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Good evening and thank you all for coming.

I want to start by thanking the organisers of this event for inviting me to speak on behalf of Barclays. It's a pleasure to do so.

For those of you who don't know me, I'm Antony Jenkins.

I'm CEO of Retail and Business Banking, or "RBB" for short.

Over the next 20 minutes or so I'll talk a little bit about Barclays and about RBB. I'll then focus on our strategy and plans in Barclaycard. I will talk in detail about what we are doing in that business to take advantage of the growth opportunities that we see but also to illustrate to you how we manage all the RBB businesses.

Before I do, let me say a few words on how pleased we are with BarCap hosting this event here in London and we are pleased to be doing business with so many of you.

As you know we have made great strides in building our Equities franchise here in Europe since 2008.

We now have over 450 staff across Research, Distribution, Trading and Origination in Equities Europe located in Frankfurt, London, Madrid, Milan, Paris, Tel Aviv and Zurich

We currently cover 460 companies across 12 industries and 36 unique sectors with plans to expand coverage to 550 companies by the end of 2011.

Barclays Capital has moved into the top ten of the annual *Institutional Investor* All-Europe Research Team survey of equity research analysts. In the 2011 survey, the firm ranked #8 overall, moving up six places from last year.

Furthermore, Barclays Capital's Equity Research team has been ranked #1 for stock recommendations in Europe.

And the list goes on...

We have great partners at Barclays Capital for your business, we put our clients first, and we are delighted to welcome you here tonight.

First then, Barclays...

As many of you know, we think that the Universal Banking model is the best one for all of our stakeholders.

The model has enabled us to build a bank that's diversified by business, by geography, by customer and by type of funding.

It's enabled us to offer the best solutions for customers, and to operate profitably throughout the crisis.

That has provided security for our customers and stability to the financial system.

We have emerged from the financial crisis in a stronger position, as reflected in our 2010 results:

We reported profit growth of more than 30% and an increased dividend.

We've also made a good start in 2011 with profit before tax, but after exclusions, up 10% to just over 2 billion pounds in the first quarter.

Despite this resilience, we know it's been a difficult time for our shareholders over the last 3 years.

And while there continues to be uncertainty in the regulatory environment we remain focussed on our quality of execution.

That means delivering on our promises in four key areas: Capital, Returns, Income Generation and our role as Good Citizens.

We'll give you more information on our execution against these promises at our upcoming Investor Seminar on 15 June, so I'll leave that subject there for now.

Let's move on to Retail and Business Banking, RBB.

RBB as a whole makes a very important contribution to the Barclays Group. It delivers 40% of Group PBT and a 1.7% Return on Risk Weighted Assets.

It's a strong franchise with over 50m customers, generating 13bn pounds of income.

RBB is focused on three major customer segments and four distinct geographies:

The segments are Mass Consumer, Mass Affluent and Business Clients.

Mass Consumer is the Segment that you all know well.

Mass Affluent is our segment for customers with significant and investible assets or higher income. So for example in the UK, customers with more than £50,000 in assets or income above £75,000.

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

To serve these segments in these areas, RBB has four business units: UK, Europe, Africa and Barclaycard.

I want to comment briefly on a recent change we made with respect to Africa:

Bob Diamond talked in February about aligning Absa more closely with Barclays Africa. As part of that we have re-aligned our African businesses to take advantage of the clear and compelling opportunities that exist there.

Maria Ramos now assumes geographic responsibility for all our businesses across Africa, whilst I have global product responsibility for retail and business banking across Africa and Absa, as well as UK, Europe & US.

We occupy market leading positions in many of our countries meaning we are well positioned to take advantage of the growth opportunities that we see.

To give this some context, I will now talk about our Barclaycard business, to give you an idea of how we are delivering on our commitments in RBB.

I'll give you a quick overview of Barclaycard, the key emerging trends that have helped to define our strategy, and finally I'll give you a few examples of our innovation in digital payments.

In 2010, Barclaycard generated 791m pounds of profit before tax, representing 43% of RBB's and 13% of Barclays' profits.

That should give you some sense of the magnitude of Barclaycard within the bank.

Another way to look at Barclaycard is versus its peers:

In terms of outstandings, revenue and PBT these are all similar to Discover.

In terms of spend, Barclaycard's global turnover is nearly 40% of that of American Express.

For those of you who are not familiar with the UK market, Barclaycard is a well known consumer brand here with a great reputation as a pioneer.

However many people think Barclaycard is just a UK credit card provider. In fact, Barclaycard has innovated and diversified well beyond this. Today, the business generates approximately

40% of revenues from its UK credit card business; 37% from its international credit card business and just over 20% from the commercial payments business.

