Barclays PLC
2011 Investor Seminar

15 June 2011

Corporate and Investment Banking
Wealth
Achieving our targets

Corporate and Investment Banking

Jerry del Missier and Rich Ricci

Co-Chief Executives of Corporate and Investment Banking

BARCLAYS

Session structure

- Introduction
- Barclays Capital
- Barclays Corporate
- Synergies
- Conclusion

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Barclays Capital 2010 results

	Top line Income (£bn)
Fixed Income, Currencies and Commodities	8.8
Equities and Prime Services	2.0
Investment Banking	2.2
Principal Investments	0.3
Total	13.3

Cost: Net Income (ex-own credit)	65%
Risk Weighted Assets	£191bn
Return on Equity[1]	16%

[1] Equity calculated as 9% of average risk weighted assets

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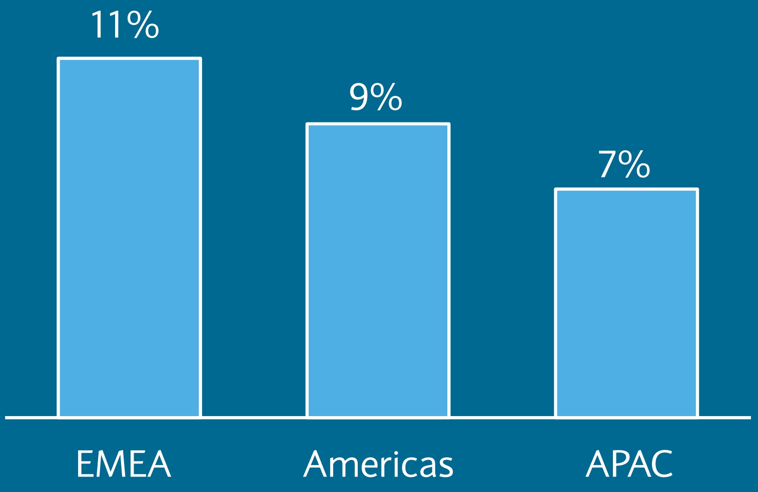
We have a market leading client franchise in FICC

Barclays Capital market share

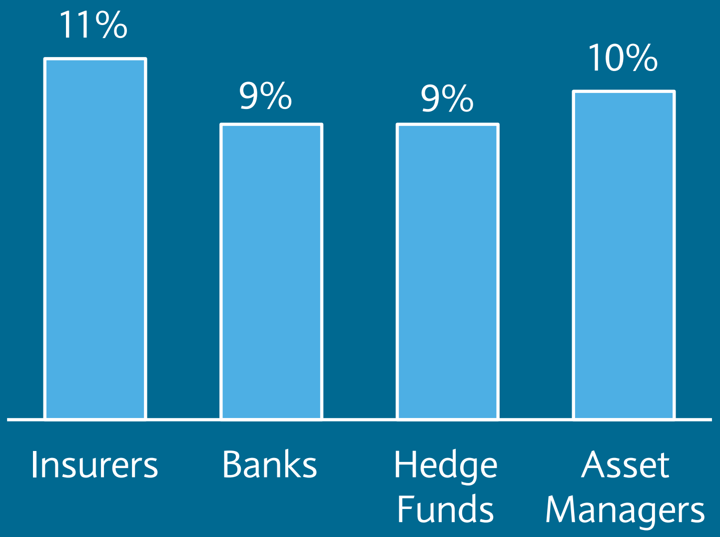
By region

Rank	1	3-4	4-5



By client type

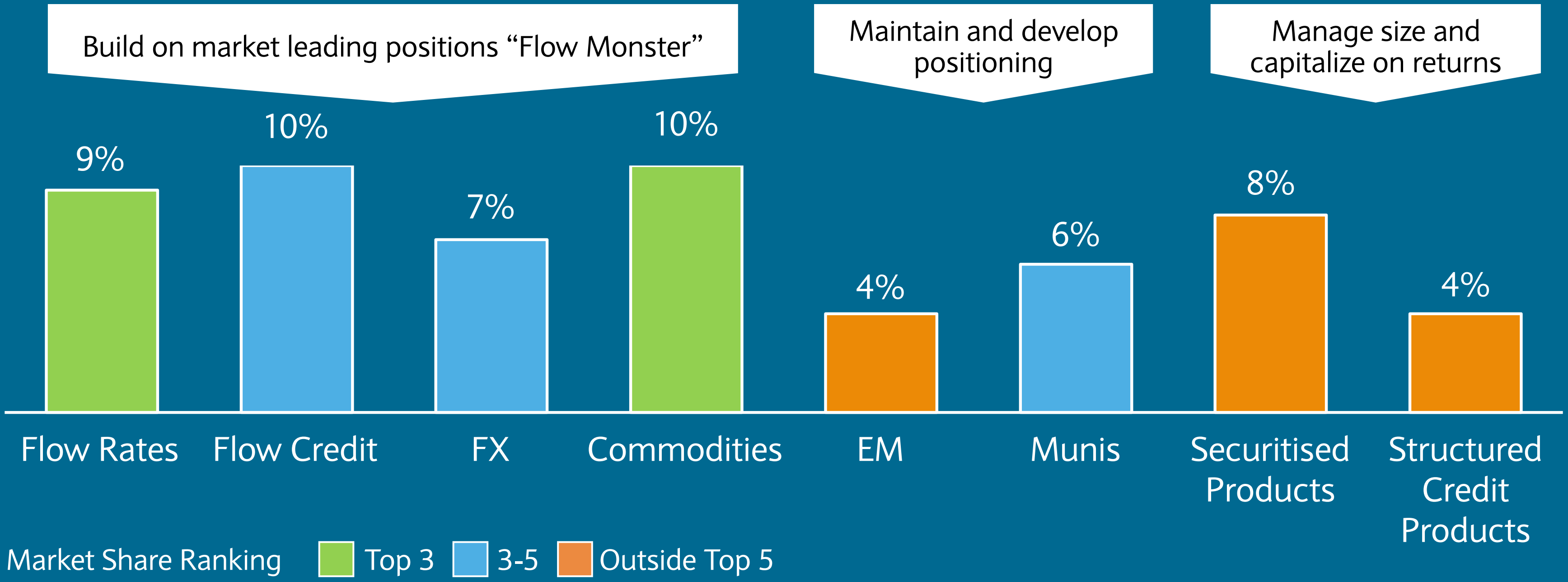
Rank	1	1-2	3-4	3-4



Source: Oliver Wyman, Coalition

We will continue to strengthen leadership positions in our balanced FICC business

FICC market share by business area (2010)



Source: Oliver Wyman, Coalition

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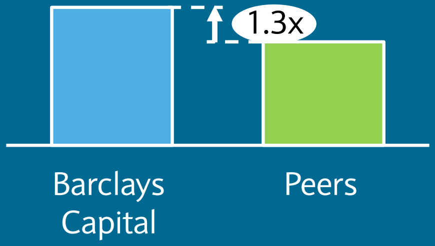
We have positioned businesses that will be impacted by Basel 2.5/3 in a way that limits future downside

Securitised products

- Controlled risk-reward position in residential business
- Focused on quality to generate higher returns than peers
- Retained recognition as a leading quality player
  - Securitization house of the Year in the Americas
  - #1 bookrunner of Global Securitised Products

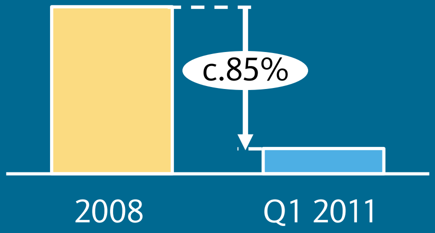
Relative return profile for Securitisation (2010)



Structured credit products

- Actively managed down the size of our bespoke exposures by 60% since 2009
- Fully exited out of the most esoteric exposures
- Reduced VaR by approximate 85% since 2008

Value at Risk



Source: IFR, Dealogic, Oliver Wyman

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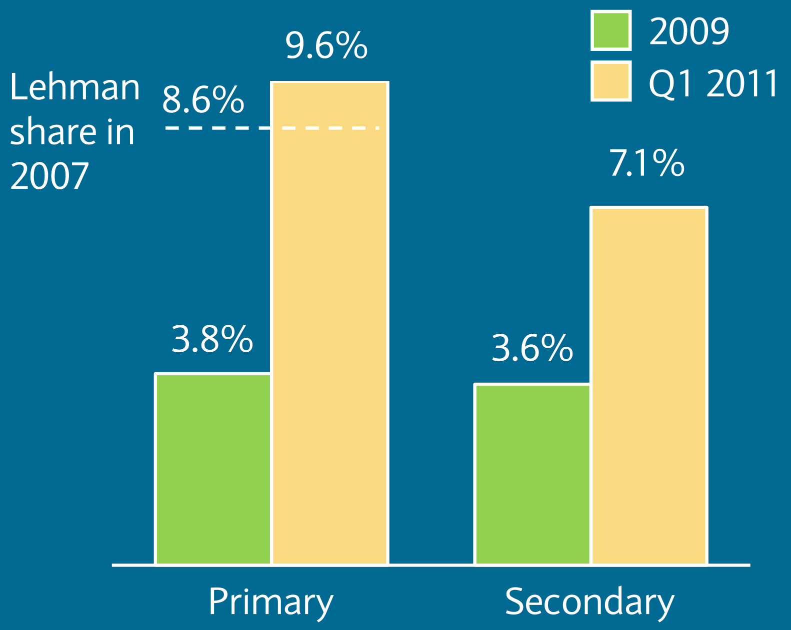
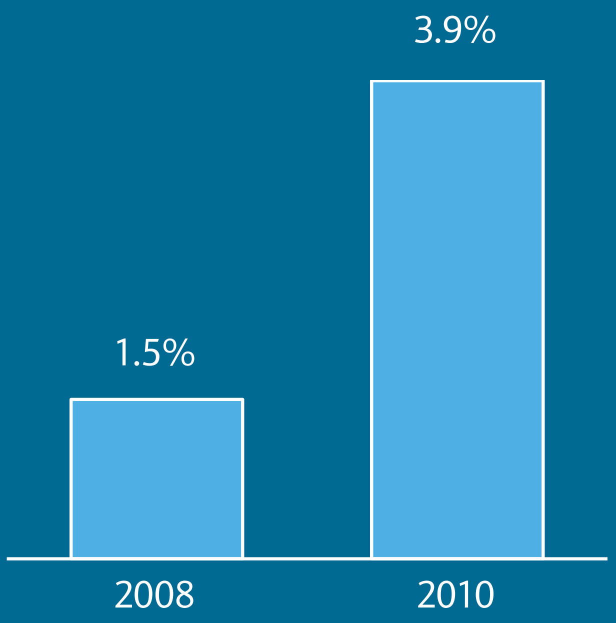
We are seeing strong momentum in Investment Banking and Equities

Americas Equities market share



Investment Banking global cash fee share



Source: Dealogic, Bloomberg

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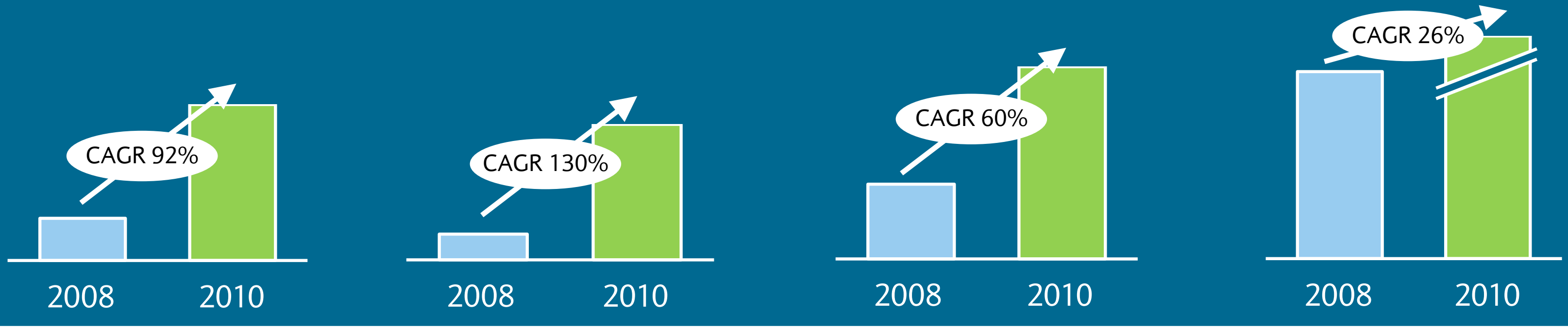
In Investment Banking we have posted impressive wins across the board

