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
Session structure

• Introduction
• Barclays Capital
• Barclays Corporate
• Synergies
• Conclusion
Session structure

• Introduction

• Barclays Capital

• Barclays Corporate

• Synergies

• Conclusion
Barclays Capital 2010 results

<table>
<thead>
<tr>
<th>Top line Income (£bn)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Income, Currencies and Commodities</td>
<td>8.8</td>
</tr>
<tr>
<td>Equities and Prime Services</td>
<td>2.0</td>
</tr>
<tr>
<td>Investment Banking</td>
<td>2.2</td>
</tr>
<tr>
<td>Principal Investments</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13.3</strong></td>
</tr>
</tbody>
</table>

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
We have a market leading client franchise in FICC

Barclays Capital market share

By region

<table>
<thead>
<tr>
<th>Rank</th>
<th>EMEA</th>
<th>Americas</th>
<th>APAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>11%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>3-4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4-5</td>
<td></td>
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</tbody>
</table>

By client type

<table>
<thead>
<tr>
<th>Rank</th>
<th>Insurers</th>
<th>Banks</th>
<th>Hedge Funds</th>
<th>Asset Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>11%</td>
<td>9%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>1-2</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>3-4</td>
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</tr>
<tr>
<td>3-4</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Source: Oliver Wyman, Coalition
We will continue to strengthen leadership positions in our balanced FICC business

FICC market share by business area (2010)

Build on market leading positions “Flow Monster”

- Flow Rates: 9%
- Flow Credit: 10%
- FX: 7%
- Commodities: 10%

Maintain and develop positioning

- EM: 4%
- Munis: 6%

Manage size and capitalize on returns

- Securitised Products: 8%
- Structured Credit Products: 4%

Market Share Ranking

- Top 3
- 3-5
- Outside Top 5

Source: Oliver Wyman, Coalition
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)

Barclays Capital: 1.3x
Peers: c.85%

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

2008:
Q1 2011: c.85%

Source: IFR, Dealogic, Oliver Wyman
We are seeing strong momentum in Investment Banking and Equities

**Americas Equities market share**

- **Lehman share in 2007**
  - Primary: 3.8%
  - Secondary: 8.6%

- **Q1 2011**
  - Primary: 9.6%
  - Secondary: 7.1%

**Investment Banking global cash fee share**

- **2008**
  - Primary: 1.5%

- **2010**
  - Primary: 3.9%

Source: Dealogic, Bloomberg
In Investment Banking we have posted impressive wins across the board

Cash revenue by business area

<table>
<thead>
<tr>
<th>Mergers &amp; Acquisitions</th>
<th>Equity Capital Markets</th>
<th>Leveraged Finance</th>
<th>Debt Capital Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2010</td>
<td>2008</td>
<td>2010</td>
</tr>
<tr>
<td>CAGR 92%</td>
<td>CAGR 130%</td>
<td>CAGR 60%</td>
<td>CAGR 26%</td>
</tr>
</tbody>
</table>

Proportion of Barclays Capital IBD revenues

<table>
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<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11%</td>
<td>7%</td>
<td>18%</td>
<td>21%</td>
<td>64%</td>
<td>44%</td>
</tr>
<tr>
<td></td>
<td>18%</td>
<td>17%</td>
<td>18%</td>
<td>21%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>200%</td>
</tr>
</tbody>
</table>

Equity Finance competitor revenues (Q4 2010, £m)

- Barclays Capital
- Remaining Industry

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

- Barclays Capital: 200
- Remaining Industry: 10

#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

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)

- **Asia Pacific**: 9% (Barclays Capital) vs. 15% (Top 10 competitor average)
- **EMEA**: 43% (Barclays Capital) vs. 34% (Top 10 competitor average)
- **Americas**: 48% (Barclays Capital) vs. 51% (Top 10 competitor average)

**Asia Pacific build out plans**

- 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)

**Equities**

- 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

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

Projected Revenue Growth (£bn)

Equities

<table>
<thead>
<tr>
<th>Region</th>
<th>Americas</th>
<th>EMEA</th>
<th>APAC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.3-0.4</td>
<td>0.4-0.5</td>
<td>0.2-0.3</td>
<td>0.9-1.2</td>
</tr>
</tbody>
</table>

Investment Banking

<table>
<thead>
<tr>
<th>Region</th>
<th>Americas</th>
<th>EMEA</th>
<th>APAC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.5-0.6</td>
<td>0.3-0.4</td>
<td>0.1-0.2</td>
<td>0.9-1.2</td>
</tr>
</tbody>
</table>
We will continue to manage capital on a proactive basis as we have done in the past.

