

Barclays PLC

2011 Investor Seminar

15 June 2011

Retail and Business Banking
Africa

Introduction

Bob Diamond, Barclays Chief Executive

Execution Priorities

- Capital
- Returns
- Income growth
- Citizenship

Retail and Business Banking

Antony Jenkins, Chief Executive

Our 2013 commitments

Happy customers

Increased customer satisfaction
Relentless reduction in complaints

Strong financial
performance

Solid income growth
Positive operating jaws

Returns

13-15% RoE

Retail and Business Banking

PBT (£m, 2010)

GRB	1,829
UK	989
Europe	(139)
Barclaycard	791
Barclays Africa	188

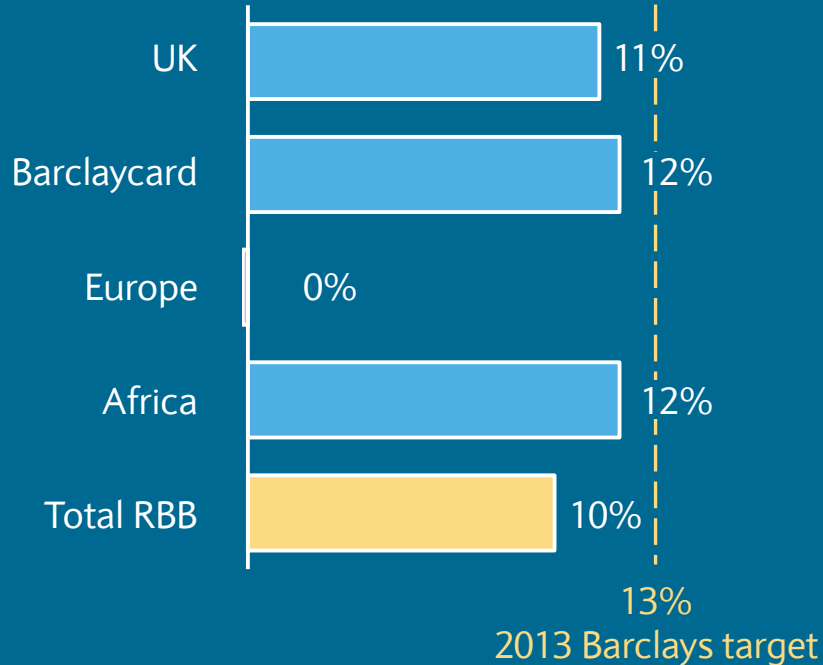
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Absa	616
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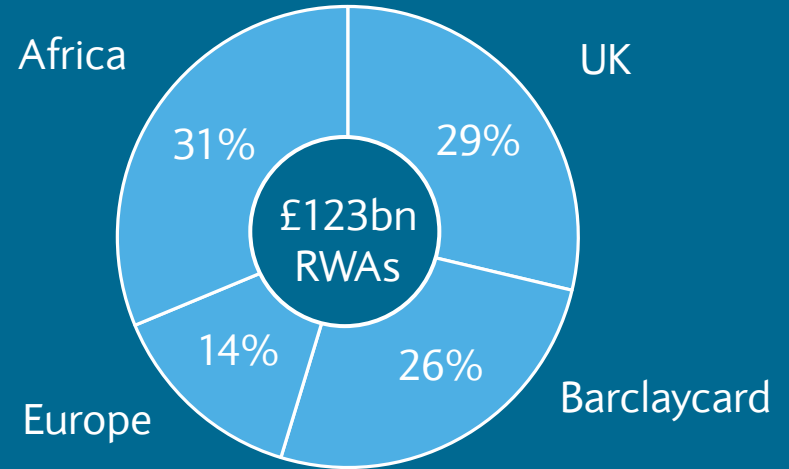
RBB	2,445
UK	989
Europe	(139)
Barclaycard	791
Africa	804

Returns profile

RBB RoE composition, pro forma at 10% CT1 (% , 2010)



RBB RWA composition (% of total, 2010)



Strong franchise

Strong Brand

Leading brand in core markets:

- UK
- Africa
- Barclaycard UK

 **BARCLAYS**

 **barclaycard**

Scale

Top 3 bank in 13 out of 22 countries⁽¹⁾

c.50m customers globally

Access to 60% of the global revenue pool



Innovation

Strong track record:

- ✓ First UK credit card and acquiring network
- ✓ First UK card company online
- ✓ First ATM in the world “Barclaycash”
- ✓ First in UK contactless cards and terminals
- ✓ First mobile payments provider in UK



⁽¹⁾ 2010, by revenue for retail and by outstanding balances for card-only presences

Our vision

The goal

the
'go-to' bank
in our chosen
markets

The vision

Lives Made
Much Easier

The means

- Deeper impact with customers
- Greater scale in all our markets
- Higher performance

Driving the customer agenda for sustainable growth

Enhancing customer experience...