Cash revenue by business area

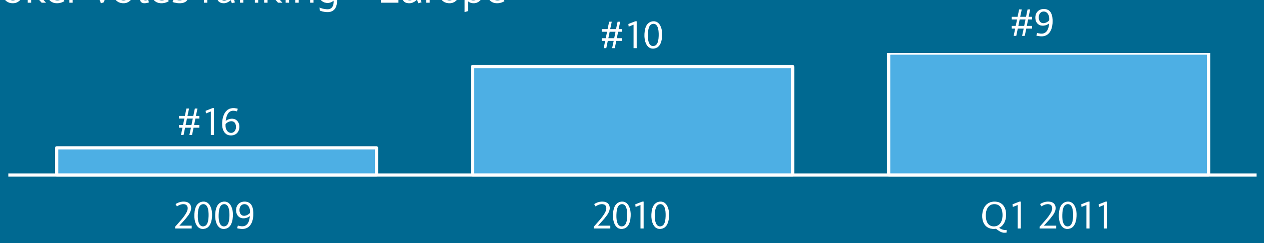
Mergers & Acquisitions | Equity Capital Markets | Leveraged Finance | Debt Capital Markets



Proportion of Barclays Capital IBD revenues				
2008	11%	7%	18%	64%
2010	18%	17%	21%	44%
Change in contribution	M&A and ECM: 18% to 35%		Debt businesses: 82% to 65%	

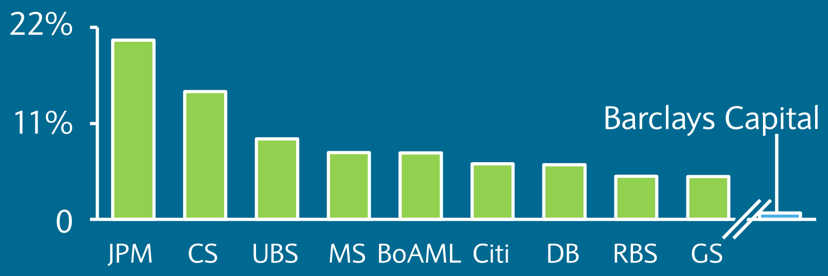
In Equities, we are seeing client momentum build and are on track to monetise this further

Equities broker votes ranking - Europe

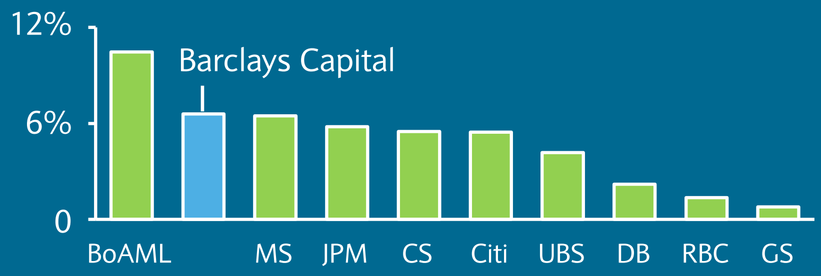


UK equity and equity-linked issuance as bookrunner

May 2010 (last twelve months)



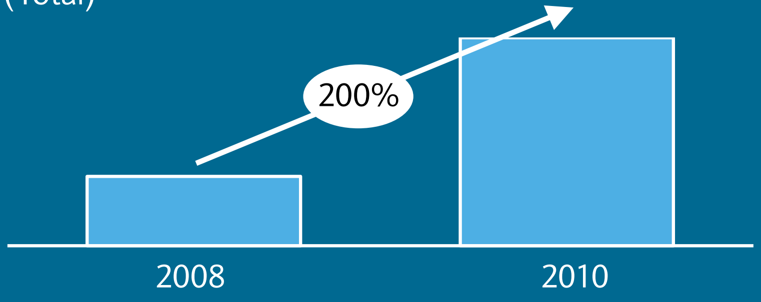
May 2011 (last twelve months)



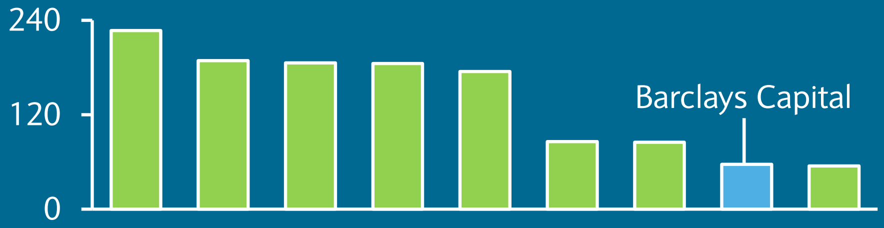
Source: Dealogic, Broker Votes

In Prime Services, we are leaders in fixed income and see a material upside in equity finance

Client Balances
(Total)



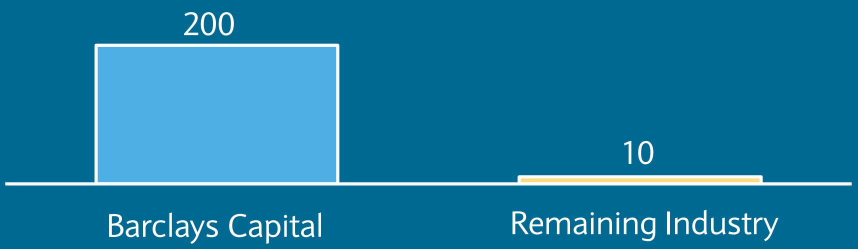
Equity Finance competitor revenues
(Q4 2010, £m)



#1 Ranked OTC Derivatives Clearing Provider

- 130 “Best in Class” Awards
  (out of a possible 144 Awards)
- Interest Rate and Credit Derivatives
  House of the Year Awards
- First to clear client trades at LCH and CME

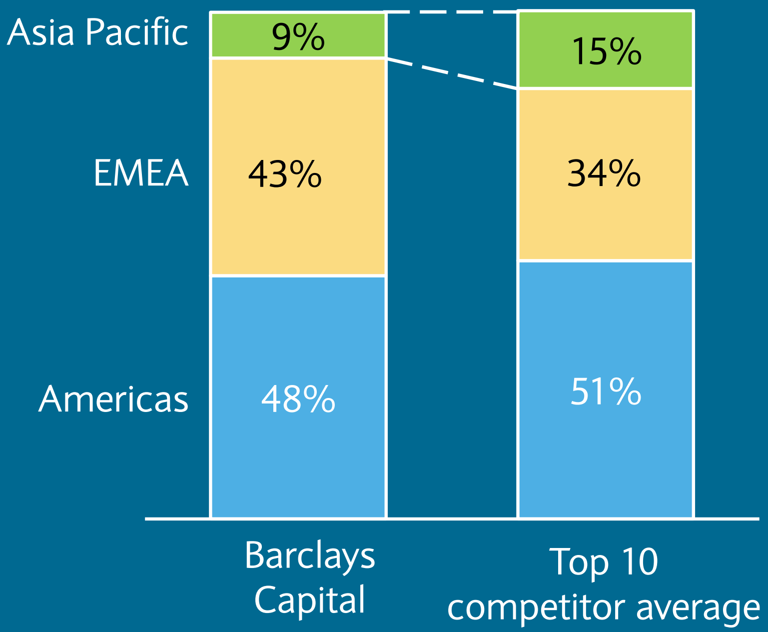
Notional value of IRS portfolio cleared for a buyside client (£bn)



Source: Coalition, CCPs, Global Custodian, Risk magazine, IFR

Continuing to strengthen our Asian presence is key to establishing a truly global franchise

Revenue contribution of regions (2010)



Source: Coalition

Asia Pacific build out plans

Equities

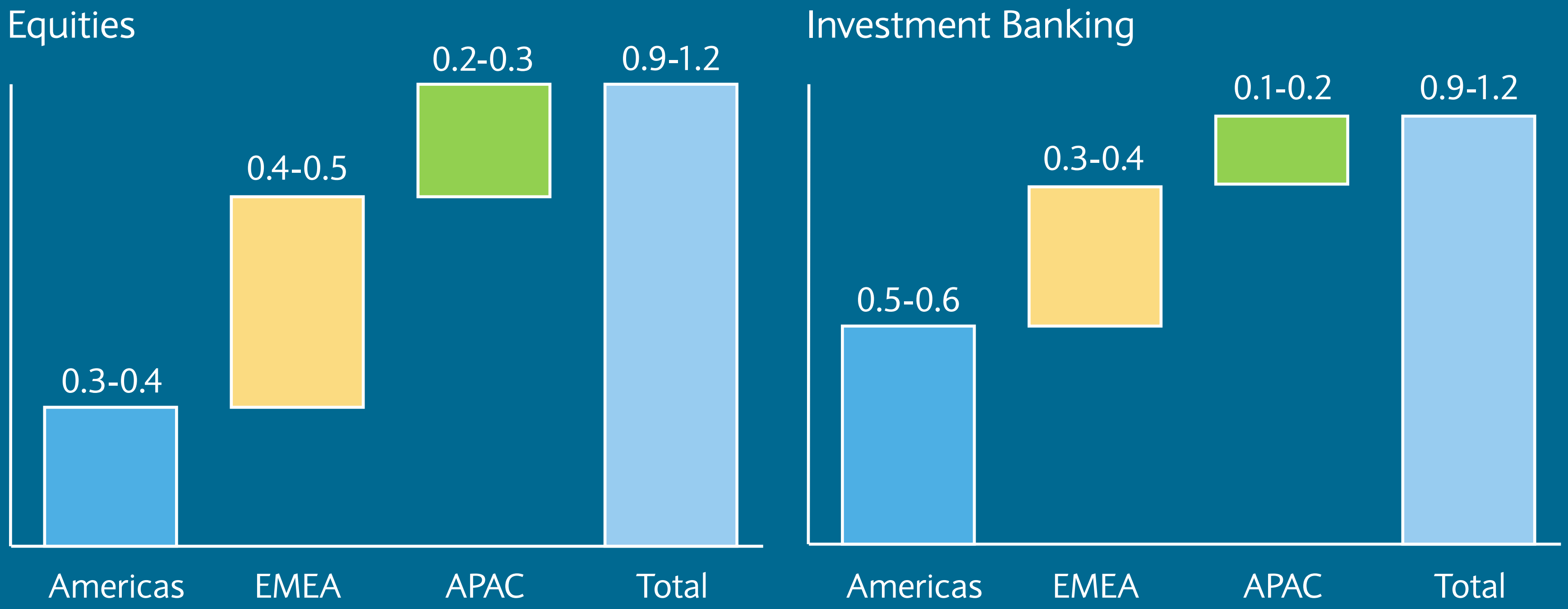
- Goal: Top 5 Equity franchise in Asia
- Build local presence in Japan, HK, India (live as of May), Korea (H2 11), Taiwan (H2 11)
- Develop research coverage (already covering 170+ stocks for Japan, 120+ stocks for ex-Japan)

Investment Banking

- Continue coverage build-out
- Increase focus on China
- Build Equity Capital Markets in line with Equities rollout
- Reinforce M&A through select hires
- Maintain strengths in DCM and RSG

In summary, we have realistic plans to deliver our revenue growth targets

Projected Revenue Growth (£bn)



