



# Autumn 2011 Investor Presentation

“I am pleased with the progress made across Barclays in the first half. We have performed well on our journey to a targeted 13% return on equity by 2013 and have made specific progress against our execution priorities of capital strength, returns on equity, income growth and citizenship.

We have delivered underlying profit before tax up 24% to £3,678m<sup>1</sup>, and our underlying return on average shareholders' equity improved to 9.1%, despite a lacklustre economic environment in many of our major markets which impacted income generation. Our operating expenses have been tightly controlled while we have continued to invest in selected growth initiatives in a number of our businesses.

Our capital, liquidity and funding position is rock solid. We look forward to the finalisation of new banking regulations over the coming months. This will help us balance requirements to hold more capital and liquidity on the one hand, with the desire of shareholders for us to distribute higher dividends and with business demand for us to help support economic growth, on the other. In the meantime we are meeting our Project Merlin commitments and have extended £20bn of new lending to businesses in the UK in the first half. We are on track to lend at least £40bn for the year.”

Bob Diamond, Chief Executive – H1 Interim Results Announcement, 2 August 2011

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### Our Strategy Remains Unchanged

- The integrated universal banking model is the best one for all our stakeholders
- It's the model that has enabled us to:
  - Build a bank that is diversified and balanced by geography and business line, by customers and by funding sources
  - Offer the best solutions for our customers and clients
  - Operate profitably throughout the crisis, offering security for customers as well as stability to the financial system as a whole

### 2011 Execution Priorities

- Capital – Our Core Tier 1 ratio stood at 11.0% at the end of June and we will continue to generate internally any additional capital that we will be required to hold to meet regulatory change over the coming years
- Returns – Our commitment is to deliver a 13% return on equity by 2013 and our adjusted return on equity improved to 9.1% (2010: 6.9%)
- Income growth – We have already taken decisive action in order to improve performance. These results demonstrate that our efforts are starting to pay off, but we acknowledge there is still more hard work required
- Citizenship – We have met the commitments we made to the UK Government regarding the extension of credit to the UK economy. We remain determined to continue to do so going forward.

<sup>1</sup> Underlying or adjusted results eliminate the financial impact of the provision for PPI redress, movements in own credit and acquisitions and disposals over the period.



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## Highlights: six months ended 30 June 2011

- Adjusted<sup>1</sup> profit before tax, excluding own credit and gains on acquisitions and disposals, up 24% to £3.7bn
- Impairment charge reduced 41% to £1.8bn
- Net operating income up 6% to £13,413m excluding own credit
- Operating expenses excluding PPI provision of £9,829m up 1%
- Adjusted return on equity improved to 9.1%, adjusted return on tangible equity increased to 10.9%, and adjusted return on risk weighted assets increased to 1.4%
- Core Tier 1 capital ratio strengthened to 11.0%
- Second interim dividend of 1.0p per share, making 2.0p for the half year

<sup>1</sup> Figures are adjusted to eliminate the PPI provision, movements in own credit and gains/losses on acquisitions and disposals



## Income and profits

Six months ended	2011	2010	change
30 June	£m	£m	%
Income excl. own credit	15,241	15,730	(3)
Own credit gain	89	851	nm
<b>Income</b>	<b>15,330</b>	<b>16,581</b>	<b>(8)</b>
Impairment charges	(1,828)	(3,080)	(41)
<b>Net operating income</b>	<b>13,502</b>	<b>13,501</b>	<b>0</b>
Operating expenses excl. provision for PPI redress	(10,829)	(9,720)	11
<b>Profit before tax</b>	<b>2,644</b>	<b>3,947</b>	<b>(33)</b>
Own credit gain	(89)	(851)	nm
Provision for PPI redress	1,000	-	nm
Losses/(gains) on acquisitions and disposals	123	(133)	nm
<b>Adjusted profit before tax</b>	<b>3,678</b>	<b>2,963</b>	<b>24</b>
Net asset value per share	423p	417p	1
Tangible net asset value per share	353p	346p	2

- Income down 8% or down 3% excluding the impact of own credit
- Impairment down 41%, giving a loan loss rate of 73bps (2010: 118bps)
- Net operating income up 6% excluding own credit
- Operating expenses excluding PPI provision up 1%
- Excluding gains on own credit, the PPI provision and losses/gains on acquisitions and disposals, profit before tax up 24%



## Adjusted<sup>1</sup> performance measures

Six months ended 30 June	2011	2010
Return on equity	9.1%	6.9%
Return on tangible equity	10.9%	8.4%
Return on risk weighted assets	1.4%	1.1%
Cost : net operating income ratio	73%	77%
Earnings per share	12.5p	20.9p
Dividend per share	2.0p	2.0p

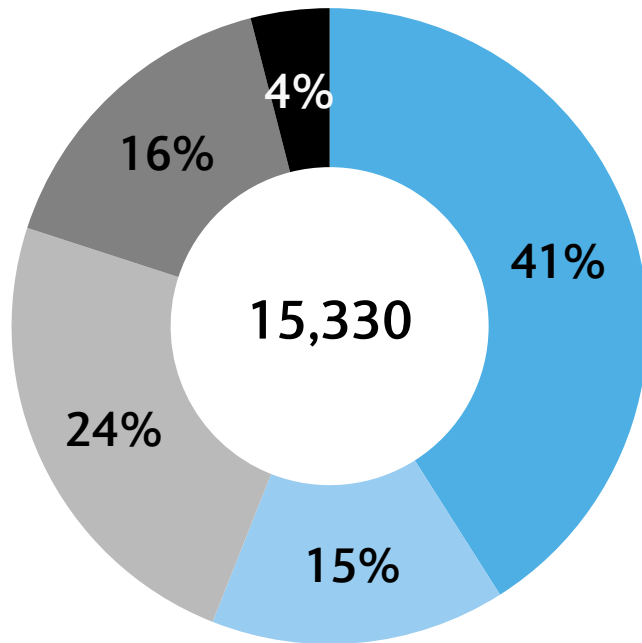
- Adjusted return on equity of 9.1% (2010: 6.9%)
- Adjusted return on tangible equity of 10.9% (2010: 8.4%)
- Adjusted return on risk weighted assets of 1.4% (2010: 1.1%)
- Earnings per share of 12.5p
- Second interim dividend of 1.0p per share, making 2.0p for the half year