But Barclaycard is not just numbers. It represents an important source of diversification within Barclays, and it also plays a key role in terms of innovation and focus in the payments space.

Since we launched the first UK credit card in 1966, Barclaycard has maintained its heritage of innovation and continues to take the lead in emerging payment trends.

First, Barclaycard has diversified into the business payments space, with the first UK acquiring network, followed by the launch of Company Barclaycard in 1977.

Barclaycard has expanded its international footprint by expanding into Germany, the US, South Africa, and Scandinavia.

The result of this diversification is a broad, international payments business.

I'll walk you through the profile of the business as it is today.

As I mentioned earlier, we derive about 40% of our revenue from our core UK Consumer Card Issuing business, where we are number one in the market.

A further 37% of revenue comes from International Consumer Card businesses.

We have profitable operations in the US, Germany, South Africa, and in Scandinavia through our joint venture with Swedbank called Entercard.

In each of those markets we have achieved a significant market position.

Finally, just over 20% of our revenues come from Commercial Payment Products, our B2B Division, which has 3 parts:

First, our merchant acquiring business, which is called Payment Acceptance. Nearly a third of all card purchases in the UK are made through merchants that acquire through Barclaycard.

Second we have Commercial Payments, which provides corporate, travel and procurement cards to 155,000 clients, primarily UK based businesses and government agencies.

Finally we have Barclays Partner Finance, which provides point of sale finance products to merchants across the UK.

Looking at the 3 together, I'd say all our Barclaycard businesses are scaled, specialised and generate meaningful profits.

So how does this portfolio translate into performance?

It's allowed Barclaycard to generate consistent profit growth through what has been a very volatile period.

It's generally thought that the combination of fee-based and asset-led businesses is a conservative risk posture, and it is.

But this combination, along with good cost control, has all the same allowed Barclaycard to maintain consistently strong returns on risk-weighted assets.

But we know that the payments market is changing rapidly, so rather than sit back, we are changing it.

We've identified 4 main drivers:

The first is that the market is maturing. Credit Card growth is flat to down in most major markets as consumers move from credit to debit.

Most recently we've seen that consumers are de-leveraging.

The second driver, whether it is with the Cards Act in the US or the European Consumer Credit Directive, is that there are consistent regulatory themes driving all our markets.

These include the regulation of interchange rates, risk-based fees, and balance hierarchies.

The fact is that the traditional card income streams are changing and we've got to adapt.

The third driver is that new competitors are emerging. They include cell phone operators, retailers, and emerging technology companies.

To give you an example, we've already seen national retailers take more than a 10% share of the consumer credit cards in issue in the UK.

My fourth driver is digital payments.

The rapid growth in smart phones is a well–known global mega-trend. Consumers will for sure use them to make payments in new and better ways.

The bottom line is that we see change, real change in our industry, driven by new competitors and new technology.

Most importantly, this change is driven by what customers want. They want payments to be simpler and they want their lives made much easier.

It is this central insight which informs our strategy and as a result, Barclaycard has three growth priorities:

- To maintain or build on our scale positions
- To diversify beyond consumer credit cards
- To lead the innovation in payments.

Our first priority then is to maintain or build upon our scale positions in existing markets.

This will be achieved primarily through innovation, cost efficiencies, leveraging our brand, and in many cases through partnerships.

I'll give you an example:

In March we announced the purchase of the Egg Credit Card portfolio from Citi.

Egg has 1.15 million accounts and 2.3bn pounds of receivables, so it reinforces our market-leading position in the UK.

Importantly we will also be able to absorb this business with relatively little impact to our operating costs going forward.

It shows the power of scale.

So that's our first priority, to maintain and strengthen our scaled businesses.

Combined with our capabilities to manage partnerships, we are confident that we'll be able to maintain our leading positions.

Our second strategic priority is diversification beyond consumer credit cards.

Specifically we see significant growth opportunities to build on our existing B2B business, in particular in payment acceptance and commercial payments.

This is a known market with attractive economics, driven by fees on payment flows.

The B2B business attracts more than 4x the amount of non-interest revenue.

And it typically attracts lower impairment.

As a result, the returns on risk-weighted assets tend to be more than 4 times higher than a traditional consumer credit card model.

But just as important, the market in Europe is fragmented, and Barclaycard is well positioned as one of the few players able to offer complete payment solutions to our corporate clients.

So to summarise this second priority, we are sure that B2B has attractive economics, and Barclaycard has the capability to take market share.

Finally, we recognise that payment trends are changing and that being a leader in payments innovation will be another key to our future success.

But what does it really mean to be a leader in payments innovation?

In short it means that the businesses can make payments for consumers faster, better, smarter, and ultimately simpler.