### Risk weighted assets (£bn)

<table>
<thead>
<tr>
<th></th>
<th>Dec-07</th>
<th>Dec-08</th>
<th>Dec-09</th>
<th>Dec-10</th>
<th>Mar-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>100</td>
<td>200</td>
<td>150</td>
<td>180</td>
<td>160</td>
</tr>
</tbody>
</table>

For same period (2007-2010):

- Growth in RWAs: 7%
- Growth in top-line income: 54%
- Growth in PBT ex own credit: 162%
This includes the continued sell-down of legacy assets.

Credit market exposures (£bn)

<table>
<thead>
<tr>
<th></th>
<th>Dec-09</th>
<th>Dec-10</th>
<th>May-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>27</td>
<td>24</td>
<td>18</td>
</tr>
</tbody>
</table>

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
Which will further reduce legacy asset RWAs by 2013

Expected legacy asset RWAs (£bn)

- RWAs Dec 10: 9
- Basel 2.5 (no impact): 29
- Sell-down and other management actions: 29
- Basel 3 impact: 5
- Pro forma Basel 3 (end 2013): 14
We are confident in our ability to manage RWAs to absorb Basel impacts

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

<table>
<thead>
<tr>
<th></th>
<th>218</th>
<th>60</th>
<th>278</th>
<th>75</th>
<th>(53)</th>
<th>300</th>
<th>Q3 10 IMS</th>
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<tr>
<td>Equivalents</td>
<td></td>
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</tr>
<tr>
<td>Published</td>
<td>191</td>
<td>246</td>
<td></td>
<td></td>
<td>66</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basel 2.5</td>
<td>206</td>
<td></td>
<td>40</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Pro forma Basel 2.5 (end 2011)</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basel 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>66</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sell-down and other management actions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(42) - (62)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pro forma Basel 3 (end 2013)</td>
<td>250 - 270</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Session structure

• Introduction
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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)

- **Rest of World**
  - Revenue: £2,974 (9%)
  - Costs: £1,909 (11%)
  - Impairments: £1,696 (10%)

- **Europe**
  - Revenue: £2,974 (14%)
  - Costs: £1,909 (37%)
  - Impairments: £1,696 (63%)

- **UK**
  - Revenue: £2,974 (77%)
  - Costs: £1,909 (52%)
  - Impairments: £1,696 (27%)

**Notes:**
1. Rest of the World includes India, Pakistan, the UAE, Russia (selling Barclays Bank Russia), Indonesia (exited)
2. Includes VocalLink associate

**Key Points:**
- 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
Our international strategy is to utilise existing Barclays capabilities to drive revenue while optimising costs.

Penetration of subsidiaries of Barclays Capital relationships

- 2010: 12%
- 2015 Target: 25%

Revenues from existing Barclays Capital relationships

- 2010
- 2015 Target: 2x

Europe and Rest of World cost base

- £m, ex-goodwill and impairment
- 2010: 579
- 2011: 550
- 2012: 420
- 2013: 415

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

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 impairments (£m)

Spain revenues (£m)
Consolidating our strong position in the UK is central to our strategy going forward.

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

- Barclays Corporate
- 1st
- 2nd
- 3rd
- 4th
- Others

Source: FAME

UK PBT (£m)

- 2008: 1,062
- 2009: 734
- 2010: 838

14% growth from 2009 to 2010.
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)

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

- 2010
- 2013
- 2015
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

- Barclays Corporate products to Barclays Capital clients: 16% CAGR
- Barclays Capital products to Barclays Corporate clients

Revenues from ECM and DCM transactions with Barclays Corporate clients:

- 2009: Low
- 2010: High (>200%)
With our investments nearly complete, we believe that our cost base has now stabilised.

Total Cost Base (£m)

- Barclays Corporate
- Barclays Capital

H1 2008
H2 2008
H1 2009
H2 2009
H1 2010
H2 2010
2 x Q1 2011
Cost synergies between the businesses will enable us to deliver £250-300m in run-rate efficiencies.