<sup>1</sup> Figures are adjusted to eliminate the PPI provision, movements in own credit and gains/losses on acquisitions and disposals

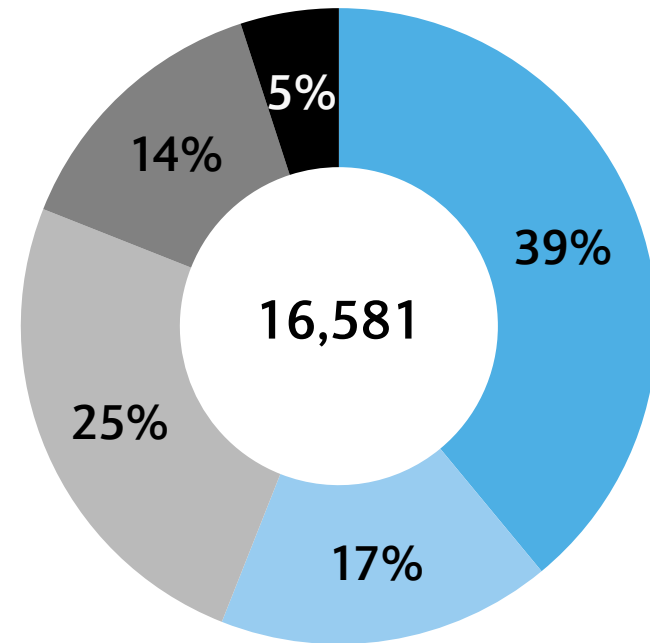
# International income footprint

(£m)

H1 11



H1 10

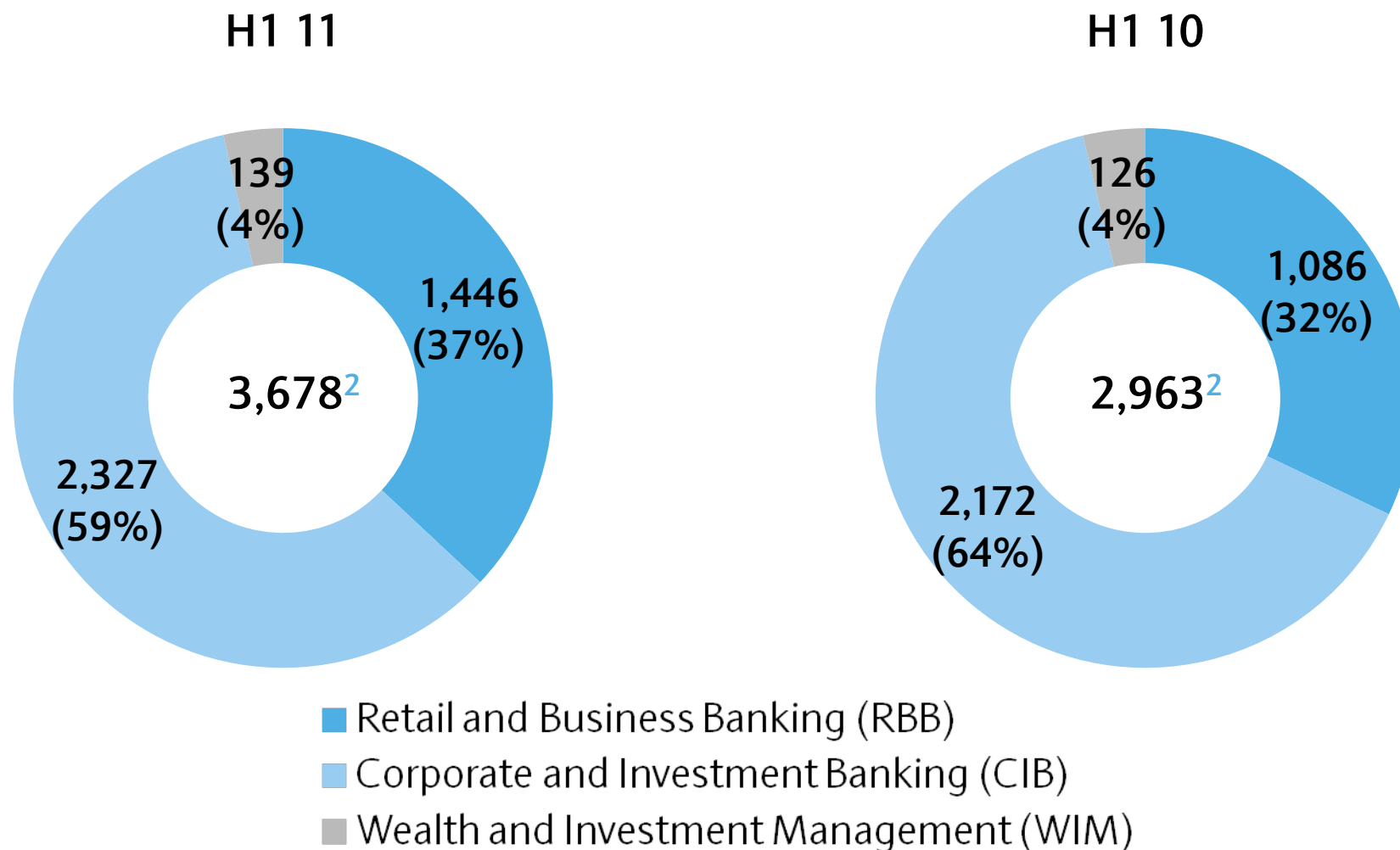


■ UK ■ Europe ■ Americas ■ Africa and the Middle East ■ Asia



# Adjusted<sup>1</sup> profit before tax by business

(£m)



