends to synergies with BarCorp and BarCap, as well as Barclays Wealth. Compared to our international and domestic competition we will have a differentiated, customer-focused proposition that is driving strong profit growth and good returns.

And that's why I'm looking forward to the future - the opportunities are definitely there for the taking.

Thank you. And now I'll turn it over to Antony for closing remarks.

Antony Jenkins, Chief Executive Officer GRB

Thank you Deanna.

You've now heard from each of the CEOs how their business is positioned, and crucially, how we will deliver happy customers, strong profit growth and good returns.

For Barclaycard, I would highlight its strong record of sustainable growth, based on a diversified business model, culture of innovation and strong risk management.

We expect this to continue with further growth in existing markets, especially the US, and by leading the delivery of next generation payment products.

In Western Europe, the current environment is challenging, but we've made good progress in building the franchise, with a strong service proposition.

Going forward, we see further opportunity to grow, particularly in the mass affluent segment, and to build scale positions in Italy, Portugal and Spain.

In Barclays Africa, we have a rich heritage with leading market positions.

These are attractive countries to do business in, with increasing economic momentum.

We see more opportunity to deepen our business there, through greater access to mobile banking and by building on the relationship with Absa and the wider Barclays Group, to facilitate cross-border trade.

In UK Retail Banking, we have a strong, profitable and customer focused franchise.

We will continue to drive innovation in products and channels, making customers' lives easier, while tapping into the potential of the attractive mass affluent and business client segments.

Of course we face regulatory uncertainty but in terms of capital, liquidity and leverage, we're well positioned.

As our focus on better service, simple and transparent products and innovation aligns us well with regulators' consumer focused agenda we will be able to make good progress.

As I have said, overall we expect to deliver strong compound annual profit growth over the period 2010 to 2013.

All the businesses will contribute to this goal.

In short, we aim to make our customers' lives much easier, to deliver strong profit growth, and to generate good returns.

Helping customers reach their goals is what I've believed in since those early days in South Kensington. That is the vision for us now.

We'll now open the floor for questions.

Peter Estlin will join me on the stage here.

In terms of logistics, I'd be grateful if you could give your name and organisation you represent.

Also just one question at a time please – and if we've time we'll pick up any second questions later on.

We'll start with some questions in the room but we'll also take questions on the phone or via e-mail.

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