That will win customer share and their loyalty.

There are just a few key tenets which underpin our approach to being a key player in the emerging payments space:

First, we know that customer preferences and technology trends are evolving rapidly but with significant differences across markets.

The simplest example of this is the rapid adoption of mobile payments in emerging markets versus mature markets.

Second, it means that we have to consider our approach market by market. There is no ‘silver bullet’ solution.

Third, it means it will be impossible to predict upfront which models will succeed.

We’ll need to be prepared to support multiple initiatives and be flexible in our approach, given the power of disruptive technology.

It also means we will have to accept a higher, but still acceptable, failure rate of some of our initiatives.

Fourth, we hold the strong view that Barclaycard has a number of competitive advantages which will enable us to win in this space.

We have a strong brand, we have a large and loyal customer base.

We have a unique presence in issuing and acquiring, and we have expertise in innovation as well as experience in building partnerships.

And finally, just as important as the advantages we can bring to bear, we are committed to this space.

So let me share with you now a couple of initiatives in payment innovations that are underway, all of which focus on making payments faster, better, smarter, and ultimately simpler.

In 2007 we recognised that the payments market was changing and that contactless would be part of the journey towards mobile payments.

In the UK, Barclays has a unique position as a major player in the credit card issuing, acquiring and debit card segments.

It’s given us the capability to create the market.

We took the decision to move our point of sales terminals, as well as to convert all of our credit and Retail Bank debit cards, to contactless.

That conversion is well advanced: We now have 11 million of the 13 million contactless cards in the market and over 90% of the contactless terminals in the UK.

We're making payments faster and simpler for customers.

The resulting uptake has been great, with contactless transaction volumes more than doubling in the last year alone.

We think contactless in the UK is now reaching critical mass.

The increased uptake includes not only new partners with Barclaycard, such as McDonalds and Boots, but also competitors who are following us into this space, like Lloyds Banking Group.

Contactless payment is a great example of how Barclaycard innovates and helps to create a market.

So what's happening further back in the development pipeline, in mobile payments?

This is a space where the power of partnership is critical.

We think that no single player on its own has all the capabilities needed to succeed in this space.

At Barclaycard we're working with our partners to develop compelling mobile payments propositions, using Near Field Communications, or NFC, technology.

In the UK, in partnership with Orange we launched Mobile Payments last week.

This is one of the first full commercial and nationwide launches of NFC-enabled payments in the world.

We will expand it throughout 2011 to a broader range of handsets, and across more phone operating systems and manufacturers.

In the US, we are partnering with the ISIS joint venture (between Verizon, AT&T, T-Mobile and Discover).

The intention here is to create a national mobile payment network using mobile phones and NFC technology.

Services are expected to be launched within the next 18 months.

So within a short period of time, Barclaycard along with its partners will launch significant mobile payment initiatives on both sides of the Atlantic.

Drawing these Barclaycard strands together, I'd emphasise to you that it has a strong and diversified business model.

It has a track record of delivering year on year performance, while consistently investing in the future.

Our strategy for Barclaycard epitomises our strategy for RBB. We are focused on 3 priorities.

Firstly, we are working to deepen our impact with customers by getting the basics right and by building on the capability we already have and rolling it out consistently across our business.

We are also investing in new capability using the customer insight we have to create clear blue water from our competitors.

An example of this is our mobile banking proposition in the UK where we are leading the market.

We have been able to take this capability and roll it out in other markets such as Portugal at limited cost, delivering a better experience for our customers.

Our second priority is to achieve greater scale - to achieve critical mass and be cost effective.

To achieve this, 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.

Instead, we are focussing where we can compete best, such as Premier in Europe.

Our third priority is to drive higher performance.

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

We are developing integrated platforms to improve efficiency and we are making tough decisions across a balanced scorecard. So when businesses don't achieve the results we need we have the ability to close them, just as we did with our Financial Planning business, announced earlier this year.

Finally we focus relentlessly on execution, building on our strong track record of integration in the cards businesses in Europe and Standard Life Bank in the UK.

We continue to believe this focus positions us well to achieve our ambitions for RBB.

I want to end my talk tonight with this:

Right now we're managing through a period of considerable uncertainty.

That will continue until the changes in regulation are settled.

We are also deeply committed to executing on the priorities I've briefly outlined this evening.

Doing so will achieve the balance between growth and risk that will deliver stable returns in excess of our cost of equity.

We have the right model and we have the right strategy.

We are committed to executing on our promises; our promises on capital, on returns, on income, and on citizenship.

As a result, Barclays, and importantly our shareholders, will be among those that benefit most as the industry evolves.

Thank you very much and I'm happy to answer any questions.