...driving sustainable value creation

Getting the basics right

Innovation through customer insight

Examples:

Debit cards



Zambia



Innovation in channels and products



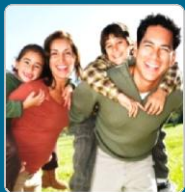
Sustainable income growth

Lower cost to serve

Superior risk insight

UK: Strong customer franchise

Strong customer franchise



>15m personal customers
c.45% bank with us >10 years



>700k Mass Affluent
c.80% hold 3 or more products



>750k Business Clients
40% have relationship <3years

Solid footprint

1,658
branches

3,345
ATMs

c.3.5m
online banking
active users

Distinctive products and channels

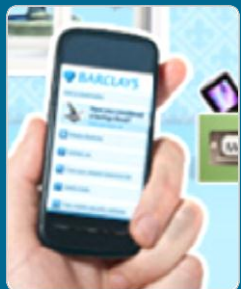


Winner of 'Transforming customer service' for .mobi



*"Best Mortgage Provider"
Great Escape product*

UK: Delivering on commitments



Productivity and innovation

- Launched online investment platform
- Successful performance in mobile banking
- Continued investment in multi-channel platform

>100%
Mobile banking user
growth (09-10)



Business bank build out

- Enhanced end-to-end key customer processes
- New services

5%
Income growth
(09-10)



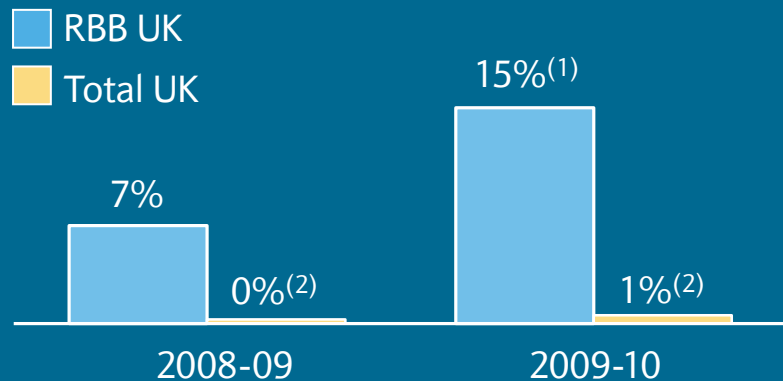
Tailored Mass Affluent value proposition

- Differentiated service for customers
- New products

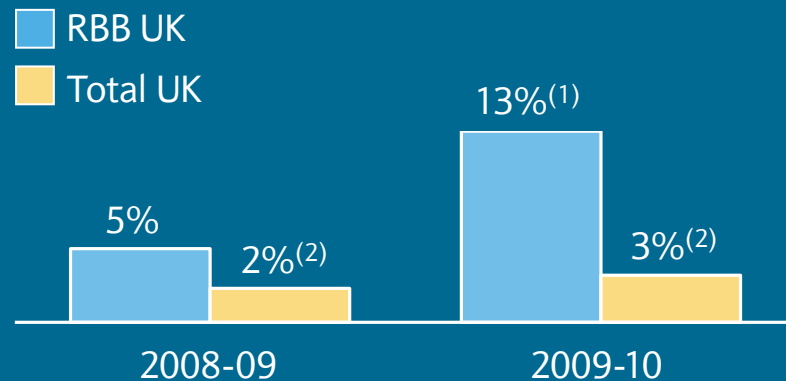
18%
Premier income
growth (09-10)

UK: Outpacing industry growth

Mortgage growth (%)



Personal customer deposits growth (%)



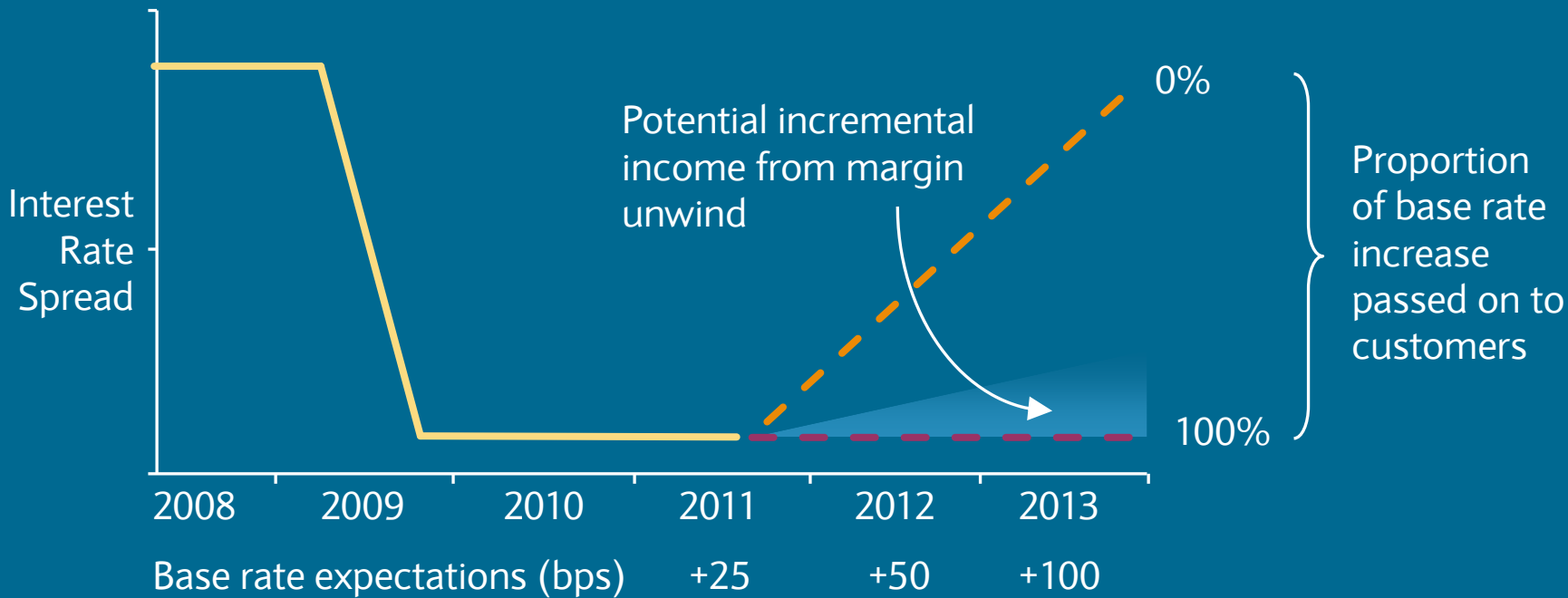
	2009	2010
Mortgage balances share	7.4%	8.4%
Mortgage stock LTV	43%	43%

