Good morning and thanks for joining us today

As you know we issued a restatement of our numbers in March reflecting last year’s reorganisation of the group.

There are now three main business groupings:

- Global Retail Banking,
- Corporate and Investment Banking and Wealth Management
- and Absa.

My comments this morning reflect these changes
We have also continued to increase our disclosure so that:

we’re giving further detail on our P&L

as well as major movements on the balance sheet.

We continue to disclose movements in our credit market exposures

and we’re giving additional detail on improvements in impairment,

reflecting the importance this has for our overall performance.

In general my comments compare the first quarter of 2010 with the same period in 2009

with the exception of impairment,

where I also include a comparison with the fourth quarter to give a better understanding of the trend.

I’ll start with the headlines at a Group level where profits increased 47% to £1.8 billion.

On an underlying basis they grew 90%.

Income grew 4% to £8.1 billion,

Impairment of £1.5 billion was down 35% year on year

and 19% on the fourth quarter

resulting in a 21% increase in net income to £ 6.6 billion.
Credit market write-downs reduced to £141 million
from £2.6 billion in the first quarter of 2009.

And operating expenses grew 17% to £4.9 billion,
reflecting the impact of variable costs,
the build out of our Investment Banking and Equities
businesses,
and a restructuring charge in Barclays Corporate.

Return on equity was about 9% reflecting very high levels of
capital within the Group,
earnings per share grew 35% to 9.3 pence,
and we’ve announced a first interim dividend of 1 pence for the quarter.

Gross UK lending balances have increased by £16 billion for the
quarter,
including £7 billion resulting from Standard Life Bank.
Global Retail Banking

Turning now to Global Retail Banking, profits decreased 6% to £403 million.

Income fell 3% partly as a result of liability margin compression.

Impairment was broadly stable year on year.

UK Retail Banking

In UK Retail Banking profits grew 20% to £238 million,

including a gain of £71 million on the acquisition of Standard Life Bank.

Income decreased 3% largely as a result of liability margin compression.

Costs were well controlled and were broadly flat year on year.

Impairment improved 3% compared with the first quarter of 2009.

It was 19% better compared to the fourth quarter driven by improvements in unsecured consumer lending and overdrafts

Customer deposits increased by £9 billion to £106 billion

Two thirds of that increase was Standard Life Bank.
Loans to customers were up 9% to £112 billion driven by growth in the UK mortgage book.

**Barclaycard**

At Barclaycard, income decreased slightly and we estimate that the US Credit Card Act accounted for £30 million of income reduction.

There was a 5% increase in impairment compared to the first quarter last year and a 7% increase compared to the fourth quarter.

The movement of balances into delinquency has reduced since the fourth quarter, especially in the US.

Costs grew 7% reflecting:

higher marketing expenses and pension contributions as well as one off costs as a result of the US Credit Card Act.

Taken together, this resulted in profits decreasing to £118 million.
Western Europe

In challenging market conditions, GRB Western Europe delivered profits of £17 million taking into account a gain of £29 million from the acquisition of an Italian cards business from Citigroup.

Income declined 10% as a result of lower Treasury revenues and liability margin compression.

There was a significant improvement in impairment relative to the fourth quarter with a big reduction in consumer lending impairment in Spain, partly offset by an increase in Italy as a result of book growth.

Both 30 and 90 day delinquency rates declined across mortgages and personal loans though they increased slightly in small business.

Credit card delinquency rates remained stable over the quarter.

Costs increased slightly year on year despite a larger cards portfolio
and an increase in the number of branches and distribution points to 1300.

We continued to narrow the funding gap and since the end of 2009 customer deposits have grown by 39% to £18.3 billion while customer lending grew 8% to just over £42 billion.

Barclays Africa

Barclays Africa serves about 2.7 million retail customers through 500 branches in 10 countries in Africa and the Indian Ocean. We have a Top 3 position in many of these markets.

Profits in Barclays Africa increased 15% to £30 million. There was solid income growth and impairment reduced significantly, partly offset by increased costs as a result of higher pension charges.

Corporate and Investment Banking, and Wealth Management

Turning now to Corporate and Investment Banking and Wealth Management profits grew 47% to £1.5 billion.
and income rose 4% to £4.9 billion.

Barclays Capital

At Barclays Capital profits grew 62% to £1.5 billion

Top line income of £3.85 billion was higher than the third and fourth quarters last year,

reflecting strong client driven activity across the business.

After own credit charges of £102 million

and credit market write-backs of £50 million

total income of £3.8 billion was up 28% on the fourth quarter last year

and 4% on the first quarter.

Top line income in Fixed Income, Currencies and Commodities was £2.6 billion,

3% up on the fourth quarter with strong performances in Credit and Emerging Markets

The reduction on the first quarter last year reflects lower market volatility, especially in interest rates,

as well as margin pressure that was not fully compensated for by higher volumes.

There was also a lower contribution from commodities compared to the very strong first quarter last year.
Investment Banking revenues increased 66% reflecting strong growth in debt and equity underwriting.

The value of our investment banking pipeline has more than doubled since the start of the year and we’re pleased with the momentum in this business.