<sup>1</sup> Figures are adjusted to eliminate the PPI provision, movements in own credit and gains/losses on acquisitions and disposals

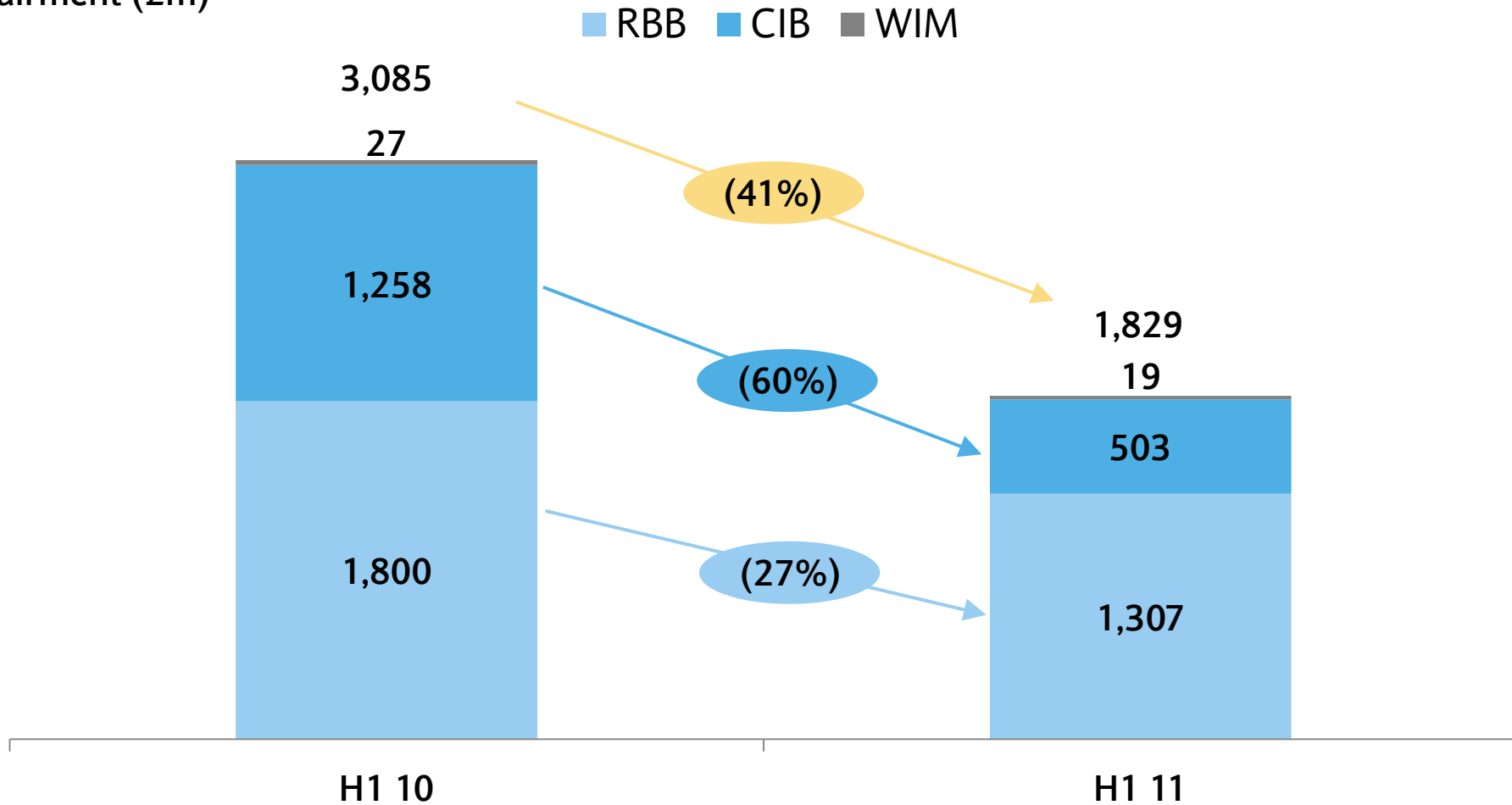
<sup>2</sup> Includes adjusted losses before tax in Head Office and Other Operations of £234m for H111 and £421m for H110