⁽¹⁾ Includes SLB

⁽²⁾ Total UK data sources: Bank of England data (deposits excl. NS&I)

UK: Liability margins

Personal customer liability spread (% , 2008 – 2013)



UK: Efficiencies through relentless simplification

The approach

15 key customer processes

End-to-end process simplification

Reducing waste, cycle times,
operating costs and
increasing control

Expected impact on 2010 base by 2013

20-50%

Customer complaints
reduction per process

£30-50m

Total cost reduction

UK: Commitments

Income growth

Solid income growth





Costs

Positive operating jaws

Returns

14-15% RoE

Europe: Solid presence in challenging conditions

2010	Customers (m)	Distribution points (#)
Spain 	0.9	587
Portugal 	0.8	279
Italy 	0.8	380
France 	0.2	117
Total Europe	2.7	1,363

2010 PBT:
(£139m)

Europe: Taking action to reposition the franchise

Management
strength

New leadership team in place

Income growth

Targeted strategy on higher return segments,
(Premier and primary relationships)

Leveraging capabilities across RBB

Cost
management

Restructuring the business and network

Impairment
reduction

Upgraded capabilities in risk analytics and collections

Europe: Leveraging the opportunity - focus on Premier

Opportunity

- Large retail revenue pool of >£100bn⁽¹⁾
- Strategic fit and proximity to UK
- Barclays with low shares, but high potential to grow

Focus on Premier

	Customer growth (09-10)	Income growth (09-10)
Spain	3%	15%
Portugal	39%	10%
Italy	75%	24%
France	4%	21%

⁽¹⁾ Spain, Portugal, Italy and mass affluent revenue France

Europe: Key priorities



Spain

New management team

Significant restructuring

Optimise portfolio



Portugal

Building on profitable cards business

Streamline customer experience

Leverage RBB capabilities

Europe: Key priorities



Reshaping and optimising portfolio

Rebalancing liquidity profile

Growing within current network



Specialist Premier offering

Effective use of alternative channels

Enhance returns

Europe: Commitments

Income growth

Good income growth

Profitability

Return to profit in 2012
Positive operating jaws

Returns

4-5% RoE in 2013
13% RoE by 2015

Barclaycard: Scale and diversified payment provider

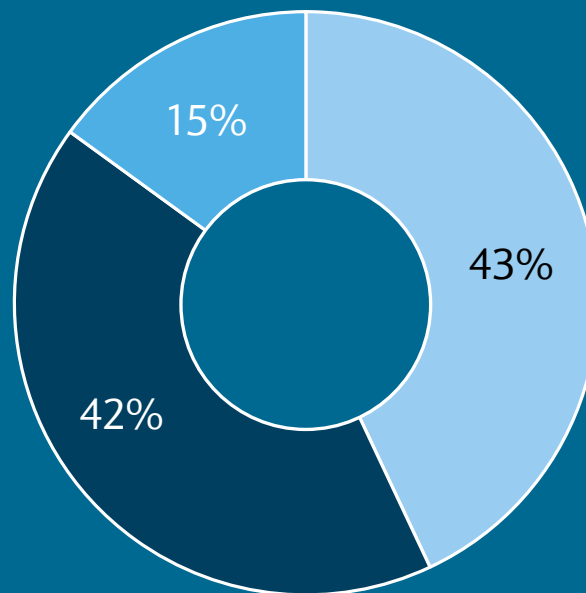
PBT (% , 2010)