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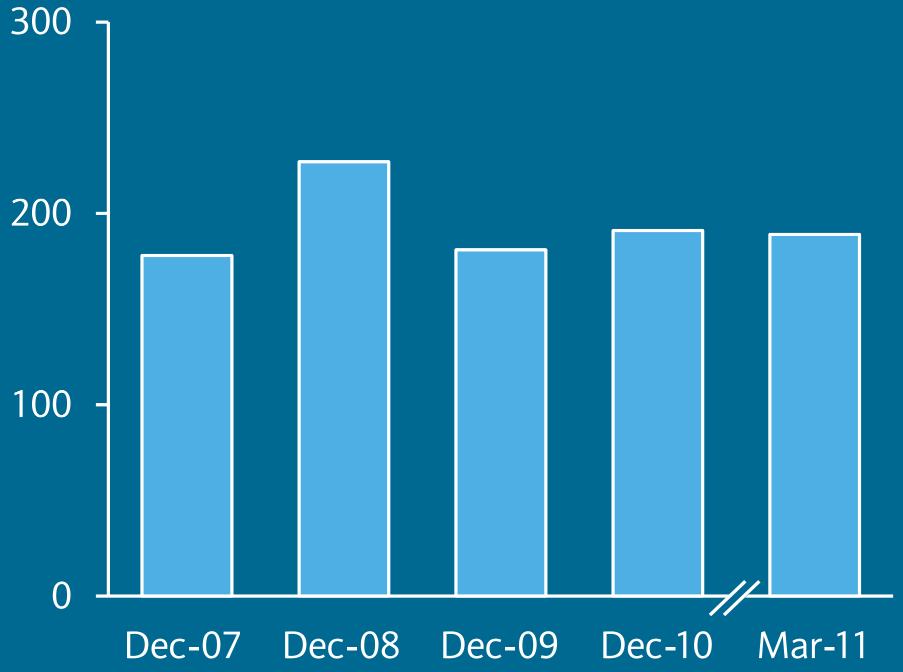
We will continue to manage capital on a proactive basis as we have done in the past

Risk weighted assets (£bn)



For same period (2007-2010)	
Growth in RWAs	7%
Growth in top-line income	54%
Growth in PBT ex own credit	162%

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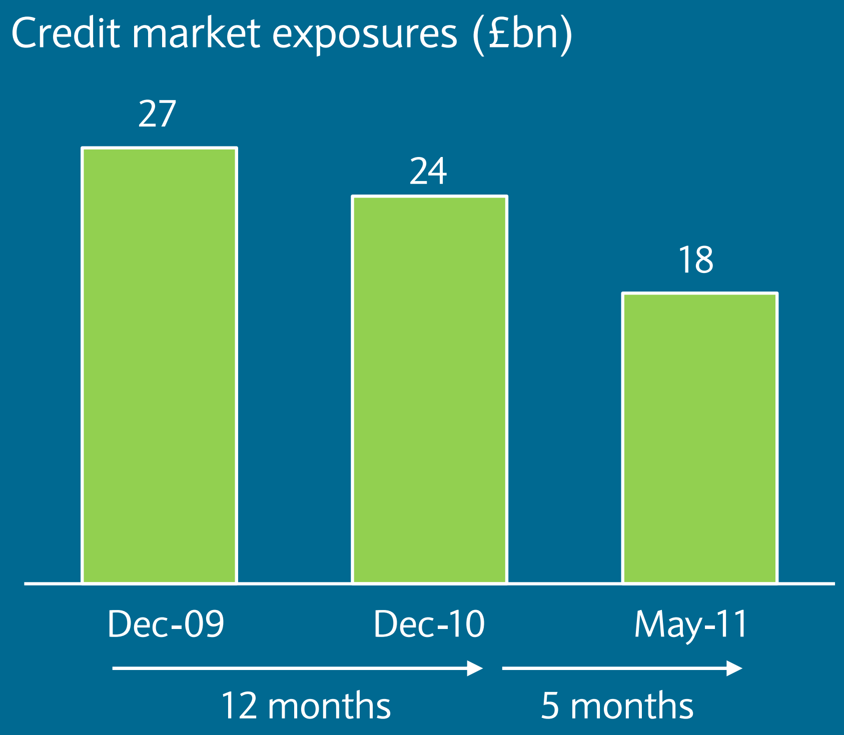
This includes the continued sell-down of legacy assets



Activities in Plan

- Accelerated sell-down of Protium assets following recent restructure
- Targeted reductions in illiquid credit assets
- Continued divestment of commercial real estate portfolio
- Further reductions in leveraged loan portfolio

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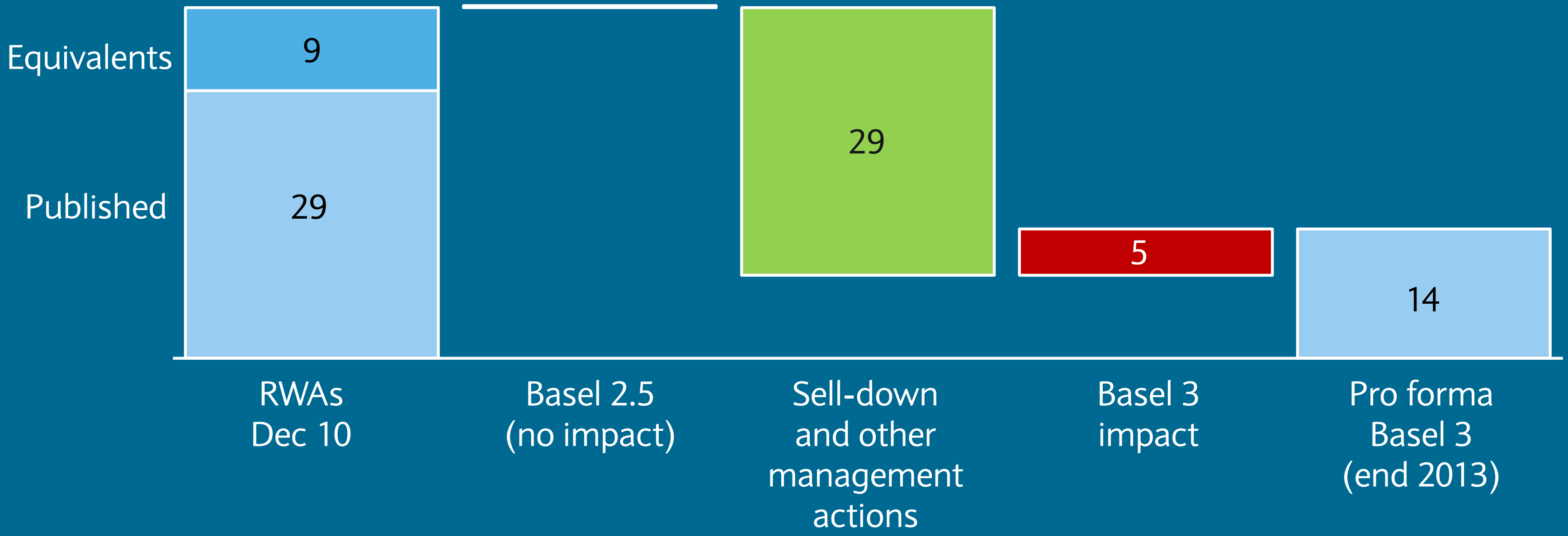
Which will further reduce legacy asset RWAs by 2013

Expected legacy asset RWAs (£bn)



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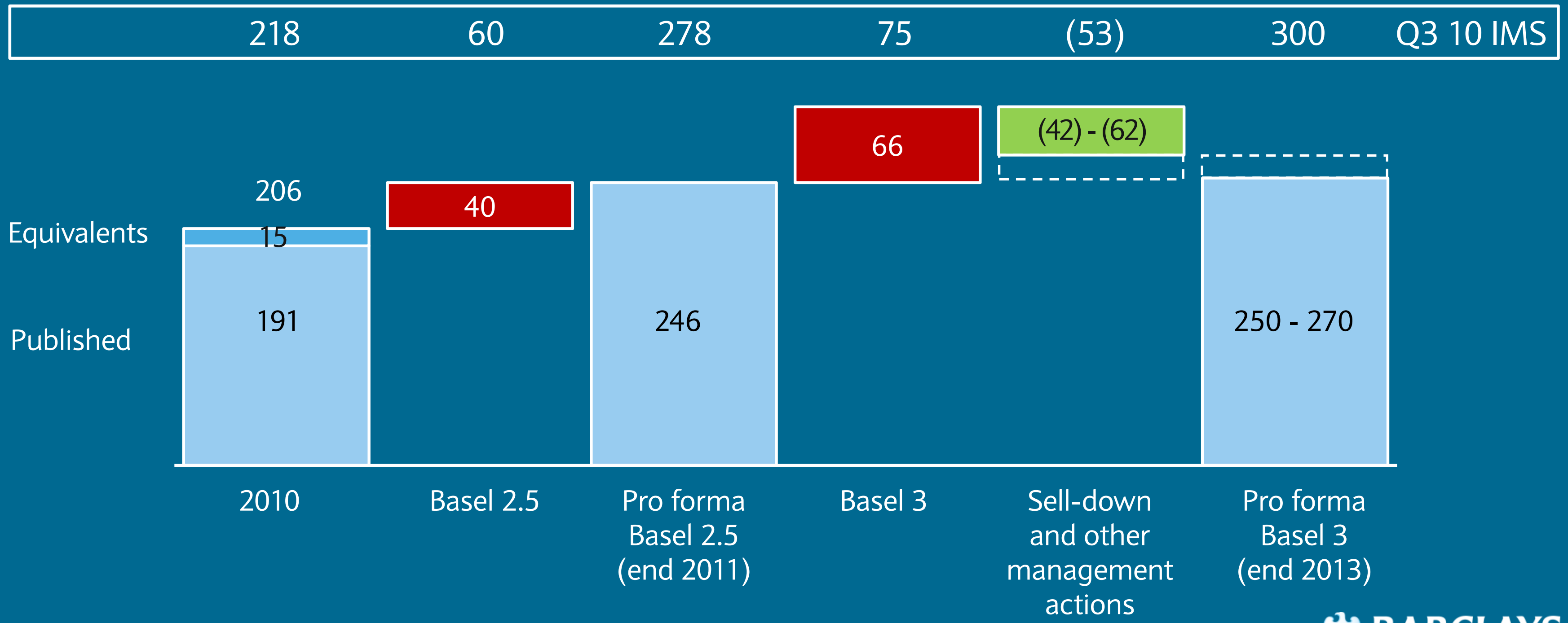
We are confident in our ability to manage RWAs to absorb Basel impacts

Pro forma RWA requirement due to changes in regulation (£bn)



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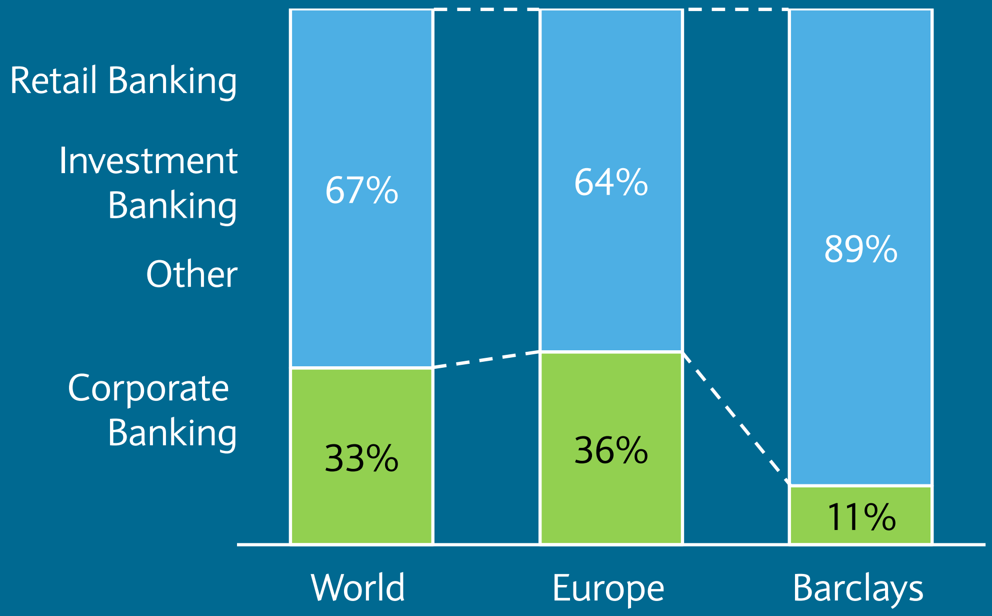
We re-positioned Barclays Corporate to capture the significant opportunity