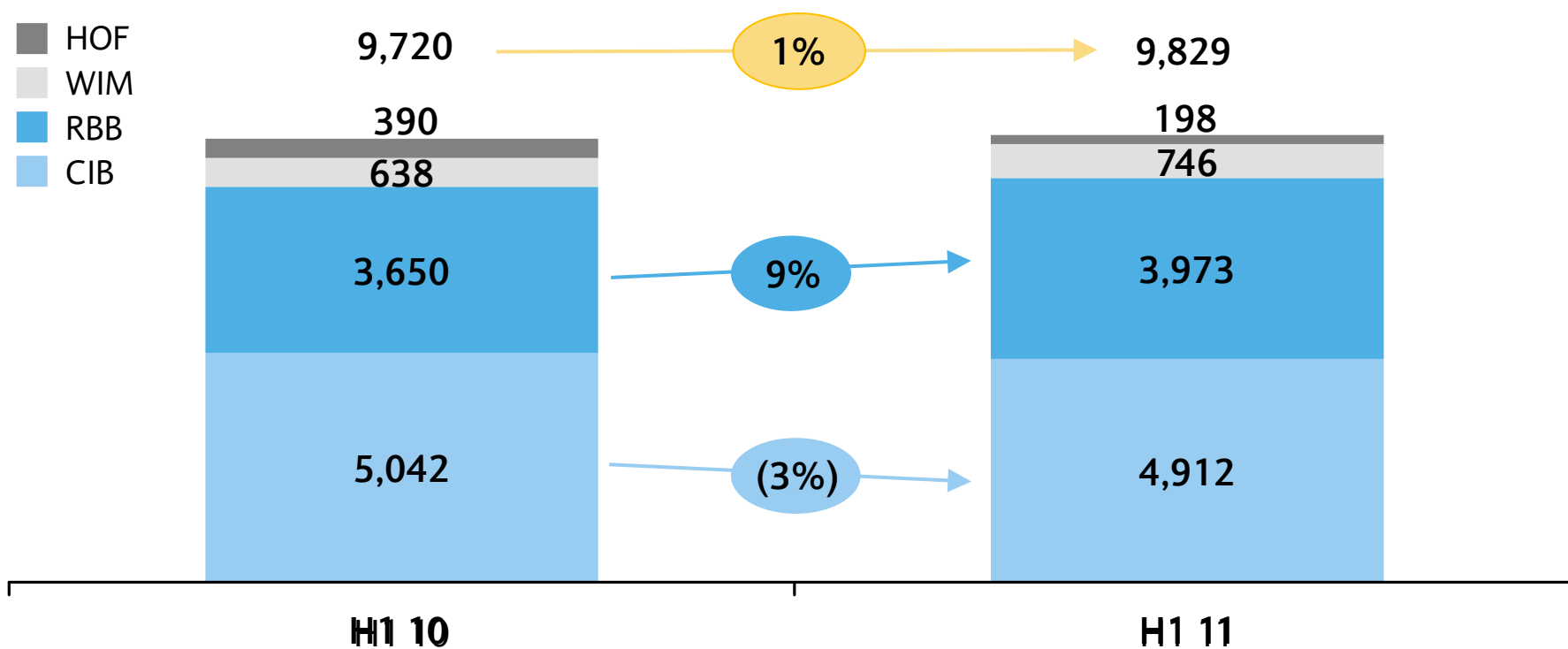
# Impairment

Impairment (£m)



# Operating expenses<sup>1</sup>

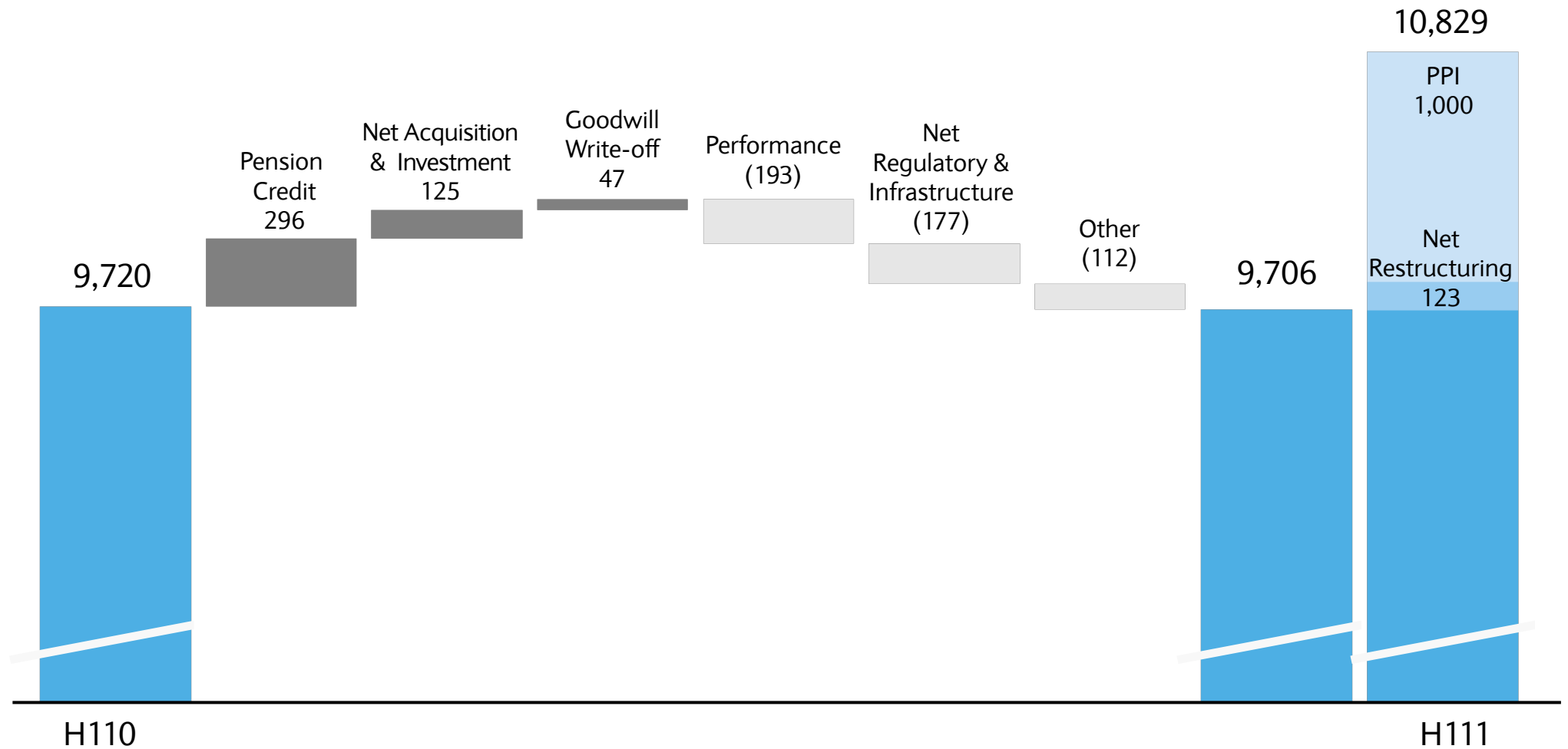
Operating expenses (£m)



<sup>1</sup> Excluding provision for PPI redress

# Operating expenses

Operating expenses (£m)