Business Payment Products

- Payment Acceptance
- Commercial Payments
- Barclays Partner Finance

International Consumer Credit Cards

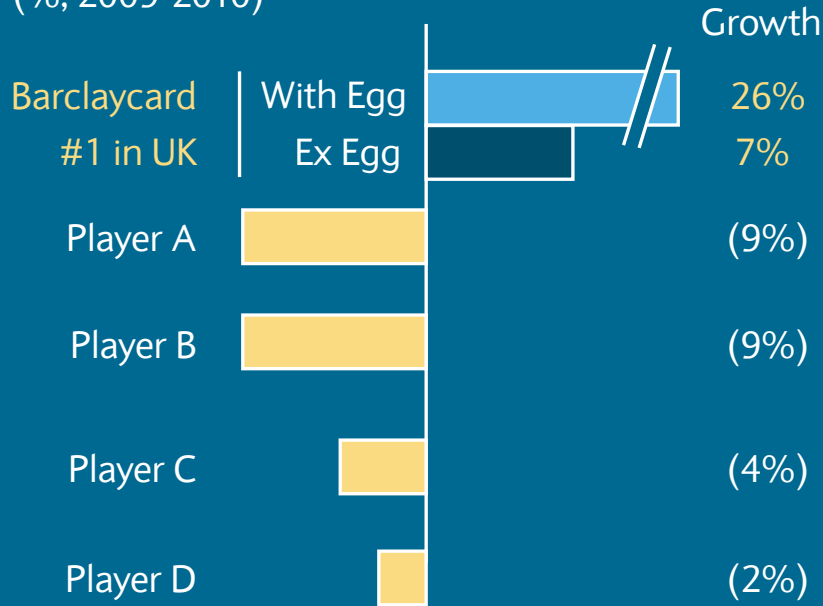
- United States
- Germany
- South Africa
- Scandinavia JV



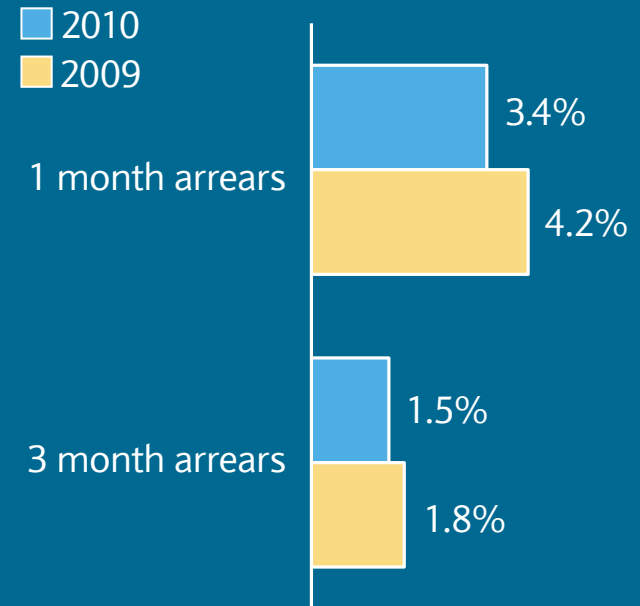
UK Consumer
Credit Cards

Barclaycard: Strong growth in the UK

Growth in receivables: top 5 credit cards UK players
(%, 2009-2010)



Risk trends in Barclaycard UK (%, 2009-2010)



Note: Egg acquisition completed April 2011, 2010 growth shown on pro forma basis
Source: Annual Reports

Barclaycard: Strong growth internationally

Barclaycard US

- Focused **partnership** model
 - US Air
 - LL Bean
 - NFL
- Customer **solutions**, e.g. iPhone app.
- **Profitable** franchise
 - Q1 2011 financial trends ahead of key competitors



Germany, Scandinavia, South Africa

- **Leading** positions
 - T2 franchises
 - Consistent growth trend, 85% profit growth in South Africa
- **New solutions** for customers
 - e.g. Maestro dual card in Germany

Barclaycard: Diversifying in business payment products

Attractive Segment

- c.£40bn revenue segment globally, >7% CAGR expected to 2013

Product economics: Business payments vs. consumer		
	2009	2010
RoRWA	5x	7x ↑
Non-interest income contribution	4x	5x ↑

Executing on Initiatives

- Commercial payments extended to 22 countries
- Expanding client franchise



John Lewis Partnership

Barclaycard: Leading in payments innovation

...To Mobile Payments

From Contactless...

Payments are
evolving...



...we are driving
the change

First UK contactless cards
and terminals

>90% of contactless
terminals (Dec 2010)⁽¹⁾



First mobile payments
with Orange



>10 active discussions on
further mobile launches



⁽¹⁾ Source: APACS, Cards Association

Barclaycard: Commitments

Income growth

Solid income growth

Costs

Positive operating jaws

Returns

16-17% RoE

Africa

Maria Ramos, Absa Group Chief Executive

Africa is large and growing

Africa is ...

Large

- Population of over 1bn
- Collective GDP of \$1.7tr last year

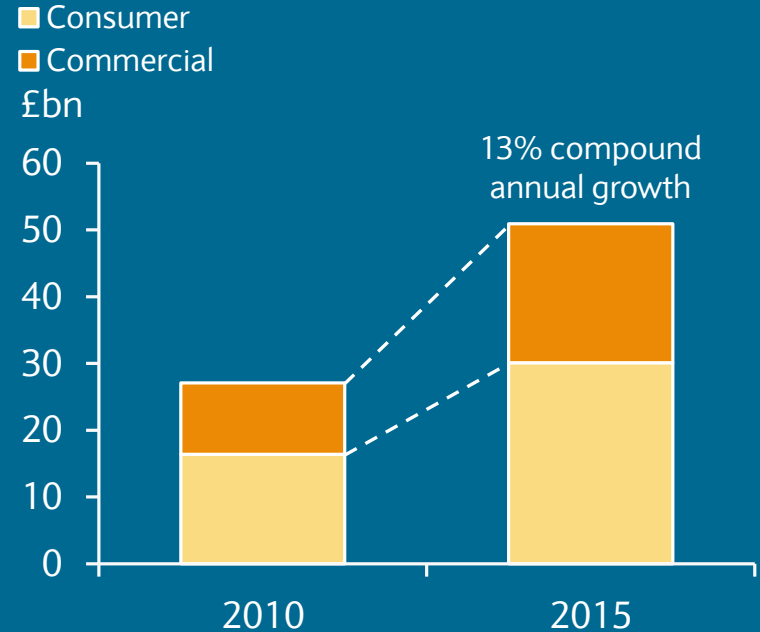
High growth

- GDP of \$2.4tr expected by 2015

Under-penetrated

- Low loans to GDP
- High proportion of adults unbanked
- Underdeveloped capital markets
- Low insurance penetration