Banking revenue pools (2009, £bn)

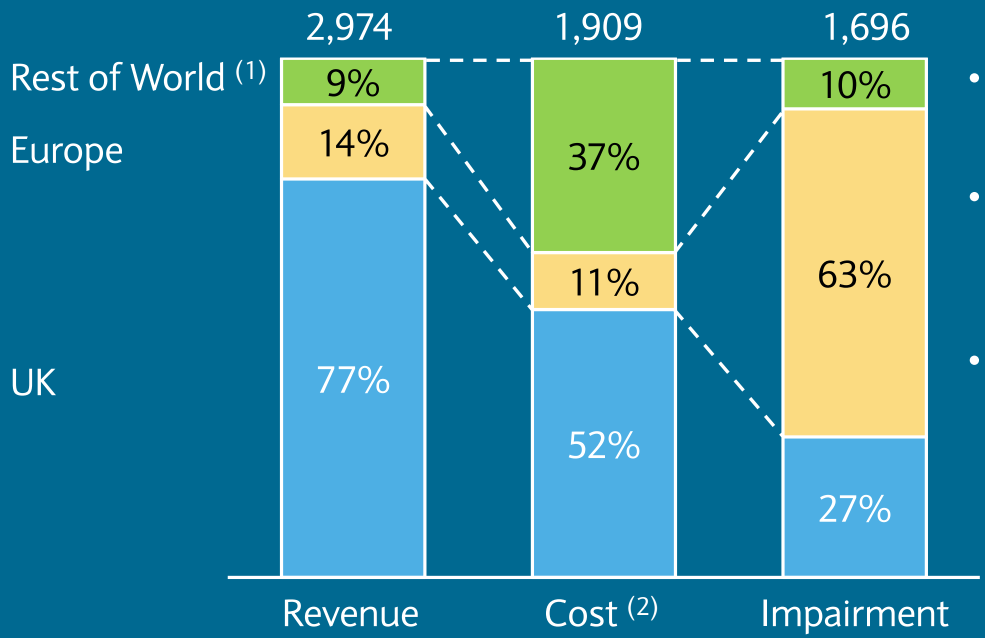


- The global corporate banking market represents a significant opportunity for Barclays
- We established Barclays Corporate as a distinct entity in 2010 to provide the required focus to better serve our corporate clients
- The key objective is to build on existing strengths to achieve top tier profitability

Source: Annual results, McKinsey Global Banking Profit Pools

While the UK franchise remains strong, Europe and Rest of the World generated high impairment and cost

Barclays Corporate results (2010, £m)



- Revenues driven largely by our strong UK franchise
- Costs up due to good-will write-down in Russia and restructuring charges across rest of the world
- Impairments high primarily in Europe

(1) Rest of the World includes India, Pakistan, the UAE, Russia (selling Barclays Bank Russia), Indonesia (exited)
(2) Includes VocaLink associate

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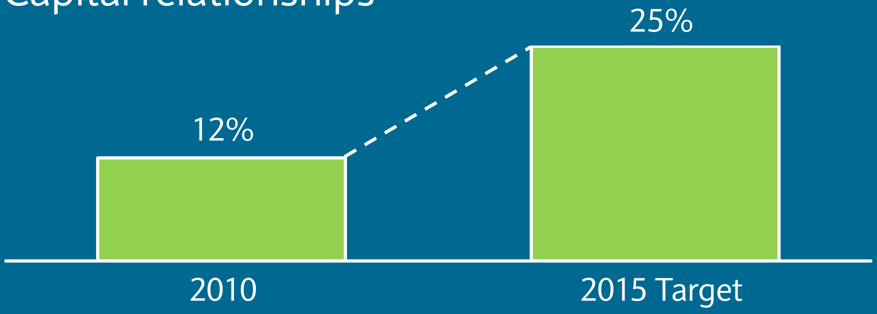
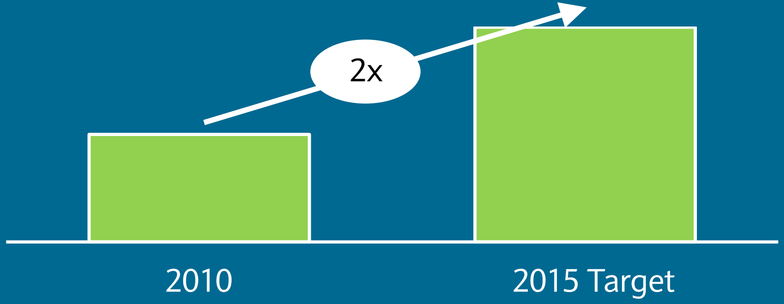
Our international strategy is to utilise existing Barclays capabilities to drive revenue while optimising costs

Penetration of subsidiaries of Barclays Capital relationships

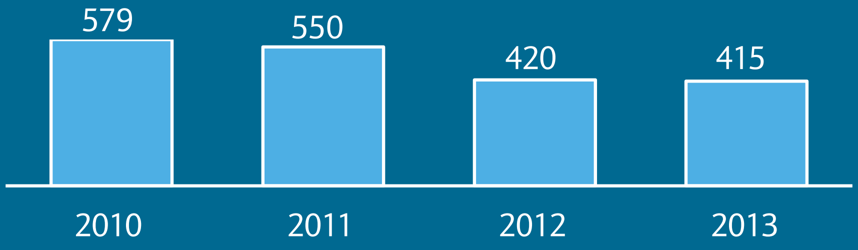


Revenues from existing Barclays Capital relationships



Europe and Rest of World cost base

£m, ex-goodwill and impairment



- Low cost client servicing model using joined-up client coverage and co-location with Barclays Capital

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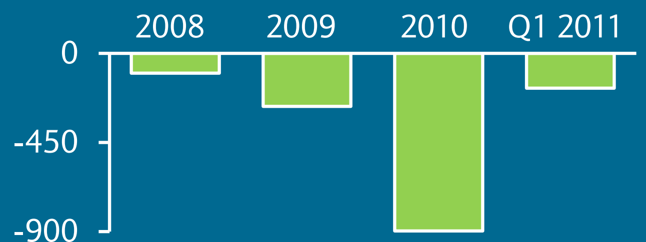
Spain is an attractive market and we have taken decisive action

De-risked the portfolio

- Actively managing underperforming portfolio via dedicated team of over 100 risk specialists in Madrid
- Proactively selling off biggest exposures in portfolio
- Reduced exposure to property lending by £0.9bn since H1 2010

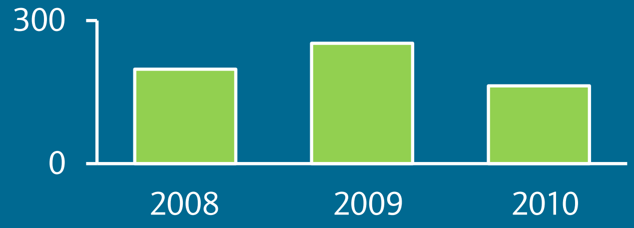
Spain impairments (£m)



Still an attractive market

- Biggest corporate franchise outside UK for Barclays
- Well established ground coverage (220 FTEs)
- Fundamentally strong relationships with biggest clients in most attractive segments
- Core to pan-European strategy

Spain revenues (£m)



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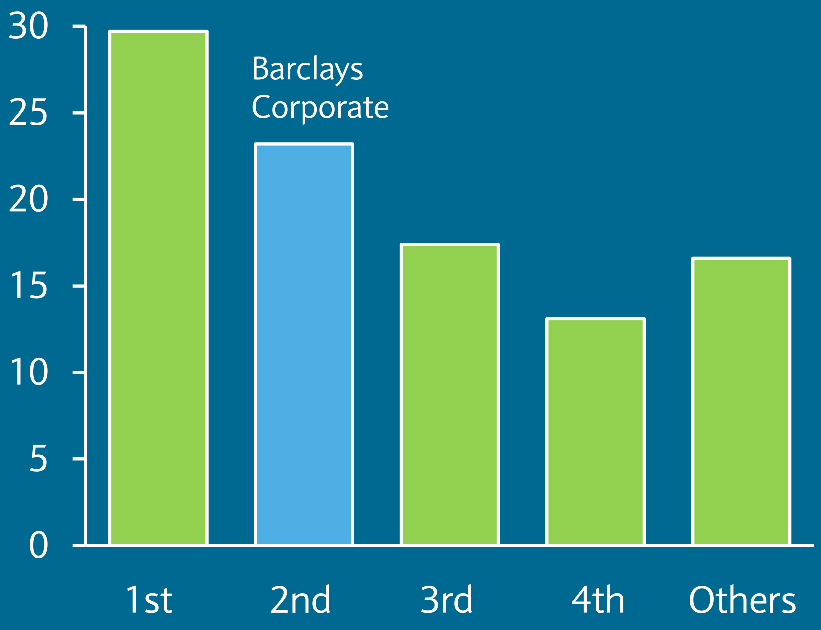
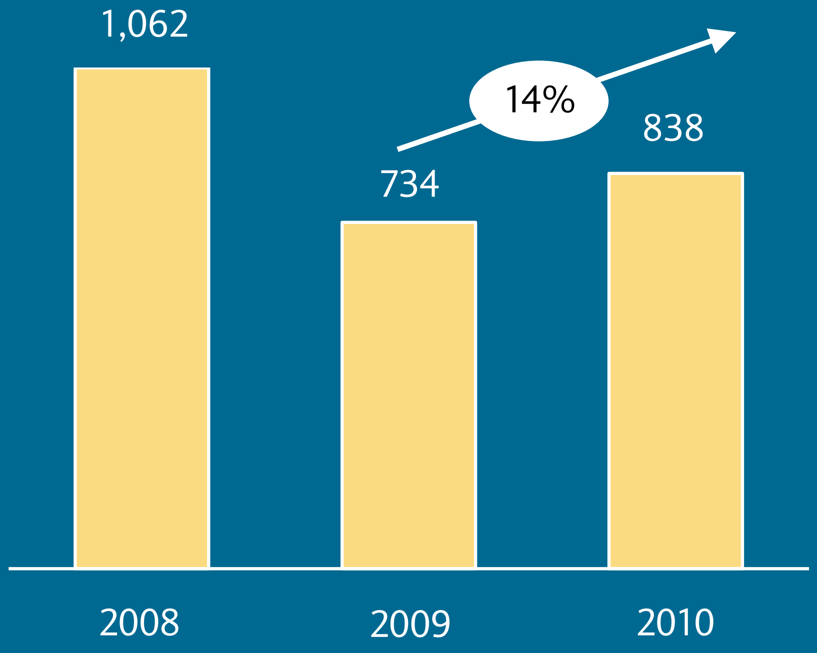
Consolidating our strong position in the UK is central to our strategy going forward

UK market share of primary banking relationships (%, 2010)



UK PBT (£m)



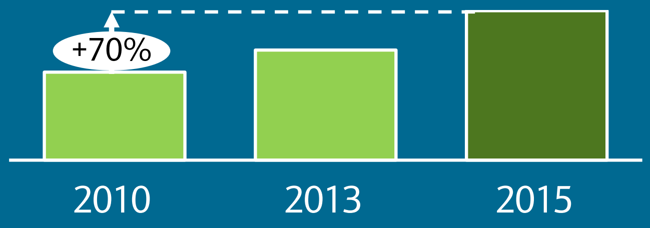
Source: FAME

We are investing in capabilities to support our UK and international strategies

Cash Management

- Developing market leading capabilities and addressing gaps
- Building Barclays.net to consolidate electronic channel proposition
- New product offerings include liquidity (deposits) and payments (domestic and international)