## Exposures to Spain, Italy, Portugal, Ireland and Greece

At 30 June	£bn
Retail	
- Mortgages	35.9
- Other	8.1
Corporate	13.8
Sovereign	11.6
Financial institutions	6.7

## Funding and liquidity

	At 30 Jun 11	At 31 Dec 10
Group liquidity pool	£145bn	£154bn
Liquidity Coverage Ratio	86%	80%
Net Stable Funding Ratio	96%	94%
Half year ended	2011	2010
Term issuance	£19bn	£21bn

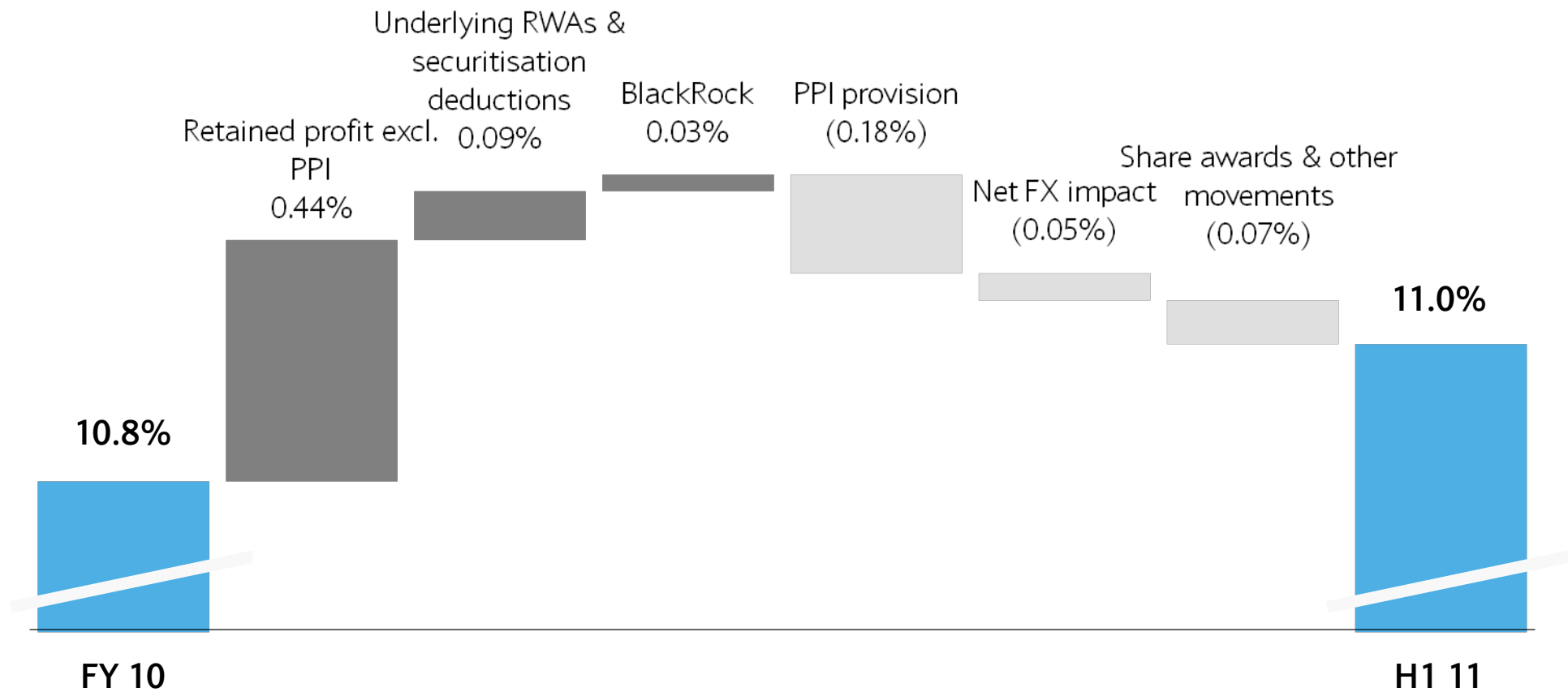
## Capital strength

Period ended	30 Jun 11	31 Dec 10
Adjusted gross leverage	20x	20x
Risk weighted assets	£395bn	£398bn
Core Tier 1 capital	£43.5bn	£42.9bn
Core Tier 1 ratio	11.0%	10.8%
Net asset value per share	423p	417p