Revenue pool in our African countries



We have a leading, well established presence

	Presence since	Share by Assets (%)	Rank by Revenue
Egypt	1864	2	12
South Africa	1888	22	2
Zimbabwe	1912	9	4
Tanzania	1916	18	3 ⁽¹⁾
Ghana	1917	4	2
Zambia	1918	10	1
Mauritius	1919	11	3
Kenya	1925	12	1
Uganda	1927	10	3
Botswana	1950	26	1
Seychelles	1959	24	1
Mozambique	2002	7	4

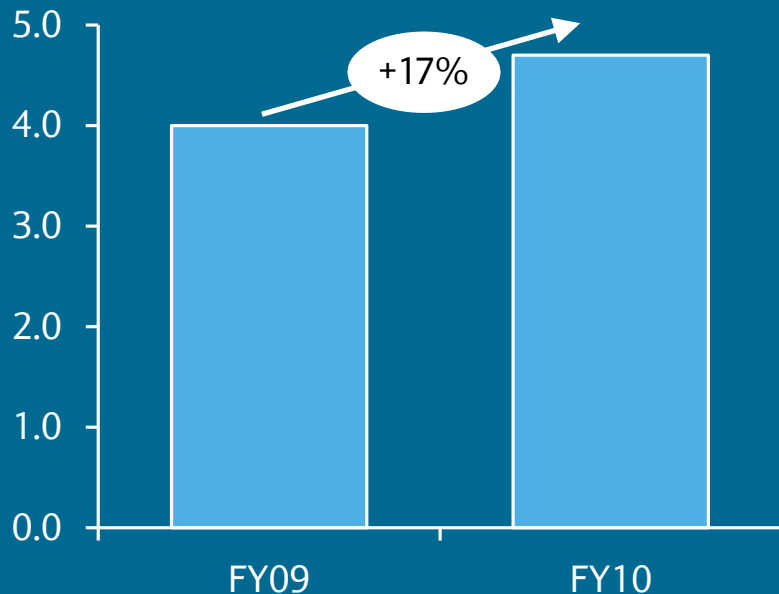


⁽¹⁾ Includes consolidated National Bank of Commerce and Barclays Tanzania data except for the ranking based on revenue where NBC is ranked 3rd and Barclays 6th

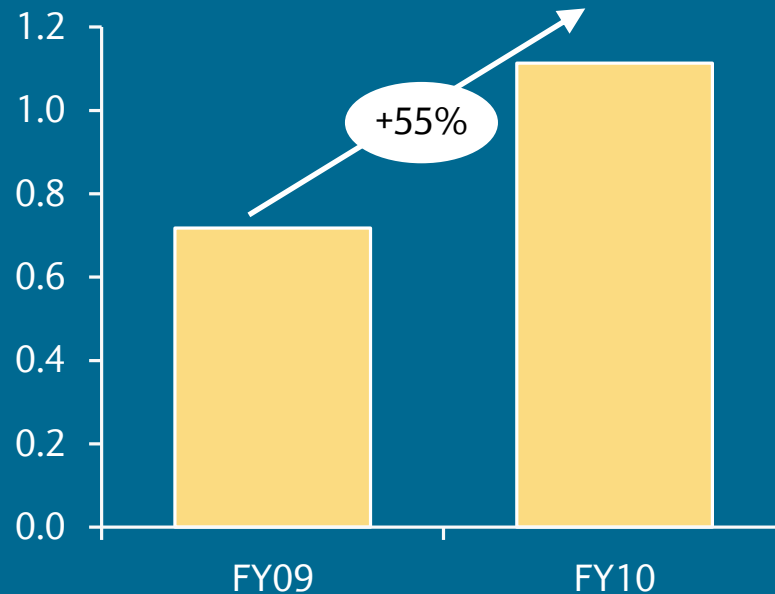
Source: Bank Annual Reports; Central banks; Global Credit Ratings; McKinsey

That generates meaningful revenues and profits

Barclays African revenue (£bn)



