UK RBB – Scale Business, diversified by Product & Segment

4 Core Product Groups
- Transactional Business
- Savings, Investments & Insurance
- Mortgages
- Consumer Lending

3 Segments
- MASS
- MASS AFFLUENT
- SME

1 Customer Network

Customers: over 15m
Branches: 1,625
Employees: 34k
UK RBB – Sizeable Contributor to RBB and the Group

UK Retail & Business Bank customer franchise
- Providing a quarter of PBT contribution to Barclays Group and;
- Nearly half of RBB’s PBT

All PBT figures quoted throughout this presentation are on an adjusted basis.
Delivering strong Returns on Equity…

High returning business
Adjusted Return on Equity 2008-11

Adjusted ROE
Adjusted ROE with constant equity ratio of 10%

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted ROE (%)</th>
<th>Adjusted ROE with constant equity ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>21.7</td>
<td>16.3</td>
</tr>
<tr>
<td>2009</td>
<td>8.3</td>
<td>8.3</td>
</tr>
<tr>
<td>2010</td>
<td>9.9</td>
<td>9.9</td>
</tr>
<tr>
<td>2011</td>
<td>14.9</td>
<td>14.9</td>
</tr>
</tbody>
</table>

Adjusted PBT (£m)
- 2008: 1,558
- 2009: 710
- 2010: 889
- 2011: 1,420

RWA as % of Customer Assets
- 2008: 35%
- 2009: 35%
- 2010: 31%
- 2011: 28%

1. 2010 adjusted for gain on acquisition of SLB £100m
2. 2011 adjusted for PPI provision £400m
...in a challenging economic climate

Well-managed Net Interest Margin
NIM and Risk Adjusted NIM 2008-11

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Interest Margin</th>
<th>Risk Adjusted Net Interest Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1.75%</td>
<td>1.41%</td>
</tr>
<tr>
<td>2009</td>
<td>1.45%</td>
<td>0.93%</td>
</tr>
<tr>
<td>2010</td>
<td>1.45%</td>
<td>1.08%</td>
</tr>
<tr>
<td>2011</td>
<td>1.51%</td>
<td>1.27%</td>
</tr>
</tbody>
</table>

Base Rate (average) | 4.67% | 0.64% | 0.50% | 0.50%
5yr swap rates (average) | 4.92% | 3.15% | 2.38% | 2.07%

Customers assets & liabilities (£bn) | 193 | 200 | 224 | 233
Total Income (£m) | 4,820 | 4,276 | 4,518 | 4,656
High quality customer balance sheet; strong liquidity

2011 period end customer balances

<table>
<thead>
<tr>
<th>Customer Assets</th>
<th>Customer Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>£121bn</td>
<td>£112bn</td>
</tr>
</tbody>
</table>

LDR 108%

LDR adjusted for secured lending 94%

<table>
<thead>
<tr>
<th>Assets £121bn¹</th>
<th>Liabilities £112bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer loans 4%</td>
<td>Personal current accounts 20%</td>
</tr>
<tr>
<td>SME 6%</td>
<td>SME15%</td>
</tr>
<tr>
<td>Personal overdrawt 1%</td>
<td>Personal savings 65%</td>
</tr>
</tbody>
</table>

¹Secured assets 94%
Proactively managing costs

Cost pools

<table>
<thead>
<tr>
<th>£bn</th>
<th>2011</th>
<th>Directional Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Network (ex property)</td>
<td>(0.9)</td>
<td>↓</td>
</tr>
<tr>
<td>Operations (ex property)</td>
<td>(0.5)</td>
<td>←</td>
</tr>
<tr>
<td>Head Office Teams</td>
<td>(0.3)</td>
<td>↓</td>
</tr>
<tr>
<td>Property</td>
<td>(0.3)</td>
<td>←</td>
</tr>
<tr>
<td>Performance &amp; Retirement</td>
<td>(0.3)</td>
<td>↓</td>
</tr>
<tr>
<td>Investment &amp; Restructuring</td>
<td>(0.2)</td>
<td>↑</td>
</tr>
<tr>
<td>Other</td>
<td>(0.1)</td>
<td>↓</td>
</tr>
<tr>
<td>Total Costs (excl PPI provision)</td>
<td>(2.7)</td>
<td>↓</td>
</tr>
</tbody>
</table>