# Capital management

## Core Tier 1 ratio bridge



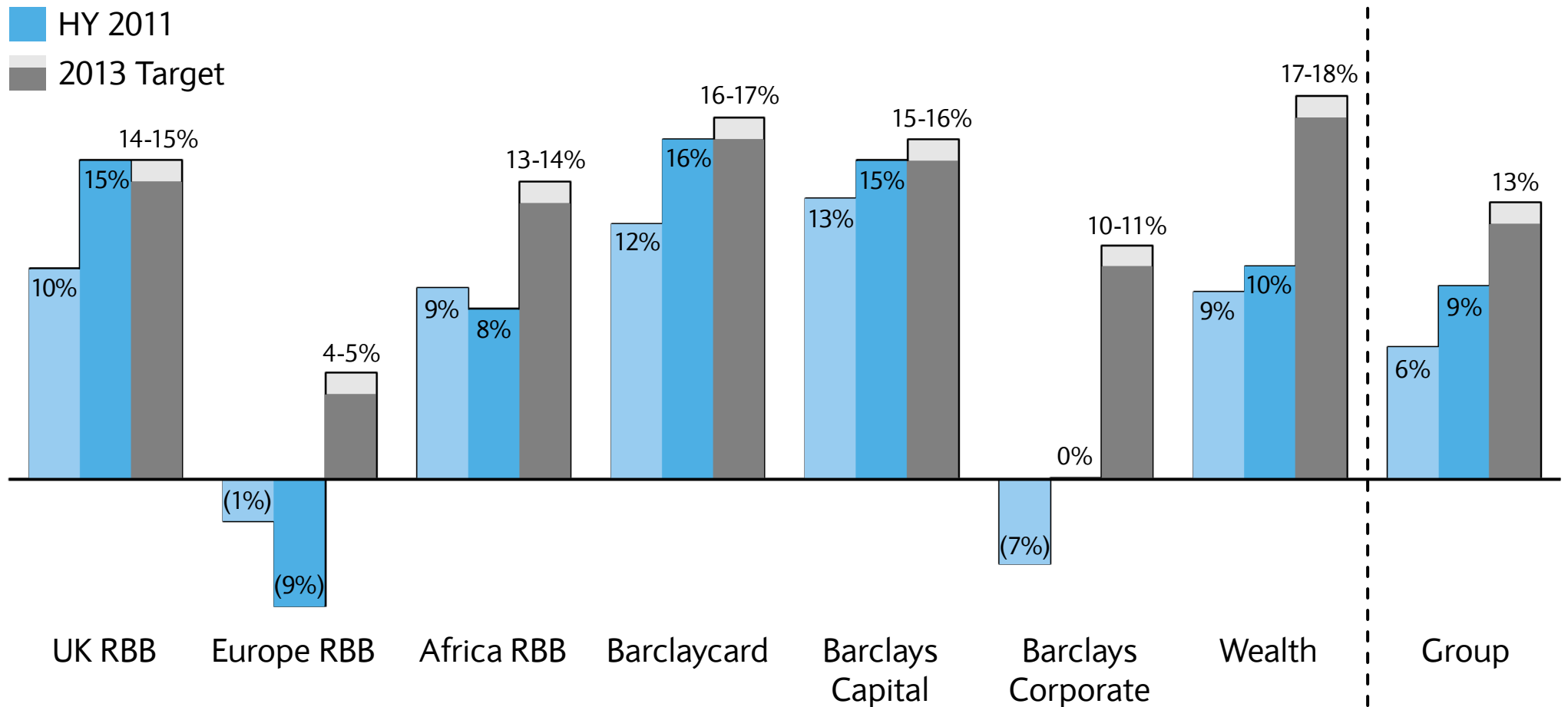
# Roadmap to 13% RoE by business

Return on Equity (%) <sup>1</sup>

FY 2010

HY 2011

2013 Target



<sup>1</sup> FY 2010 and H1 2011 returns are on an adjusted, 10% allocation basis



# Income growth

- **Three world class businesses – UKRBB, Barclaycard and BarCap**
  - Proven scale, leading technology and deep relationships with customers and clients
  - Generating good returns in a tough economic environment
- **Two businesses on the threshold of top tier – Barclays Wealth and Barclays Africa**
  - Great opportunities to build on current positions
  - Integrating the operational management of Absa and Barclays Africa to take full advantage of the people, technology and product expertise in these businesses
  - Continuing to invest in Wealth to build a leading reputation for performance and client service and increase scale
  - Income growth in the first half of 2011 of 8% in Barclays Africa and 12% in Barclays Wealth
- **More work to do in Barclays Corporate outside the UK and in Europe RBB**
  - Foundations of good businesses with strong client and customer franchises
  - Decisive action in order to improve performance already taken
  - Evidence that efforts are starting to pay off but more hard work required

# Citizenship

- **Job creation:**

- Barclays employs over 145,000 people globally including more than 55,000 in the UK
- During the first half of this year we helped 1,300 young people experience the working world for the first time through paid internships and industrial placements

- **Stimulating economic growth:**

- During the first half we supported almost 52,000 business start ups in the UK
- Consistent with the objectives of Project Merlin we extended £20bn of new lending to UK businesses in the first six months of 2011
- We have met the commitments we made to the UK government regarding the extension of credit to the UK economy and we remain determined to continue to do so going forward
- On average we processed over fourteen thousand loan applications a month to small and medium businesses, and our approval rate was above 80%

- **Investing in communities in which we work:**

- Over 45,000 Barclays colleagues participated in Community Investment Programmes in the first half of the year, up by more than a third for the same period last year
- Their combined efforts resulted in over 150,000 hours of volunteering and £9m in fundraising



## Retail and Business Banking (RBB)

Six months ended 30 June	2011 £m	2010 £m	change %
Income	6,697	6,513	3
Impairment charges	(1,307)	(1,800)	(27)
Net operating income	5,390	4,713	14
Operating expenses	(3,973)	(3,650)	9
Provision for PPI redress	(1,000)	-	nm
Adjusted <sup>1</sup> profit before tax	1,446	1,086	33
Adjusted return on equity	10%	9%	
Adjusted return on tangible equity	16%	14%	

### 2013 commitments:

- **Happy customers** – increased customer satisfaction and relentless reduction in complaints
- **Strong financial performance** – solid income growth and positive operating jaws
- **Returns** – 13-15% RoE

<sup>1</sup> Figures are adjusted for PPI provision and gains/losses on acquisitions and disposals

## RBB – business performance

<b>Adjusted<sup>1</sup> profit before tax by business</b> Six months ended 30 June	2011 £m	2010 £m	change %
UK	704	404	74
Europe	(161)	(19)	nm
Africa	379	384	(1)
Barclaycard	524	317	65
<b>Adjusted profit before tax</b>	<b>1,446</b>	<b>1,086</b>	<b>33</b>

<sup>1</sup> Figures are adjusted for PPI provision and gains/losses on acquisitions and disposals



## UK RBB

Six months ended 30 June	2011 £m	2010 £m	change %
Income	2,263	2,190	3
Impairment charges	(275)	(477)	(42)
Net operating income	1,979	1,724	15
Operating expenses	(1,675)	(1,322)	27
Adjusted <sup>1</sup> profit before tax	704	404	74
Adjusted return on equity	15%	8%	
Adjusted return on tangible equity	29%	15%	

### 2013 commitments:

- **Income growth** – solid income growth
- **Costs** – positive operating jaws
- **Returns** – 14-15% RoE