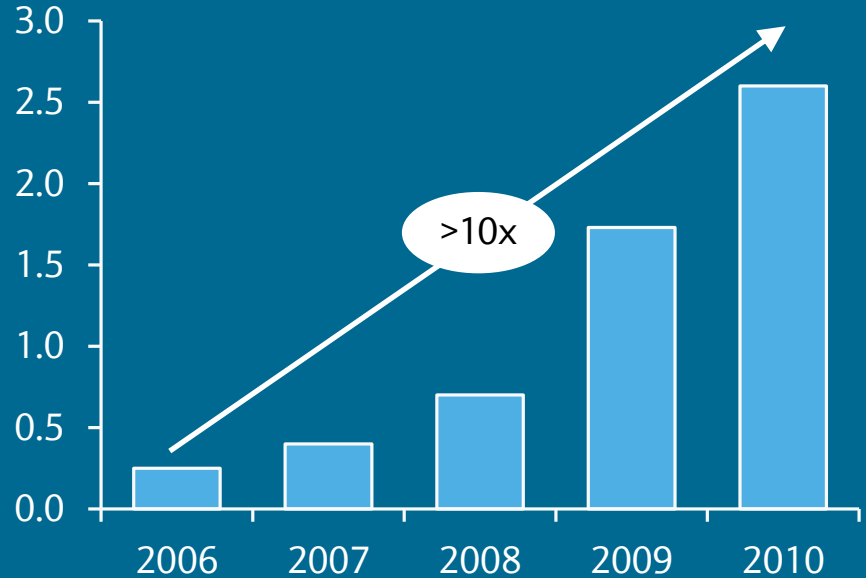
Barclays African pre-tax profit (£bn)



Innovating to grow retail and business banking



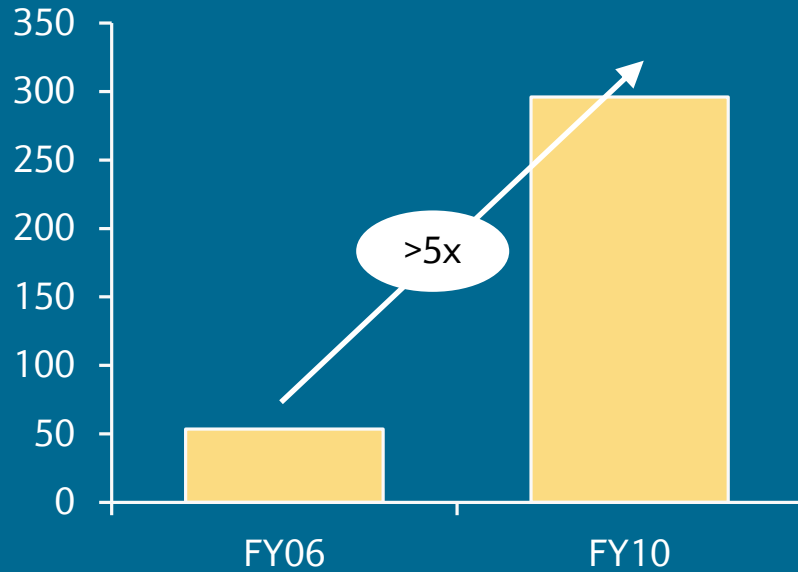
Strong growth in African mobile phone banking customers (m)



Capturing the wholesale flows

Barclays Capital has transformed Absa's trading capability

Absa Capital Markets revenue (£m)



Foreign
exchange

Implemented BARX
69% average QoQ growth

Corporate Bank

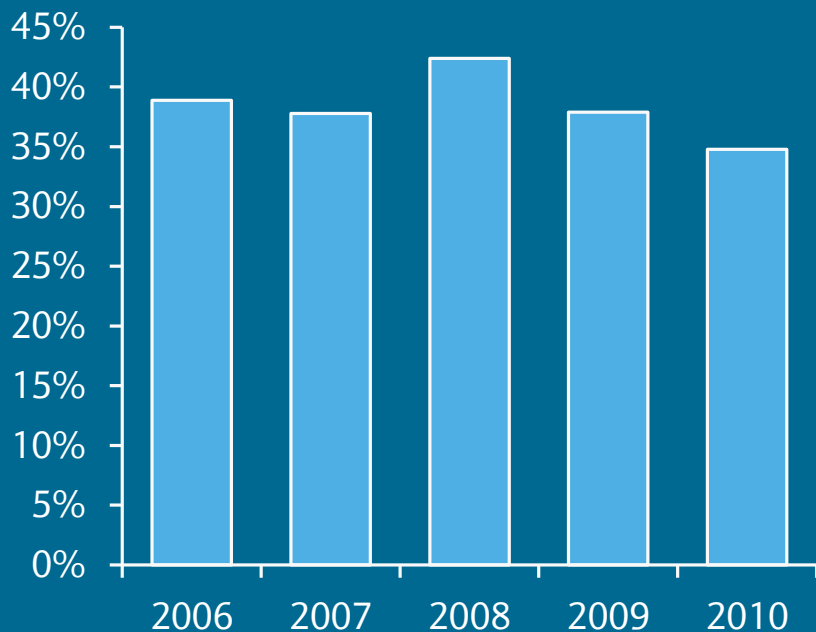
FTSE companies
SA corporates
Multinationals