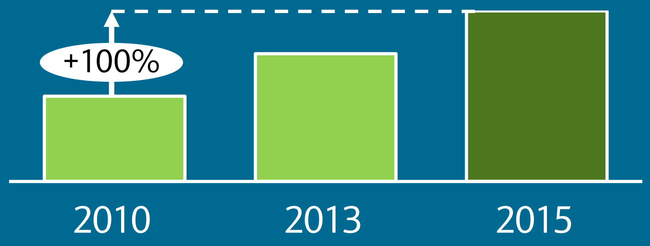
Estimated revenue uplift



Trade Finance

- Building on existing strengths to capture market leadership in UK and become a top 5 global trade provider
- Leveraging Barclays Group's geographic reach to expand client base
- Broadening product suite
- Ensuring disciplined use of capital

Estimated revenue uplift



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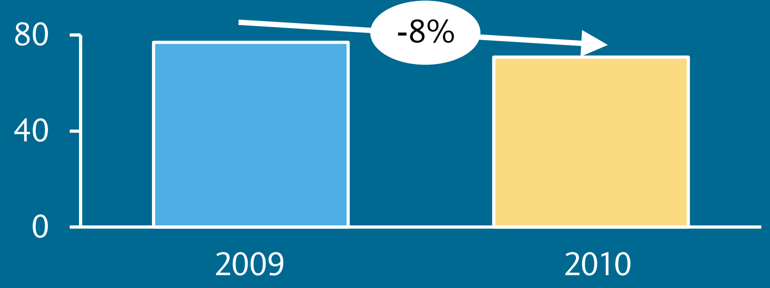
We are actively managing capital

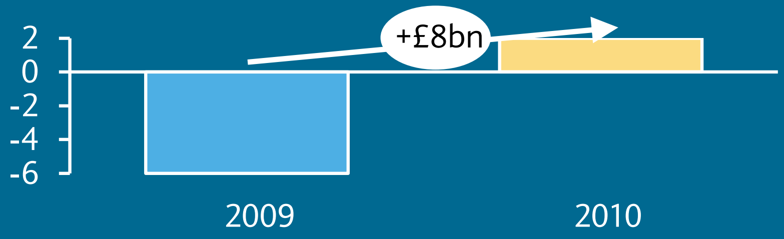
Barclays Corporate RWAs (£bn)



Disciplined RWA utilisation

- Freed up capital to deploy towards higher return businesses
- Improved the quality and maintained the size of overall loan book

UK funding balance (£bn)



Closed the UK funding gap

- Significant growth in customer account balances as a result of 21% increase in current account deposits
- Deposit growth of c. £6bn achieved through product innovation (e.g. Flexible interest bearing current accounts)

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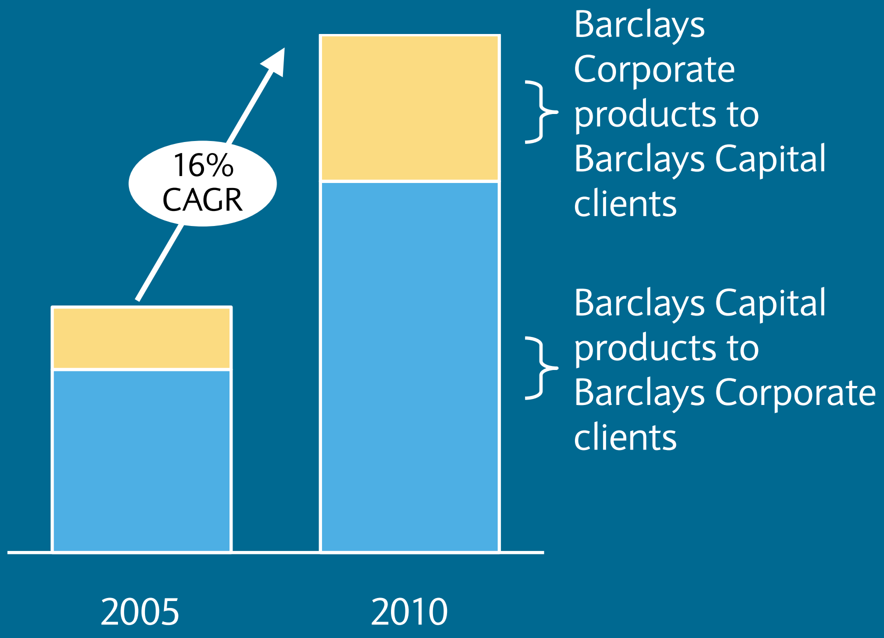
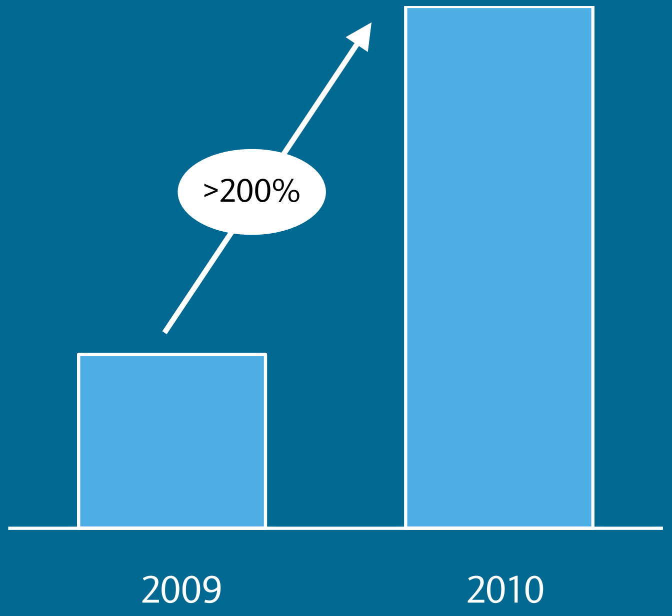
We are well placed to capitalise on revenue synergies between Barclays Capital and Barclays Corporate

Cross-sales between Barclays Capital and Barclays Corporate



Revenues from ECM and DCM transactions with Barclays Corporate clients



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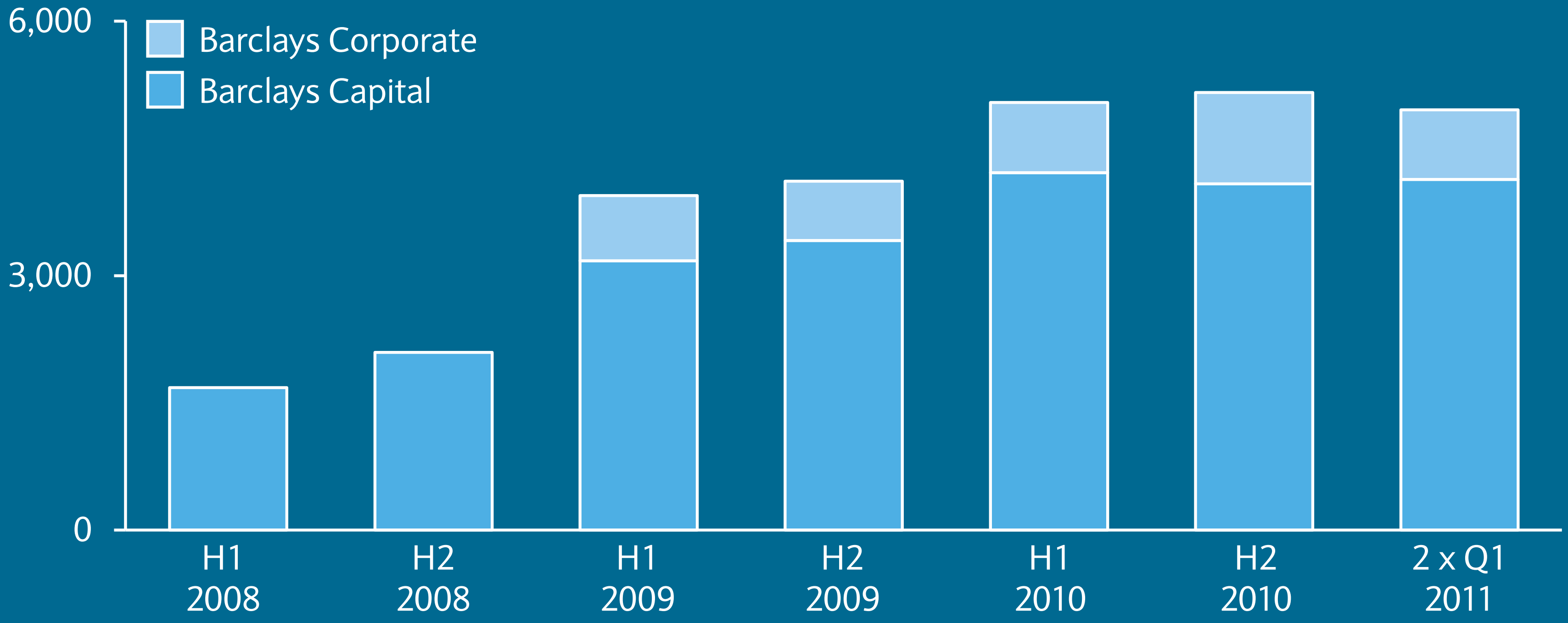
With our investments nearly complete, we believe that our cost base has now stabilised

Total Cost Base (£m)



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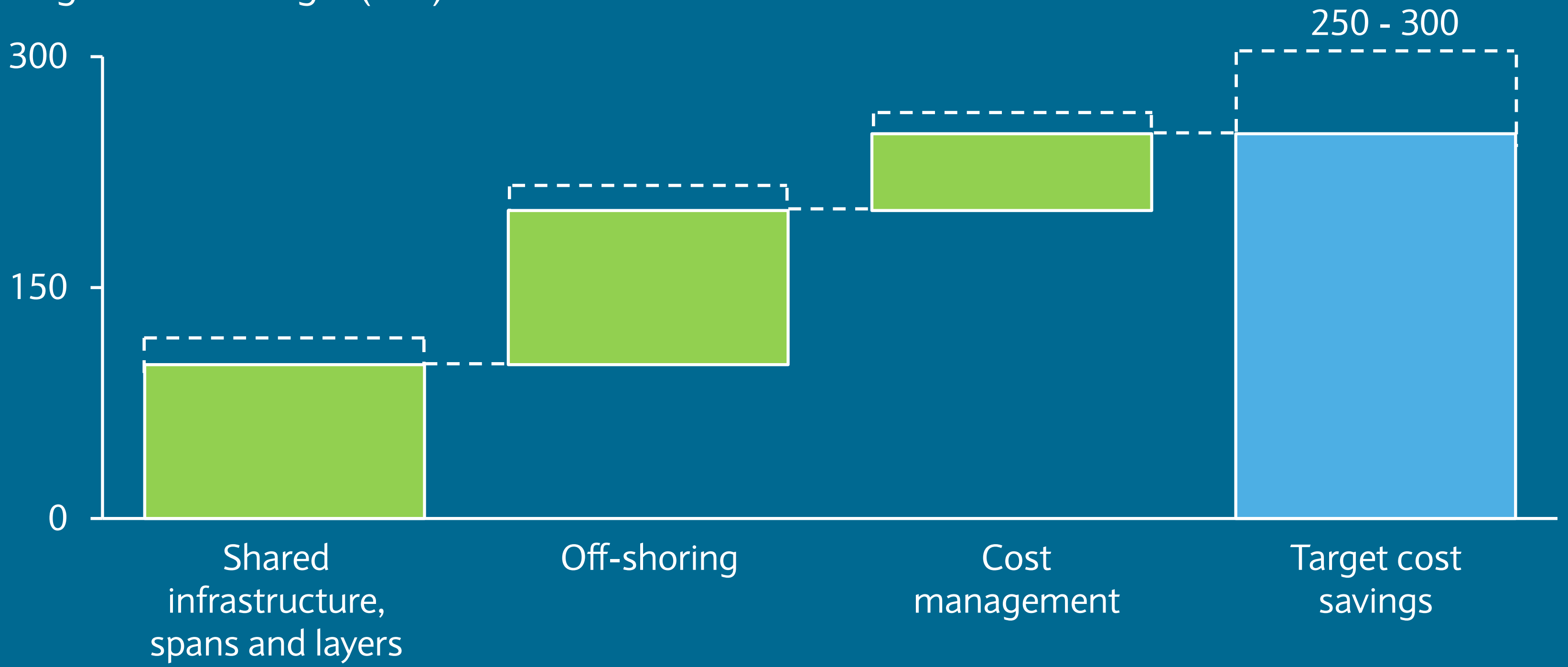
Cost synergies between the businesses will enable us to deliver £250-300m in run-rate efficiencies