Equities revenues were down 18% as a result of a weaker performance in equity derivatives and lower market volumes.

Net income, after impairment of £268 million, increased 37% to £3.5 billion

£191 million of that impairment related to credit market write downs.

Costs grew 25% to £2.1 billion reflecting increased headcount, and the continued build out of Equities and Investment Banking.

The cost to net income ratio improved by 6 percentage points to 58%

compared to 73% for the full year in 2009.

Given the progress in the build out we expect a cost to net income ratio in the range of 60 to 65% for 2010.
For accounting purposes we’re accruing for variable compensation at levels consistent with 2009 though of course no decisions are made about bonuses before the end of the year.

Credit market exposures increased by almost £1 billion largely as a result of weaker sterling but credit market impairment was much lower and over the quarter there was a credit market write back of £50 million reported in the income line.

**Barclays Corporate**

Barclays Corporate posted a loss of £75 million driven by a restructuring charge of £77 million

Income reduced 8%

and impairment was very significantly down on the fourth quarter last year.

Barclays Corporate now comprises three businesses: the UK and Ireland, Continental Europe, and New Markets.

In the UK and Ireland income decreased 2%

and costs increased as a result of higher pension charges leading to a decline in profits of 15% to £158 million.
Impairment charges improved 6% year on year and 46% on the fourth quarter.

In Continental Europe there was a reduction in income mostly driven by lower volumes and reduced net interest income in Spain.

Impairment charges increased, especially in Spain and Italy,

As a result losses grew to £70 million.

In New Markets, which comprises corporate and retail banking in India, Indonesia, Pakistan, Russia and the UAE, losses increased to £163 million largely as a result of the restructuring charge.

Income fell to £61 million, with the largest drop in India resulting from lower consumer lending as we place a greater emphasis on corporate business.

Impairment in New Markets was 56% down on the fourth quarter.

The majority of impairment was in India and the UAE.

We are refocusing these businesses on the most attractive customer segments, products areas and locations, and we’ll outline our strategy for Barclays Corporate at a seminar later in the year.
Barclays Wealth

At Barclays Wealth, profits increased 50% to £45 million

- driven by very strong income growth in the high net worth businesses

- Client assets increased 3% to £155 billion.

The growth plan we announced in February is now under way.

- 2010 is the first in our five year programme to upgrade our platforms globally.

- We’re also recruiting additional client facing professionals,

- with an emphasis on the US and Asia.

We expect incremental investment of £350 million

- mostly over the next three years

- of which about £100 million will be spent in 2010.

Investment Management

As you know we also hold a 19.9% stake in BlackRock which contributed profits of £29 million.
Absa

At Absa, profits more than doubled to £167 million, including a one off pension fund credit of £55 million.

income increased 29%

and costs grew 22% resulting in positive jaws of 7%.

Although impairment increased 9% from the fourth quarter

the flow into delinquency moderated

and we expect impairment to stabilise in the second half of the year.

These results were improved by a 22% appreciation in the average value of the rand against sterling.

Head Office

Head Office reported a loss before tax of £218 million

which is a 19% improvement on the first quarter last year

reflecting reduced net cost in central hedging, transactions and funding activity.
Balance Sheet

Moving to the balance sheet…

Since the year end Risk Weighted Assets have increased by 8% to £415 billion as a result of:

- increased risk weightings applied by the regulators to certain assets already on the balance sheet
- as well as movements in foreign exchange
- and modest business volume growth.

Our Core Tier 1 ratio was 9.8% at the end of March

Adjusted gross leverage has increased slightly from the year end to 21 times

and we’ve continued to increase our surplus liquidity pool which was £151 billion at the end of March.

We’ve also raised over £17 billion equivalent from the capital markets this year

which is more than enough to address financing maturing in 2010.

We continue to focus on self funding our non investment banking activities through deposit gathering

and we’ve increased deposits by 5% to £259 billion over the quarter
Outlook

In terms of outlook, total impairment charges represented a loan loss rate of 112 basis points on an annualised basis

We continue to expect an overall improvement this year,

which is now slightly better than the guidance we gave you in February.

Month to date trading has been similar to the trends we saw over the first quarter.
So in conclusion:

Profits for the group grew 47% to £1.8 billion;

we continued to support customers, with an increase in gross UK lending balances of £16 billion;

There was strong profit growth in Barclays Capital;

Impairment continued to improve across the group

and we maintained strong capital ratios, leverage and liquidity positions.

Thanks very much – I have with me Antony Jenkins, Jerry del Missier, Rich Ricci, Robert le Blanc and Stephen Jones to help with Q&A
Post Q&A

Thanks very much – that's all we have time for this morning

As you know we have our Annual General Meeting later today

We'll also be holding an Investor Day for Global Retail Banking in London on June 30th

Before I close the call I’d like to sum up:

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we continued to support customers, with an increase in gross UK lending balances of £16 billion;

There was strong profit growth in Barclays Capital;

Impairment continued to improve across the group

and we maintained strong capital ratios, leverage and liquidity positions.