Payments

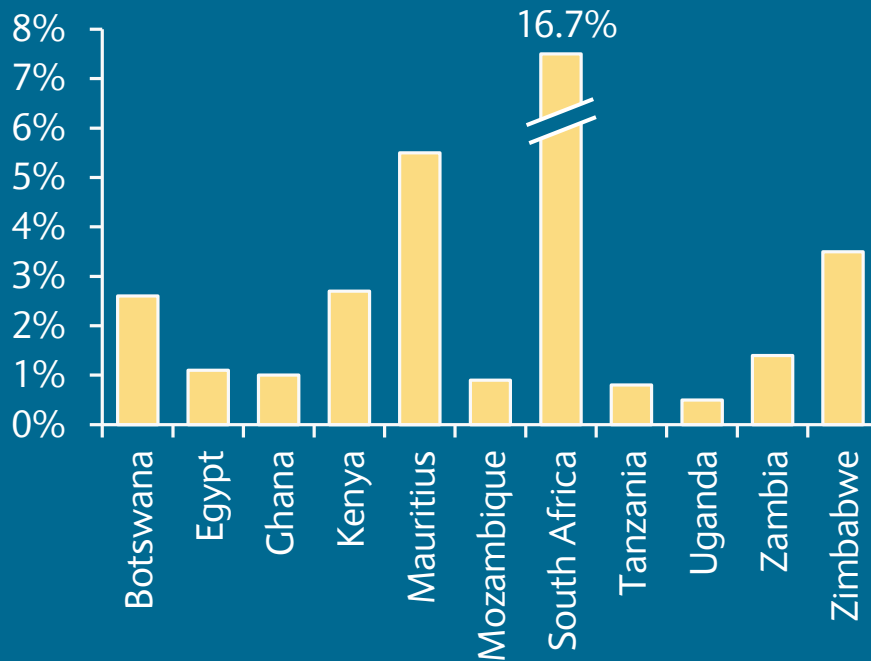
Building cross border platform

Bancassurance – good growth prospects

Absa Financial Services RoE (Rand)



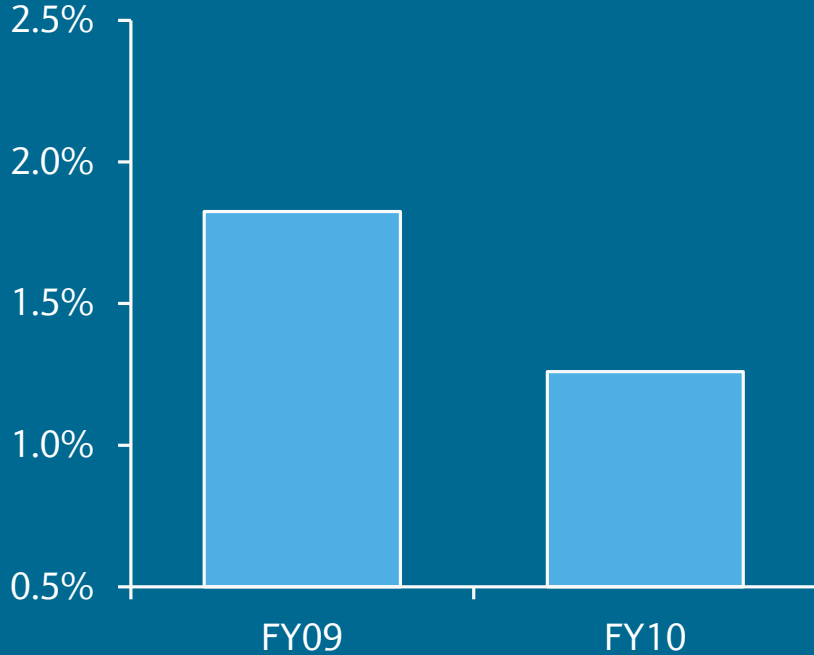
African insurance premiums to GDP (2010)