Target cost savings (£m)



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Our commitments - Corporate and Investment Banking

Barclays Corporate

Returns
- 11% global RoE
- 14% UK RoE

Income
- Strong growth in cash management, trade finance and cross-sales

Cost management
- ~50% overall cost: income ratio

Barclays Capital

Returns
- 15% RoE on Basel 3 basis

Income
- Gaining market share in Equities and Investment Banking
- Maintaining FICC

Cost management
- 60-65% cost: net income ratio

RoE commitments based on a 10% CT1 capital allocation

Barclays Wealth

Thomas L. Kalaris, Chief Executive

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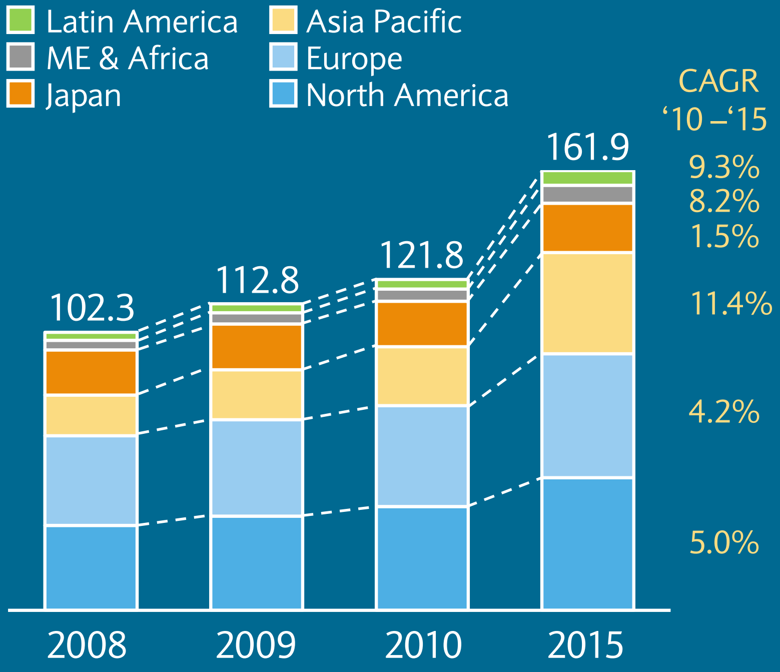
A highly attractive opportunity

Revenue and PBT (£bn)



Industry Trends

- Demographically driven growth
- Fragmented competitive landscape
- Industry in flux
- High quality revenue stream and capital efficiency

Source: BCG World Wealth Report 2011

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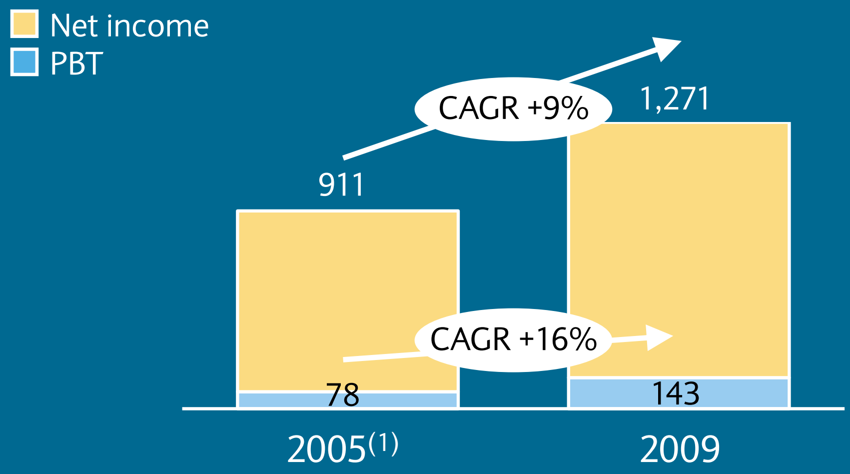
A record of delivery

Net income and PBT (£m)



Client Assets	£98bn	£151bn
Client Facing Professionals	690	1,596

- Established in 2005 from legacy businesses
- Transformation from "banking plus" to full service wealth manager
- Significant expansion in footprint
- Grew from 27th largest wealth manager globally to cusp of Top 10

(1) Excludes Life business

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An ambition to build a “top tier” wealth manager

Objectives
Market leading reputation for performance and service
Material increase in scale
Meaningful contribution of Wealth to Barclays PBT

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A focused definition of top tier

Segmentation / Scale

- HNW private client orientation
- Significant scale in target segment
- “Large boutique” player

Proposition

- Leading edge behavioural finance techniques
- Focus on “intelligent performance”
- Technologically-enabled approach to client service
- “One bank” approach

Geographic Alignment

- Compelling footprint aligned to large and high growth markets
- Targeted approach to investment and growth
  - US
  - UK
  - Global HNW

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A differentiated proposition

What

1. A step change in the client experience
2. A significant increase in productive capacity

How

- Institutional calibre client advisors
- Leading edge investment approach
- Seamless client processes
- Robust and scalable execution
- Integrated client knowledge

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The strategy delivers a "one firm" approach

1. Infrastructure and platforms

- Banking and payments utility
- Cards engine
- Shared services construct
- Common infrastructure platforms

2. Referrals and coverage

- Retail network referrals
- Bilateral arrangements with investment banking and Barclays Corporate
- Joint coverage approach to key clients

3. Expertise and execution

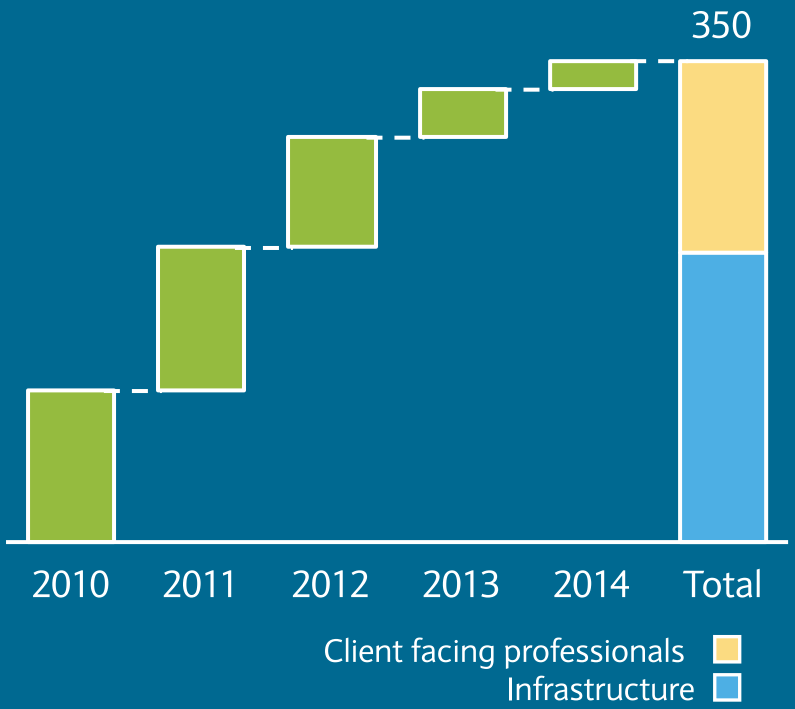
- Research
- Distribution
- Risk management and capital markets expertise
- Investment and product engine

Seamless integration

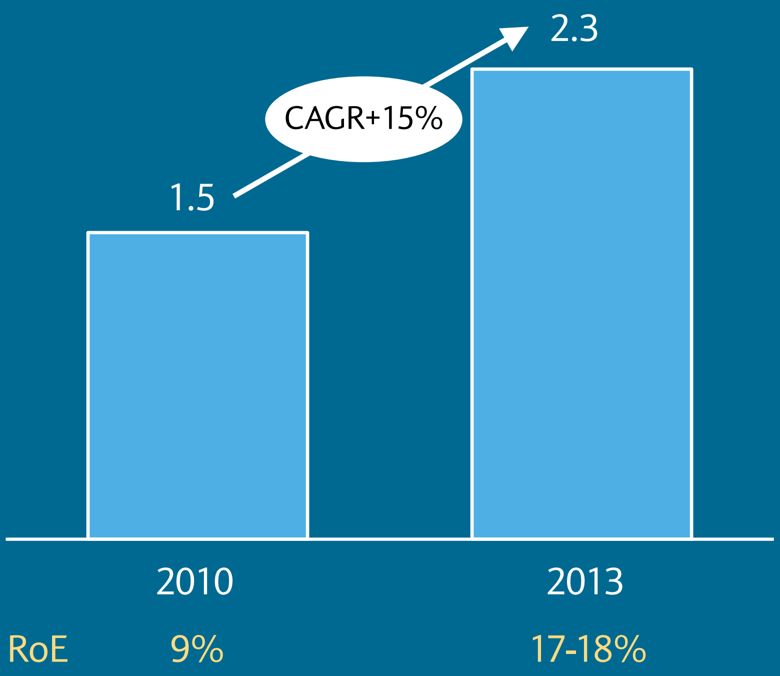
- Total integration of service and approach
- Seamless view of financial and business assets
- Single point of relationship management

Project Gamma is a programme of investment to deliver against the ambition

Investment profile (£m)



Net income and return trajectory (£bn)



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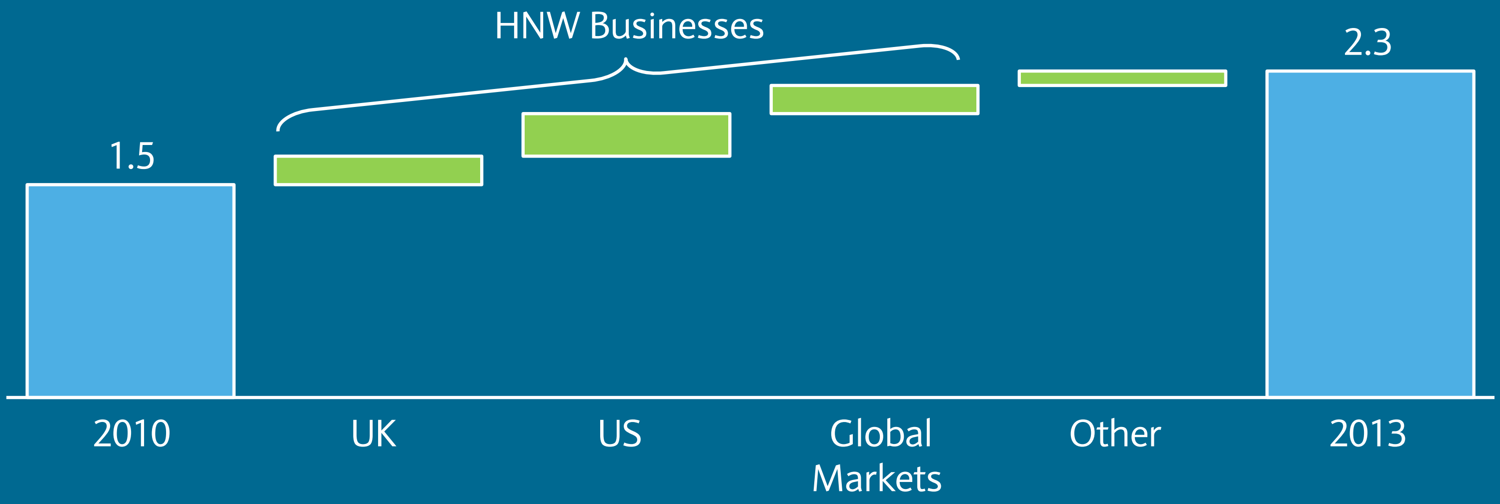
Investment is focused on growing the HNW segment and proposition