<sup>1</sup> Adjusted profit before tax and adjusted performance measures exclude the impact of the provision for PPI redress of £400m (2010: £nil) and gains on acquisitions of £nil (2010: £100m)

## Europe RBB

Six months ended 30 June	2011 £m	2010 £m	change %
Income	604	602	0
Impairment charges	(116)	(133)	(13)
Net operating income	488	469	4
Operating expenses	(657)	(495)	33
Adjusted <sup>1</sup> profit before tax	(161)	(19)	nm
Adjusted <sup>2</sup> return on equity	(9%)	8%	
Adjusted return on tangible equity	(13%)	11%	

### 2013 commitments:

- **Income growth** – good income growth
- **Profitability** – return to profit in 2012 and positive operating jaws
- **Returns** – 4-5% RoE in 2013 with 13% RoE by 2015

<sup>1</sup> Adjusted profit before tax and adjusted performance measures exclude the impact of gains on acquisitions of Enil (2010: £29m)

<sup>2</sup> Return on average equity and return on average tangible equity reflect a deferred tax benefit of Enil (2010: £112m)



## Africa RBB

Six months ended 30 June	2011 £m	2010 £m	change %
Income	1,980	1,895	4
Impairment charges	(268)	(330)	(19)
Net operating income	1,599	1,452	10
Operating expenses	(1,223)	(1,069)	14
Adjusted <sup>1</sup> profit before tax	379	384	(1)
Adjusted return on equity	8%	10%	
Adjusted return on risk weighted assets	1.5%	1.8%	

### 2013 commitments:

- **Income growth** – double digit growth and focus on non-interest revenue
- **Costs** – cost to income ratio improving, while continuing to invest
- **Returns** – RoE < 13% and RoRWA > 2%

<sup>1</sup> Adjusted profit before tax and adjusted performance measures exclude the impact of profit on disposals of subsidiaries, associates and joint ventures of £nil (2010: £4m)

# Barclaycard

Six months ended 30 June	2011 £m	2010 £m	change %
Income	1,972	1,958	1
Impairment charges	(648)	(890)	(27)
Net operating income	1,324	1,068	24
Operating expenses	(1,418)	(764)	86
Adjusted <sup>1</sup> profit before tax	524	317	65
Adjusted return on equity	16%	9%	
Adjusted return on tangible equity	21%	12%	

## 2013 commitments:

- **Income growth** – solid income growth
- **Costs** – positive operating jaws
- **Returns** – 16-17% RoE

<sup>1</sup> Adjusted profit before tax and adjusted performance measures exclude the impact of the provision for PPI redress of £600m (2010: £nil)



## Corporate and Investment Banking

<b>Adjusted<sup>1</sup> profit before tax by business</b> Six months ended 30 June	2011 £m	2010 £m	change %
Barclays Capital	2,310	2,549	(9)
Barclays Corporate	17	(377)	nm
Adjusted profit before tax	2,327	2,172	7

<sup>1</sup> Figures are adjusted for movements in own credit and gains/losses on acquisitions and disposals

## Barclays Capital

Six months ended	H1 2011 £m	H2 2010 £m	H1 2010 £m	change %
Total income (excluding own credit)	6,263	6,148	7,061	(11)
Own credit gain/(charge)	89	(460)	851	(90)
Total income	6,352	5,688	7,912	(20)
Impairment charges	111	(234)	(309)	nm
Net operating income	6,463	5,454	7,603	(15)
Operating expenses	(4,073)	(4,082)	(4,213)	(3)
Profit before tax	2,399	1,380	3,400	(29)
Adjusted <sup>1</sup> profit before tax	2,310	1,840	2,549	(9)

### 2013 commitments:

- **Returns** – 15% RoE on Basel 3 basis
- **Income** – gaining market share in Equities and Investment Banking and maintaining FICC
- **Cost management** – 60-65% cost : net income ratio

<sup>1</sup> Adjusted profit before tax and adjusted performance measures exclude the impact of own credit gains of £89m (H2 2010: charge of £460m; H1 2010: gain of £851m)