Cost Income Ratio

- 2009: 63%
- 2010: 65%
- 2011: 58%

Other Cost Indicators

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branches</td>
<td>1,698</td>
<td>1,658</td>
<td>1,625</td>
</tr>
<tr>
<td>Operational Sites²</td>
<td>38</td>
<td>31</td>
<td>29</td>
</tr>
<tr>
<td>Number of UK Current Accounts (m)</td>
<td>11.2</td>
<td>11.6</td>
<td>11.9</td>
</tr>
<tr>
<td>Number of UK Savings Accounts (m)</td>
<td>13.2</td>
<td>14.4</td>
<td>15.1</td>
</tr>
<tr>
<td>Number of UK Mortgage Accounts</td>
<td>834k</td>
<td>916k</td>
<td>930k</td>
</tr>
<tr>
<td>Number of Barclays Business Customers</td>
<td>742k</td>
<td>760k</td>
<td>785k</td>
</tr>
</tbody>
</table>

¹ Excluding PPI and Pension Credits
² Operational site numbers normalised for purchase of SLB and transfers in from other parts of Barclays Group
High quality personal and business books…

**Consumer Lending**
Portfolio Balance splits (%)
c.£5bn balances in 2011

- Pre 2009: 30%
- 2009 Onwards: 70%

**Mortgages**
Distribution of balances by LTV (%)
c.£108bn balances in 2011

- > 85% in 2011 = 9.6% of book
- > 85% in 2009 = 13.8% of book

**Business Banking**
Portfolio Balance splits (%)
c.£8bn balances in 2011

- 20% Unsecured
- 80% Secured

In 2009:
c.70% Secured Business
…translating directly into the bottom line

Delinquency Rates

Impairment (£m) and LLR

Note: FY 2008 does not include Medium Business
Moving from the back of the pack to the front of the pack

Improved customer satisfaction...
JD Power survey measuring customer satisfaction across six service metrics

![Barclays and other competitors' satisfaction over years](chart_left)

...and brand consideration
Millward Brown research: people who would consider taking out a financial product with us

![Barclays and other competitors' brand consideration over years](chart_right)

Source: Customer satisfaction: JD Power Survey (no survey in 2009); Brand Consideration: Millward Brown Research
Uncertain Macro-economic environment

- Focus on costs, consolidate relationships, sustainable growth
- Develop Capabilities
Becoming the Go To Bank

Increasing Regulatory Focus and Intervention

• Simple Products Delivered Excellently
• Culture Driving Clarity and Openness
Becoming the Go To Bank

Transforming customer needs and expectations

• Delivering Speed and Transparency

• Seamless Access and Engagement
Becoming the Go To Bank

1. Economic Environment
   - Focus on Returns
   - Develop Capabilities

2. Regulators
   - Focus on Customer
   - Simple Products

3. Customers
   - Speed & Transparency
   - Seamless Access

4. Competition
   - Differentiate Experience
   - Consolidate Relationships

Reducing market differentiation, increasing competition

- Provide a differentiated experience for our customers
- Focus on consolidating existing relationships
Consolidating customer relationships, focusing on experience to drive increased engagement

**Transactional**
- Pingit
- Features Store
- Personalised debit card

**Savings**
- Loyalty
- Flexibility
- Innovation

**Mortgages**
- Product engine
- On us/off us (great escape)

**Consumer Lending**
- Instant
- On us/off us
- Flexible product

**Mass**
- Leveraging Features Store
- Rewards
- Insurance
- Cost

**Mass Affluent**
- Wealth
- Family

**SME**
- Business Banking
- Leverage retail propositions
• We have repositioned the bank to **increase returns** from a low of 7.5% in 2009 to pre-crisis levels at almost 15%

• Income growth will remain muted over the next 2 years due to the economic environment, therefore we are focusing on **cost reduction** and selective **balance sheet growth**

• As we increase **customer engagement** through differentiated customer experience we will take advantage of **economic tailwinds** in the medium term