Net income bridge (£bn)



	2010	2013
Deposits £bn	45	50-60
AuM £bn	119	170-200
Margin	~90bps	>90bps

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The first 15 months of delivery are on track versus plan

Hiring and Productivity

15 Month Hiring Record

US	82
UK	84
Global HNW	119
Total	285

2009-10 YoY Productivity Uplift

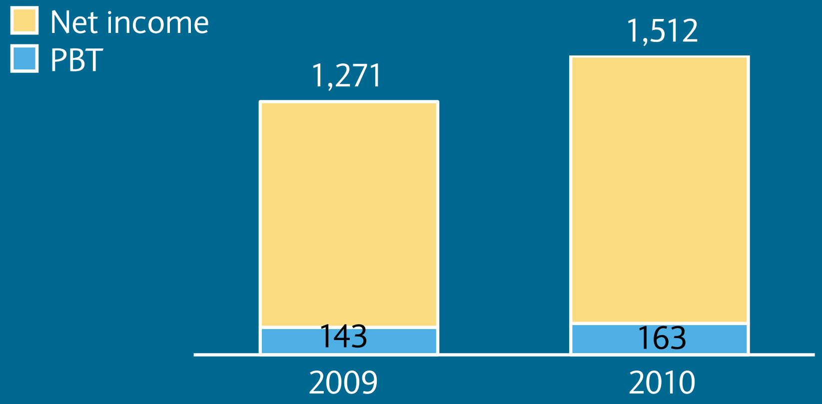
RM	19%
HNW RM	31%

Platform

- Extensive data remediation
- New client on-boarding tool
- Roll-out of CRM platform
- Deployment of portfolio management system
- End-to-end upgrade of credit and margin process

Financial performance has been strong

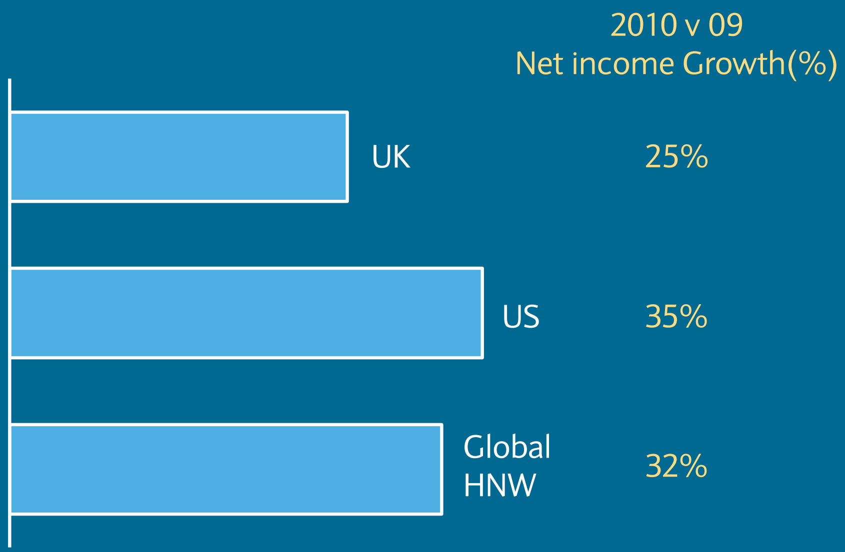
Financial Performance (£m)



Gamma spend - £112m

	YoY
Net income	+19%
PBT	+14%
Client assets	+8%
HNW RMs	+8%

HNW Business Performance



	YoY% Growth
Client Assets	15%

Execution and growth in new markets has been robust

INDIA
- One of the fastest growing "new" markets
- Broad-based Barclays footprint
- Launched Wealth onshore business in 2008
- Expected to enter Top 5 by 2012

JAPAN
- Second largest Wealth market globally
- Historically foreign brands have been unsuccessful
- Launched joint venture with SMBC in 2010

APAC
- 44% YoY revenue growth
- High profile senior recruitment
- Major platform upgrades
- Strong partnership with Barclays Capital

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Our commitments

Income growth	Mid-teen compound annual growth
Cost management	<80% CIR
Strong returns	17-18% RoE
World class franchise	£250-300bn in client assets Strong net liability position High quality earnings stream

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Achieving our targets

Chris Lucas, Barclays Finance Director

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Income – growth initiatives

RBB	BarCap
£1.5-2.0bn additional income by 2013	**£1.8-2.4bn** additional income from Equities and IB by 2013

BarCorp	Wealth
£0.5-1.0bn additional income by 2013	**£0.5-1.0bn** additional income by 2013

£4.3-6.4bn

additional income target

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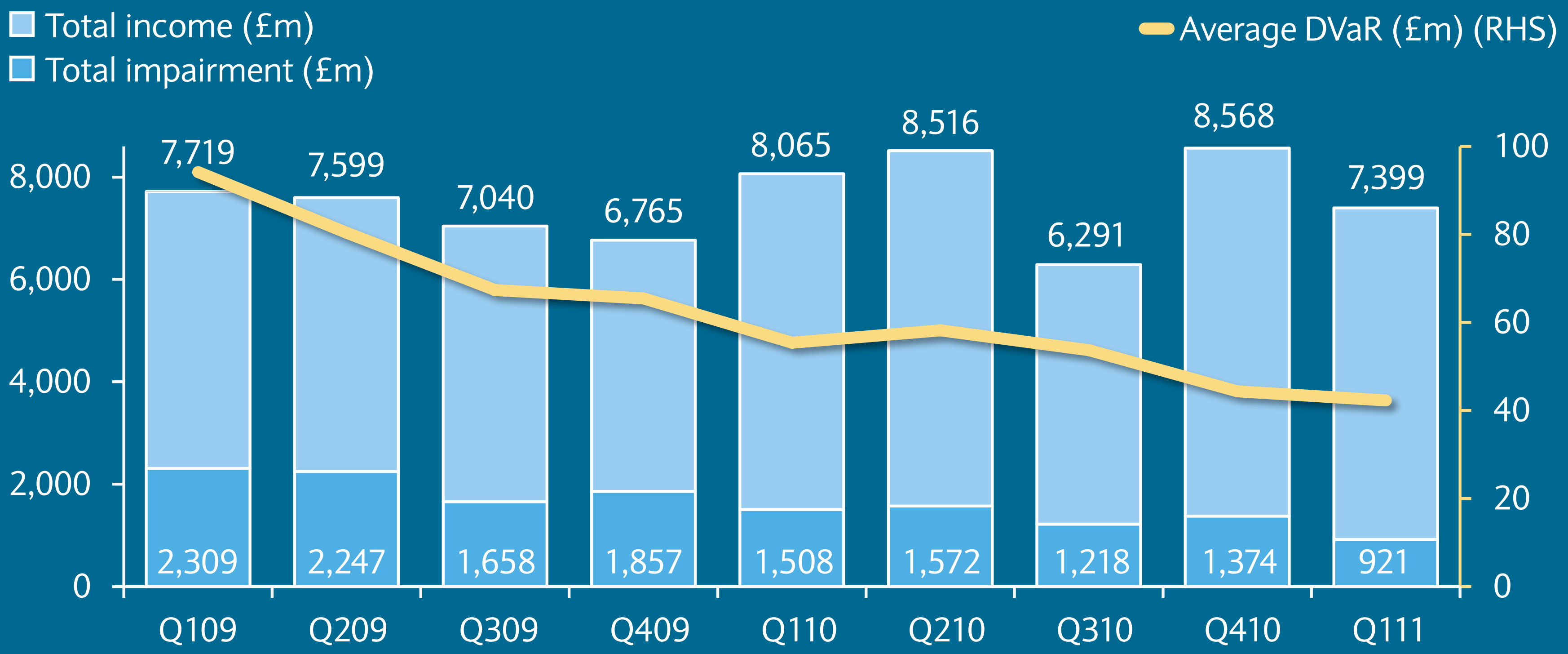
Maintain focus on risk-adjusted income



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Key operating expenses initiatives

- Cost reduction principles
  - One Barclays
  - Reducing complexity
  - Synergies and economies of scale
- Up to £2bn of potential savings identified by 2013 relative to original run rate plan
  - At least £1bn to be delivered by 2013

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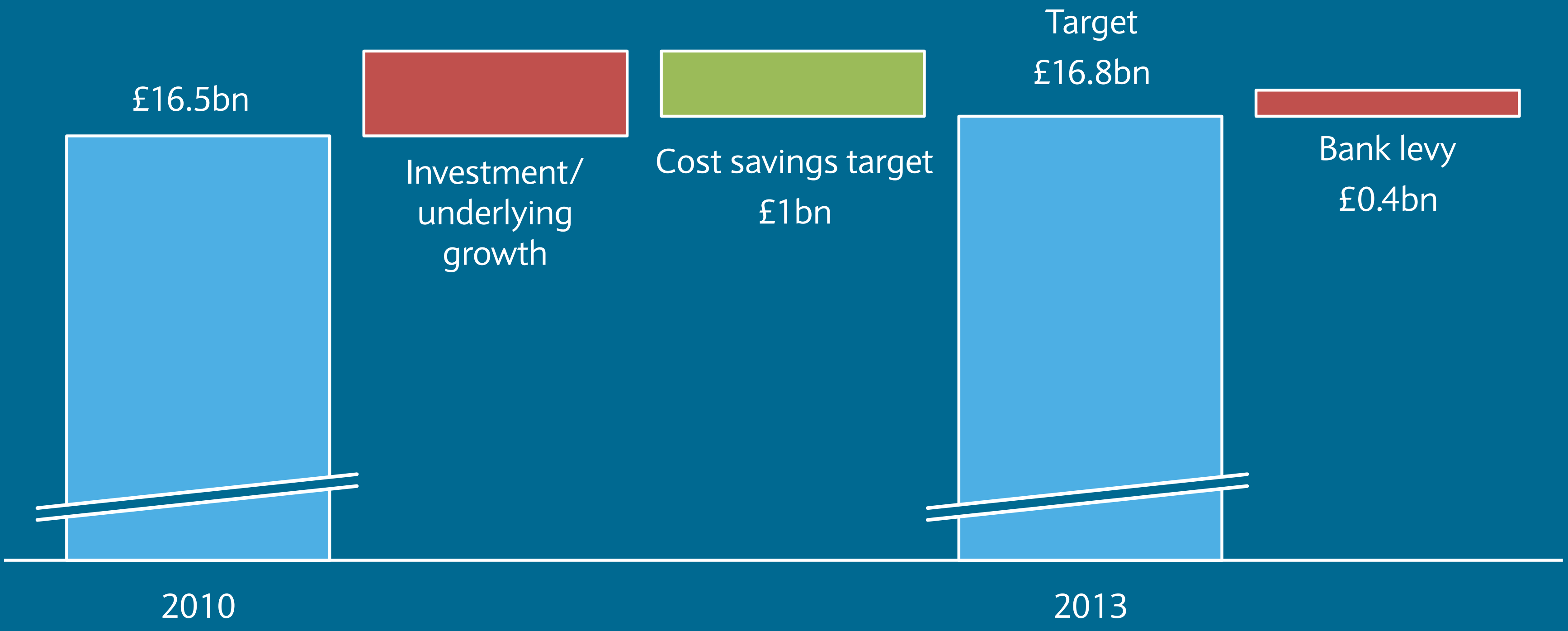
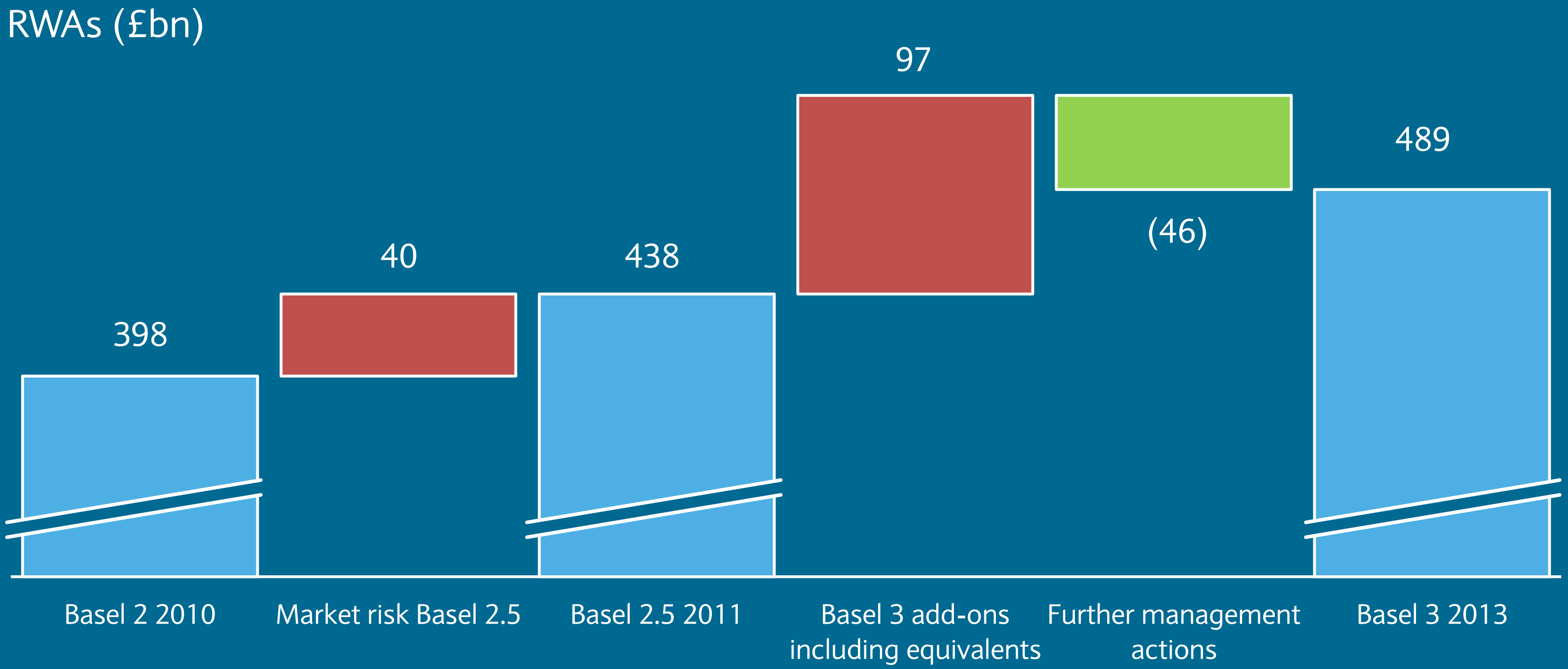
Operating expenses