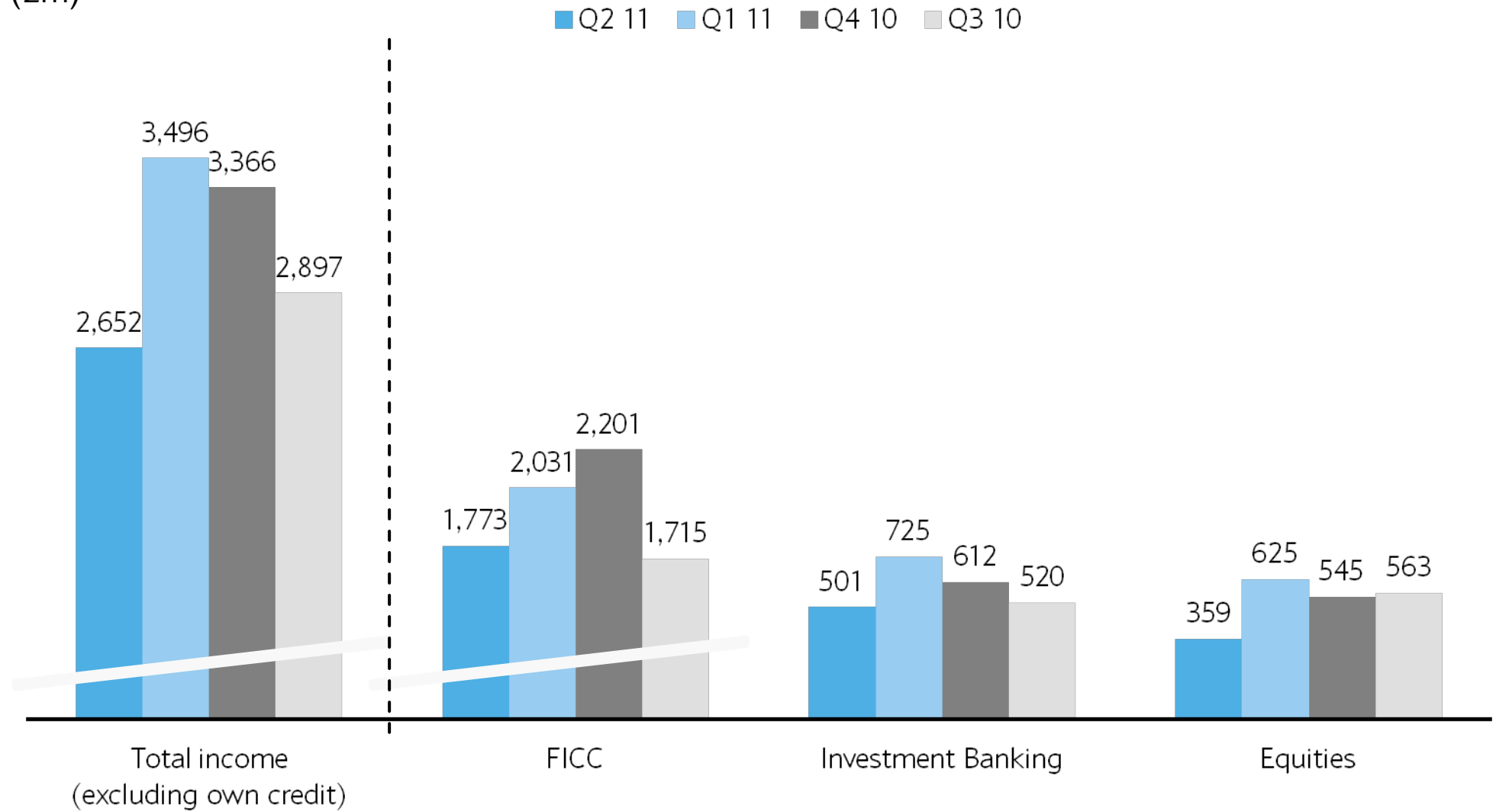
## Barclays Capital adjusted<sup>1</sup> performance measures

Six months ended 30 June	2011	2010
Cost: net operating income ratio	64%	62%
Compensation: income ratio	45%	42%
Return on equity	15%	14%
Return on risk weighted assets	1.8%	1.5%

<sup>1</sup> Adjusted performance measures exclude the impact of own credit gains of £89m (2010: gain of £851m)

# Barclays Capital quarterly income

(£m)



## Barclays Capital momentum

- For the first time BarCap has been named ‘Best Global Investment Bank’ by Euromoney
- Number 1 Bookrunner for Global DCM – Dealogic
- Equities franchise has continued to strengthen:
  - Number 2 in the US IPO market – Thomson
  - Number 8 globally – Dealogic
- Advisory business is also gaining momentum:
  - Number 5 in the US – Dealogic
  - Number 7 in Europe – Dealogic
  - Advised on 2 of the 5 largest M&A deals during the first half

## Barclays Corporate

Six months ended 30th June	UK £m	Europe £m	RoW £m	2011 £m	2010 £m	Change %
Income	1,135	200	136	1,471	1,401	5
Impairment	(163)	(428)	(23)	(641)	(949)	(35)
Operating expenses	(558)	(131)	(150)	(839)	(829)	1
Profit/(loss) before tax	413	(359)	(101)	(47)	(377)	(88)
Adjusted <sup>1</sup> profit/(loss) before tax				17	(377)	nm
Adjusted return on equity				0%	(11%)	

### 2013 commitments:

- **Returns** – 11% global RoE and 14% UK RoE
- **Income** – strong growth in cash management, trade finance and cross-sales
- **Cost management** – ~50% overall cost : income ratio

<sup>1</sup> Adjusted profit before tax and adjusted performance measures exclude the impact of expected loss on disposal of £64m (2010: £nil)

## Wealth and Investment Management

<b>Adjusted<sup>1</sup> profit before tax by business</b> Six months ended 30 June	2011 £m	2010 £m	change %
Barclays Wealth	88	95	(7)
Investment Management	51	31	65
Adjusted profit before tax	139	126	10

<sup>1</sup> Figures are adjusted for loss on disposal of a portion of the Group's strategic investment in Blackrock, inc.

## Barclays Wealth

Six months ended 30 June	2011 £m	2010 £m	Change %
Total income	848	757	12
Impairment charges	(19)	(27)	(30)
Net operating income	829	730	14
Operating expenses	(740)	(635)	17
Profit before tax	88	95	(7)
Return on equity	10%	10%	
Return on risk weighted assets	1.3%	1.4%	

### 2013 commitments:

- **Income growth** – mid-teen compound annual growth
- **Cost management** – < 80% cost : income ratio
- **Strong returns** – 17-18% RoE
- **World class franchise** – £250-300bn in client assets, strong net liability position and high quality earnings stream



## Forward-looking statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "may", "will", "seek", "continue", "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe" or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Group's future financial position, income growth, assets, impairment charges, business strategy, capital ratios, leverage, payment of dividends, projected levels of growth in the banking and financial markets, projected costs, estimates of capital expenditures, and plans and objectives for future operations and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, UK domestic and global economic and business conditions, the effects of continued volatility in credit markets, market related risks such as changes in interest rates and exchange rates, effects of changes in valuation of credit market exposures, changes in valuation of issued notes, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards (IFRS) applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation, the success of future acquisitions and other strategic transactions and the impact of competition – a number of such factors being beyond the Group's control. As a result, the Group's actual future results may differ materially from the plans, goals, and expectations set forth in the Group's forward-looking statements.

Any forward-looking statements made herein speak only as of the date they are made. Except as required by the UK Financial Services Authority (FSA), the London Stock Exchange or applicable law, Barclays expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any change in Barclays expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Barclays has made or may make in documents it has filed or may file with the SEC.



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