Target cost savings (£m)

- Shared infrastructure, spans and layers
- Off-shoring
- Cost management
- Target cost savings: 250 - 300
Session structure

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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

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### 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

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RoE commitments based on a 10% CT1 capital allocation.
Barclays Wealth

Thomas L. Kalaris, Chief Executive
A highly attractive opportunity

Revenue and PBT (£bn)

<table>
<thead>
<tr>
<th>Region</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2015</th>
<th>CAGR '10-'15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America</td>
<td>102.3</td>
<td>112.8</td>
<td>121.8</td>
<td>161.9</td>
<td>9.3%</td>
</tr>
<tr>
<td>ME &amp; Africa</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8.2%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.5%</td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11.4%</td>
</tr>
<tr>
<td>North America</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.2%</td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5.0%</td>
</tr>
</tbody>
</table>

Industry Trends

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

A record of delivery

Net income and PBT (£m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net income</th>
<th>PBT</th>
<th>CAGR</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005(1)</td>
<td>911</td>
<td>78</td>
<td>+16%</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>1,271</td>
<td>143</td>
<td>+9%</td>
<td></td>
</tr>
</tbody>
</table>

• 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

Client Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005(1)</td>
<td>£98bn</td>
</tr>
<tr>
<td>2009</td>
<td>£151bn</td>
</tr>
</tbody>
</table>

Client Facing Professionals

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005(1)</td>
<td>690</td>
</tr>
<tr>
<td>2009</td>
<td>1,596</td>
</tr>
</tbody>
</table>

(1) Excludes Life business
An ambition to build a “top tier” wealth manager

<table>
<thead>
<tr>
<th>Objectives</th>
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</thead>
<tbody>
<tr>
<td>Market leading reputation for performance and service</td>
</tr>
<tr>
<td>Material increase in scale</td>
</tr>
<tr>
<td>Meaningful contribution of Wealth to Barclays PBT</td>
</tr>
</tbody>
</table>
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
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
The strategy delivers a “one firm” approach

<table>
<thead>
<tr>
<th>1. Infrastructure and platforms</th>
<th>2. Referrals and coverage</th>
<th>3. Expertise and execution</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Banking and payments utility</td>
<td>• Retail network referrals</td>
<td>• Research</td>
</tr>
<tr>
<td>• Cards engine</td>
<td>• Bilateral arrangements with investment banking and Barclays Corporate</td>
<td>• Distribution</td>
</tr>
<tr>
<td>• Shared services construct</td>
<td>• Joint coverage approach to key clients</td>
<td>• Risk management and capital markets expertise</td>
</tr>
<tr>
<td>• Common infrastructure platforms</td>
<td></td>
<td>• Investment and product engine</td>
</tr>
</tbody>
</table>

**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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Infrastructure</th>
<th>CAGR+15%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2011</td>
<td>2012</td>
<td>2013</td>
</tr>
</tbody>
</table>

Net income and return trajectory (£bn)

- RoE: 9% in 2010, 17-18% in 2013
- CAGR+15%
Investment is focused on growing the HNW segment and proposition

Net income bridge (£bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>UK</th>
<th>US</th>
<th>Global Markets</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td></td>
<td>1.5</td>
<td></td>
<td></td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2013</td>
</tr>
</tbody>
</table>

Deposits £bn: 45 → 50-60
AuM £bn: 119 → 170-200
Margin: ~90bps → >90bps
The first 15 months of delivery are on track versus plan

## Hiring and Productivity

### 15 Month Hiring Record

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>US</td>
<td>82</td>
</tr>
<tr>
<td>UK</td>
<td>84</td>
</tr>
<tr>
<td>Global HNW</td>
<td>119</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>285</strong></td>
</tr>
</tbody>
</table>

### 2009-10 YoY Productivity Uplift

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>RM</td>
<td>19%</td>
</tr>
<tr>
<td>HNW RM</td>
<td>31%</td>
</tr>
</tbody>
</table>

## 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)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net income</th>
<th>PBT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>£1,271</td>
<td>£143</td>
</tr>
<tr>
<td>2010</td>
<td>£1,512</td>
<td>£163</td>
</tr>
</tbody>
</table>

- Gamma spend: £112m

**HNW Business Performance**

<table>
<thead>
<tr>
<th>Region</th>
<th>Net income Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>25%</td>
</tr>
<tr>
<td>US</td>
<td>35%</td>
</tr>
<tr>
<td>Global HNW</td>
<td>32%</td>
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</table>

**YoY% Growth**

<table>
<thead>
<tr>
<th>Category</th>
<th>YoY% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Assets</td>
<td>15%</td>
</tr>
<tr>
<td>HNW RM</td>
<td>8%</td>
</tr>
<tr>
<td>Client Assets</td>
<td>8%</td>
</tr>
</tbody>
</table>

Net income YoY: +19%
PBT YoY: +14%
Client assets YoY: +8%
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
Our commitments

- **Income growth**: Mid-teens 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
Achieving our targets