Non performance costs – pro-forma



Risk Weighted Assets pro forma under Basel 3



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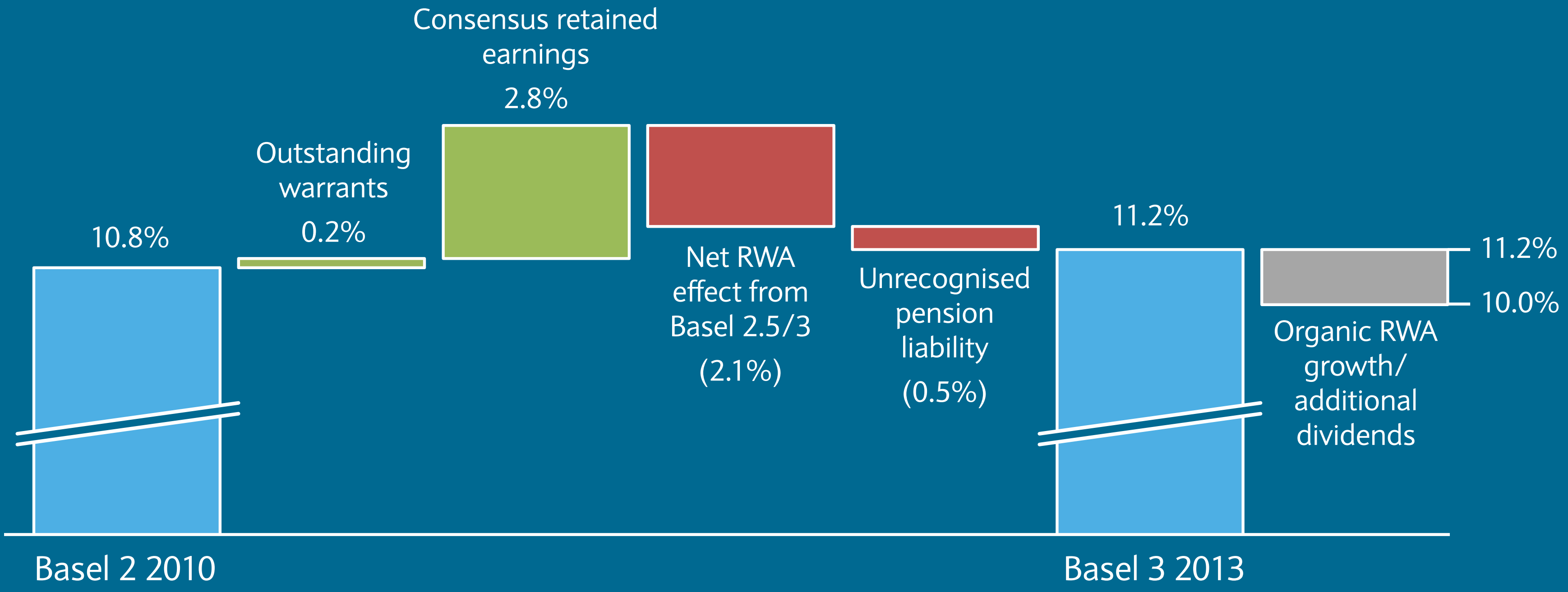
Capital path

Pro forma Core Tier 1 ratios under Basel 3 at 31 December 2013



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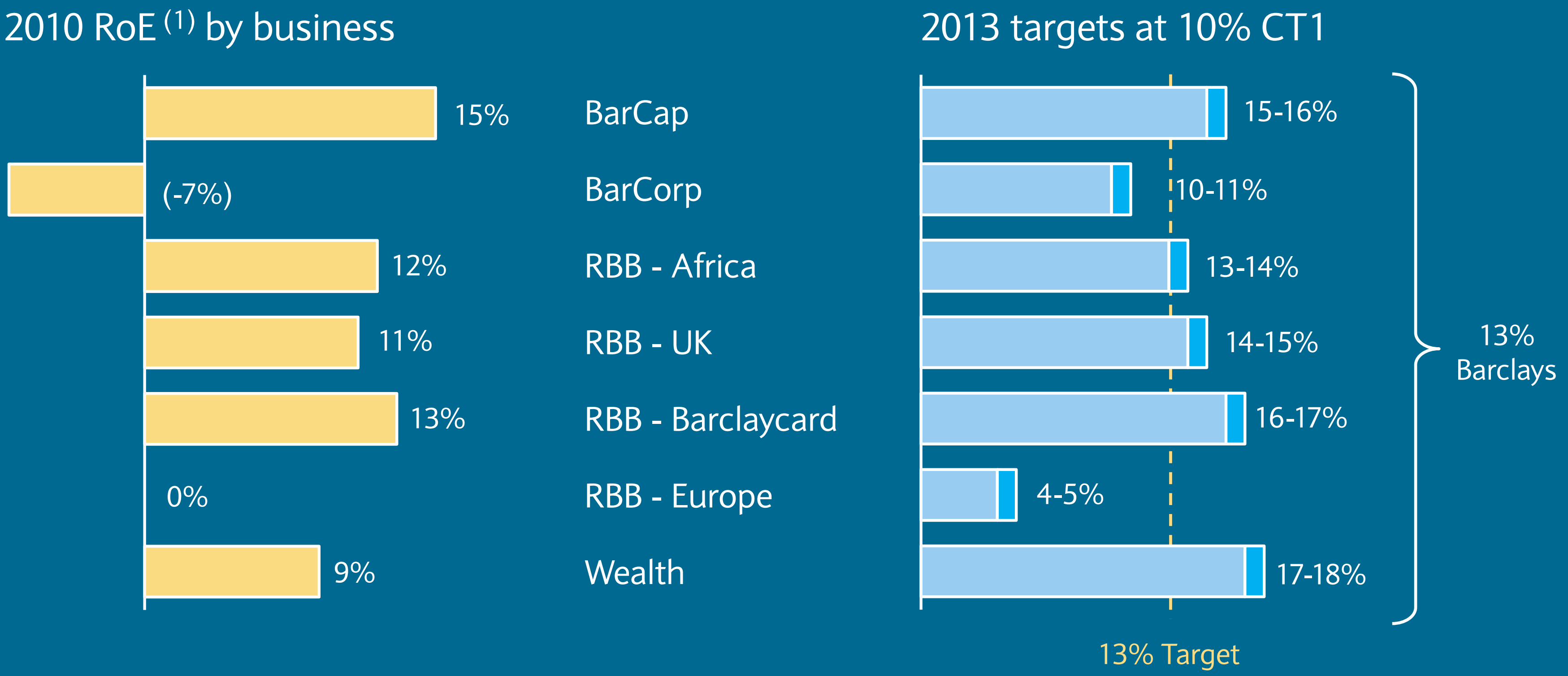
Roadmap to 13% RoE by business



[1] Published RoE adjusted for 10% CT1 capital allocation

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Citizenship

Bob Diamond, Barclays Chief Executive

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Appendix

Chris Lucas, Barclays Finance Director

Notes

Slide – Risk Weighted Assets pro forma under Basel 3

- 2013 pro forma RWAs are presented for illustrative purposes only.
- The Basel 3 RWA add-ons are estimates based on current interpretation of Basel 3 proposals and include RWAs for counterparty credit risk, securitisation deductions and 250% risk weighting for Deferred Tax Assets, Material Holdings and Mortgage Servicing Rights (below 10% of Core Tier 1 threshold).

Slide – Capital path

- 2013 pro forma Core Tier 1 ratios are presented for illustrative purposes only.
- Consensus estimates for retained earnings are from 24 sell-side analysts as at 10 June 2011, reflecting consensus dividend payout. Barclays neither endorses nor verifies the estimates used.
- The combined impact of Basel 3 and possible changes to pensions accounting will be to recognise the IFRS pension deficit in capital reserves. As at 31/12/10, Barclays unrecognised IFRS pension deficit was £2.7bn.
- The net RWA increase from Basel 2.5 and Basel 3 is calculated after allowing for amortisation / maturity of securitisation exposures, the add back of securitisation deductions to Core Tier 1 capital, and management actions to reduce RWAs by £46bn.
- The pro forma ratios do not include Basel 3 deductions from Core Tier 1 capital for excess Minority Interests, Deferred Tax Assets, EL>Impairment, Material Holdings and Mortgage Servicing Rights which take effect from 1 January 2014 and transition at 20% per annum to 2018.

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Economic assumptions

2011	Interest Rates (%)	Inflation (CPI) (YoY %)	GDP Growth (YoY %)
UK	0.75	4.5	1.7
US	0.25	3.2	2.8
Eurozone	1.75	2.8	1.7
South Africa	6.00	4.9	3.7

2012	Interest Rates (%)	Inflation (CPI) (YoY %)	GDP Growth (YoY %)
UK	1.25	2.5	2.1
US	1.00	2.1	3.3
Eurozone	2.25	1.9	1.7
South Africa	7.50	5.7	4.2

Economic assumptions

2013	Interest Rates (%)	Inflation (CPI) (YoY %)	GDP Growth (YoY %)
UK	2.25	2.0	2.4
US	2.00	2.5	2.8
Eurozone	2.75	1.8	2.0
South Africa	8.50	5.8	4.5

2014	Interest Rates (%)	Inflation (CPI) (YoY %)	GDP Growth (YoY %)
UK	3.00	2.0	2.5
US	2.75	2.5	2.8
Eurozone	3.00	1.8	2.0
South Africa	8.50	5.8	4.6

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