BARCLAYS

7 June 2011

Antony Jenkins
Deutsche Bank Global Financial Services Investor Conference

Good morning and thank you all for coming.

I want to start by thanking Deutsche Bank 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.

I am joined here today by Peter Estlin, Chief Financial Officer for RBB and by Stephen Jones, Head of Investor Relations for Barclays.

Over the next 10 to 15 minutes I'll talk a little bit about Barclays and then I'll focus in more detail on our strategy and plans in RBB. After that, Peter and Stephen will join me on stage for questions from Jason Napier, Deutsche's banks analyst who covers Barclays, and from you.

First then, Barclays...

[Slide: Our strategy remains unchanged]

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.

[Slide: Group performance]

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.

[Slide: Our focus is on execution]

That means delivering on our promises in four key areas: Capital, Returns, Income Growth 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 but, in summary, we believe that the combination of fixing or exiting businesses with poor returns, reducing costs, and growing top line income...

[Slide: Returns: Target RoE 13%, RoTE 15%]

...enables us to target a return on equity of 13% and a return on tangible equity of 15% by 2013.

At the end of the first quarter we reported good progress against these goals. Excluding own credit, return on equity was 10.1%; return on tangible equity was 12.1% and return on risk weighted assets was 1.5%.

Our targets for returns are ambitious but achievable and Barclays is not ramping up risk in order to achieve them.

The risk on our books may fall or rise, within our limits, depending on market and client volumes.

But our risk appetite is set both by the Executive Committee and the Board and it has not changed.

[Slide: Retail and Business Banking]

Now, let’s move on to Retail and Business Banking.

RBB as a whole makes a very important contribution to the Barclays Group.

We are delivering on the commitments we made last year, with good progress reported at the end of the first quarter this year:

> We delivered strong profit growth at 22% and solid returns with 1.7% return on RWA.
>
> We remain committed to our promises to deliver strong compound annual profit growth and increased returns

and we believe the strategy we have laid out is the right path to achieve the group target of 13% for return on equity by 2013 that I mentioned earlier.

To give you an overview of RBB, we have 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 our largest segment in terms of scale.

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 Business Clients is our segment for companies. In the UK and Europe this applies to companies with annual turnover of less than 5 million pounds or Euros. In Africa we cover all companies up to larger corporates which are not served by Absa Capital. And Barclaycard provides merchant services and corporate credit cards for all companies in its markets.

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

In the UK, UK Retail Banking offers the full range of products and services to all three customer segments.

In Europe, we serve 2.7 million customers in Italy, Portugal, Spain and France.

We focus on the Mass Affluent segment across these countries, as well as serving business clients in Italy, Portugal and Spain.

As you know our retail franchise in Europe had a disappointing performance last year driven by a challenging economic environment.

We have taken a number of actions in that business to turn around the under-performance and return to profitability including changing the key leadership team; restructuring headcount and branches; as well as a strong focus on risk and pricing across both front and back books.

We remain committed to the long-term opportunity in Europe. These are large retail banking profit pools and strategically significant. We have a strong brand and distribution network across all four countries.

For this business we believe that we have the building blocks in place to achieve returns within the Group targets by 2015.

A final point on Europe. You will have seen the speculation around our interests in Spain. To be clear, we believe that we are well placed to take advantage of the consolidation we see happening in the European markets but will only consider these opportunities if they meet our strict financial hurdles.

Moving onto Africa. Here we serve over 14 million customers in 12 markets and we cover the full range of segments, including corporate banking as I mentioned earlier.

I want to comment briefly on the 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, including Barclaycard, across the UK, Europe, US and Africa.

Our fourth business unit is Barclaycard.

For those of you who are not familiar with the UK market, Barclaycard is a well known consumer brand there 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.

To give you an idea of scale, Barclaycard outstandings, revenue and PBT are all similar to Discover.

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

Barclaycard represents an important source of diversification within RBB, and it plays a key role in terms of innovation and focus in the payments space.

These four business units amount to a very strong franchise. We occupy market leading positions with a strong brand in many of our countries. In those where we have a smaller presence, we have a focused franchise and customer proposition. This means we are well positioned to take advantage of the growth opportunities that we see.

[Slide: Becoming the 'go-to' retail and business bank]

We have said that we would focus on three priorities to deliver our goal of becoming the 'go-to' retail & business bank.

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.

Today, we remain absolutely committed to this customer-focused strategy.

We said last year that customers everywhere are looking for a simpler, more effective way to do business and for a more transparent approach to banking and payments.

While at the same time, the pace of technology would continue to transform the customer experience, and open up new opportunities.

We have also seen increased competition from new entrants to the market from non-traditional brands such as Tesco, Virgin Money and Metro Bank.

We see non-bank consumer brands who are keen to access retail banking revenue streams. Similarly, there have been initiatives to transform the retail banking industry such as the consortium on mobile payments between Wells Fargo, Chase and Bank of America here in the US.

The direction of regulation, increased scrutiny from regulators and media and customer reaction to issues such as PPI and publication of complaints league tables are also driving renewed focus on the customer.

With this in mind we continue to believe this strategy positions us well to achieve our ambitions for RBB.

I want to end my talk this morning 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.

[Slide: Our focus is on execution]

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.

Peter, Stephen and I will now be happy to answer any questions.