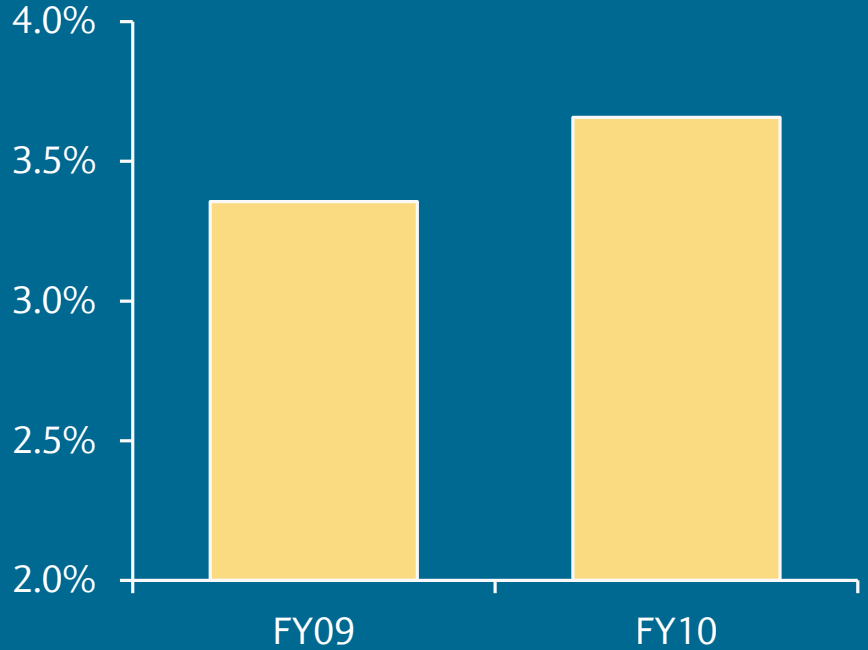
Source: Absa, AXCO country reports

Deep risk management capability

African loan loss rate



African margin on average assets



Source: Barclays

Ambitious One Africa targets

Income growth

Double digit growth
Focus on non-interest revenue

Costs

Cost to income ratio improving,
while continuing to invest

Returns

RoE >13%
RoRWA >2%

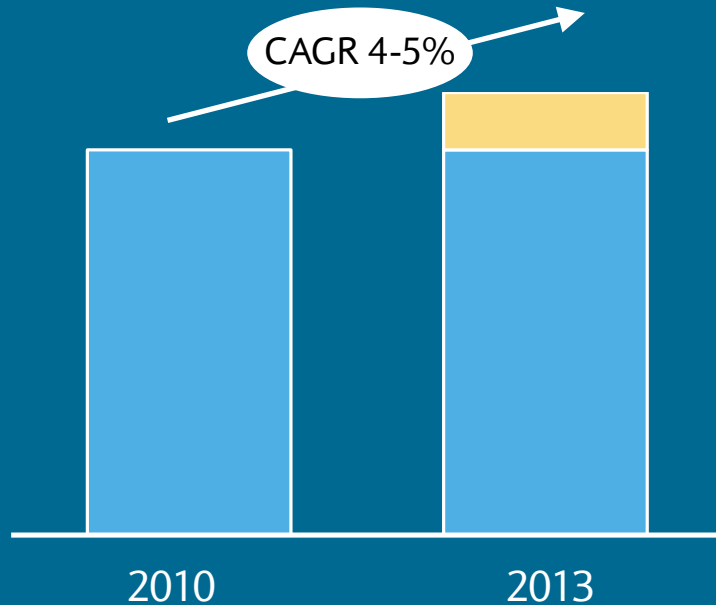
Figures for “One Africa” include RBB Africa, Absa Capital, Absa Wealth and Absa cards

Retail and Business Banking

Antony Jenkins, Chief Executive

Clear roadmap to drive income growth

Expected income growth (2010-2013)

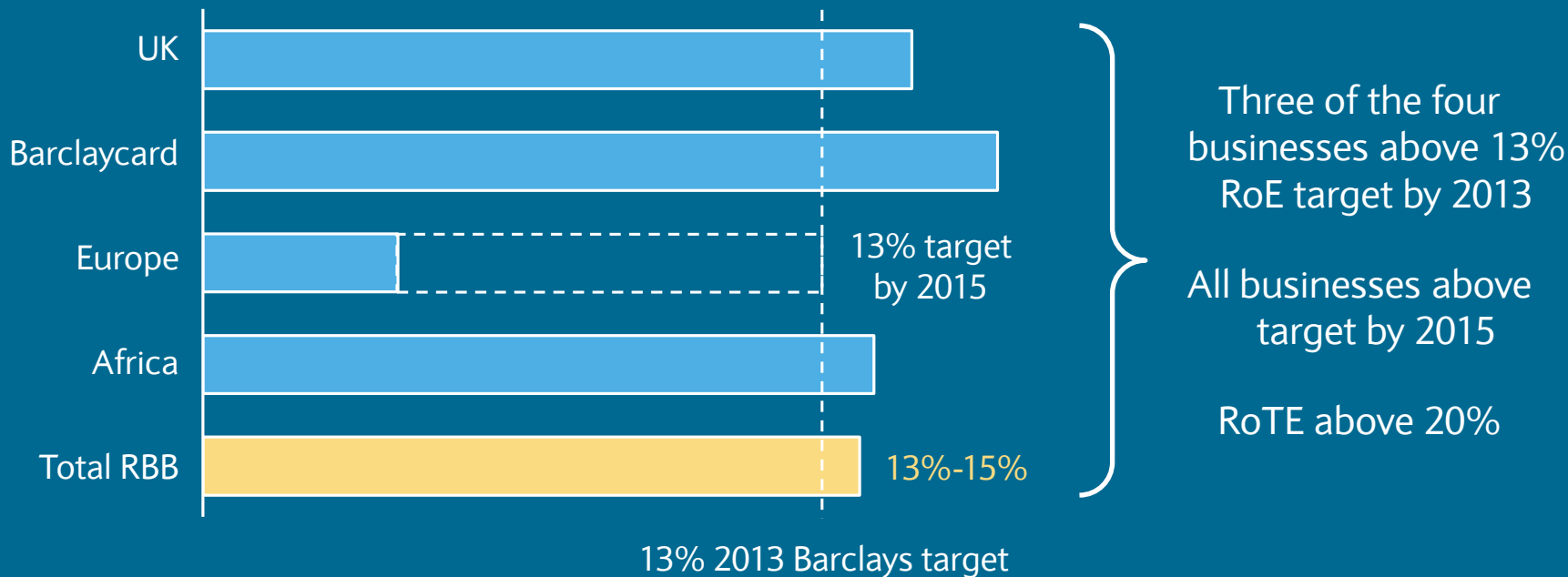


Key drivers

- Product and segment share growth
- High growth opportunities
- New sources of income from product innovation
- Stable net interest margin

Delivering 13-15% RoE

RBB RoE composition⁽¹⁾ (% , 2013 Targets)



⁽¹⁾ Based on allocated tangible equity of 10% of RWAs

Our 2013 commitments

Happy customers

Increased customer satisfaction
Relentless reduction in complaints

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performance

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13-15% RoE