Chris Lucas, Barclays Finance Director
Income – growth initiatives

**RBB**
£1.5-2.0bn additional income by 2013

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

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

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

£4.3-6.4bn additional income target
Maintain focus on risk-adjusted income

- Total income (£m)
- Total impairment (£m)

Average DVaR (£m) (RHS)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Total Income (£m)</th>
<th>Total Impairment (£m)</th>
<th>Average DVaR (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q109</td>
<td>7,719</td>
<td>2,309</td>
<td></td>
</tr>
<tr>
<td>Q209</td>
<td>7,599</td>
<td>2,247</td>
<td></td>
</tr>
<tr>
<td>Q309</td>
<td>7,040</td>
<td>1,658</td>
<td></td>
</tr>
<tr>
<td>Q409</td>
<td>6,765</td>
<td>1,857</td>
<td></td>
</tr>
<tr>
<td>Q110</td>
<td>8,065</td>
<td>1,508</td>
<td></td>
</tr>
<tr>
<td>Q210</td>
<td>8,516</td>
<td>1,572</td>
<td></td>
</tr>
<tr>
<td>Q310</td>
<td>6,291</td>
<td>1,218</td>
<td></td>
</tr>
<tr>
<td>Q410</td>
<td>8,568</td>
<td>1,374</td>
<td></td>
</tr>
<tr>
<td>Q111</td>
<td>7,399</td>
<td>921</td>
<td></td>
</tr>
</tbody>
</table>

Total Impairment (£m): 2,309 + 2,247 + 1,658 + 1,857 + 1,508 + 1,572 + 1,218 + 1,374 + 921 = 10,319

Total Income (£m): 7,719 + 7,599 + 7,040 + 6,765 + 8,065 + 8,516 + 6,291 + 8,568 + 7,399 = 72,126

Average DVaR (£m): 10,319 / 9 = 1,146.89
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
Operating expenses

Non performance costs – pro-forma

Cost savings target £1bn

Bank levy £0.4bn

Target £16.8bn

Investment/underlying growth £16.5bn

2010

2013
Risk Weighted Assets pro forma under Basel 3

RWAs (£bn)

- Basel 2 2010: 398
- Market risk Basel 2.5: 40
- Basel 2.5 2011: 438
- Basel 3 add-ons including equivalents: 97
- Further management actions: (46)
- Basel 3 2013: 489
Capital path

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

Basel 2 2010

- Consensus retained earnings: 2.8%
- Outstanding warrants: 0.2%
- Net RWA effect from Basel 2.5/3: (2.1%)
- Unrecognised pension liability: (0.5%)

Basel 3 2013

- Organic RWA growth/additional dividends: 10.0%
- Core Tier 1 ratio: 11.2%
Roadmap to 13% RoE by business

2010 RoE \(^{(1)}\) by business

- BarCap: 15%
- BarCorp: 12%
- RBB - Africa: 11%
- RBB - UK: 13%
- RBB - Barclaycard: 0%
- RBB - Europe: 9%
- Wealth: 0%

2013 targets at 10% CT1

- BarCap: 15-16%
- BarCorp: 10-11%
- RBB - Africa: 13-14%
- RBB - UK: 14-15%
- RBB - Barclaycard: 16-17%
- RBB - Europe: 4-5%
- Wealth: 17-18%

\(^{(1)}\) Published RoE adjusted for 10% CT1 capital allocation
Citizenship

Bob Diamond, Barclays Chief Executive
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.
## Economic assumptions

<table>
<thead>
<tr>
<th>Year</th>
<th>Interest Rates (%)</th>
<th>Inflation (CPI) (YoY %)</th>
<th>GDP Growth (YoY %)</th>
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<td>2011</td>
<td></td>
<td></td>
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</tr>
<tr>
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<td>0.75</td>
<td>4.5</td>
<td>1.7</td>
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<td>0.25</td>
<td>3.2</td>
<td>2.8</td>
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<tr>
<td>Eurozone</td>
<td>1.75</td>
<td>2.8</td>
<td>1.7</td>
</tr>
<tr>
<td>South Africa</td>
<td>6.00</td>
<td>4.9</td>
<td>3.7</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
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<td>1.25</td>
<td>2.5</td>
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<tr>
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<td>3.3</td>
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<td>1.9</td>
<td>1.7</td>
</tr>
<tr>
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<td>7.50</td>
<td>5.7</td>
<td>4.2</td>
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<td></td>
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<tr>
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<td>2013</td>
<td>2.25</td>
<td>2.0</td>
<td>2.4</td>
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