



Barclays PLC Q1 2012 Interim Management Statement
Bob Diamond, Chief Executive

Good morning - thanks for joining. I am here with Chris Lucas, Barclays Finance Director. Before Chris takes you through the numbers, I want to share a few headlines.

First, these results reflect a strong performance across our businesses, in an environment that has improved since the second half last year, but continues to be challenging.

We reported adjusted PBT of £2.4bn, 22% up on a strong first quarter last year. Statutory numbers include a large reversal in own credit, which is both non-cash and non-regulatory capital, and a further provision for PPI.

Our adjusted profit performance was driven by total income growth of 5% to just over £8bn. This positive momentum in earnings was broadly based and well balanced:

- There was a good underlying performance in every business,
- with an encouraging start to the year in Investment Banking,
- an important turnaround in Corporate Banking, and
- a strong performance in UKRBB, Barclaycard, and Wealth Management, where we are seeing the benefits of our Gamma investment program.

These results were achieved with a continued focus on delivering against our four execution priorities.

1. **We continue to be rock solid on capital, liquidity and funding.** That is our primary execution priority.

Our Core Tier 1 ratio remains strong at 10.9%.

Our liquidity pool increased to £173bn.

We raised £12bn of term funding in the first quarter, just about half our requirement for 2012.

2. **On returns,** we delivered adjusted return on equity of 12.2% and an adjusted return on tangible equity of 14.3%.

This is particularly encouraging as it was achieved in a relatively weak economic and low interest rate environment.

Our three largest businesses delivered returns comfortably above our targets (UKRBB 15% RoE, Barclaycard 20% RoE, Investment Banking 17% RoE).

While progress will not be in a straight line, as regulation still has to be implemented, this result supports our belief that we can achieve 13% returns over time.

3. **The third execution priority is income growth.**

Total income growth of 5% was driven by the increasing strength of our franchise in Barclaycard, Wealth and Corporate. The turnaround in Corp is important to us. Investment Bank income was broadly flat on a strong first quarter in 2011 – and was up significantly on the second half of 2011.

4. **Our fourth execution priority is Citizenship**, where we remain absolutely focused on supporting economic growth and job creation, particularly here in the UK:

We were able to deliver gross new lending of over £10bn in the first quarter, half to businesses.

We participated in the Government's National Loan Guarantee Scheme – delivering value to customers upfront through the unique cash-back mechanism.

Overall, our Q1 results demonstrate we're making steady progress across our priorities, in a challenging and volatile environment – let me hand over to Chris to take you through some numbers.

Thanks Chris.

As Chris and I and the Executive Committee look forward to the balance of 2012, it is all about execution, but in particular, there are two real priorities for us in 2012.

The first is to manage our business to continue our journey to deliver returns comfortably above the cost of equity on a sustainable basis.

The second is very important. To continue to commit a significant amount of energy, time and focus to developing a credible resolution plan that can be endorsed by both our regulators here in the UK and in the US – ultimately eradication of 'too big to fail' is a critical initiative for the industry, for the UK, and for Barclays. We are pleased to see

Paul Tucker, the deputy Governor of the Bank of England chairing the key committee of the FSB under Mark Carney on this initiative.

We put ourselves up to be a test case and we think 2012 is a critical year to advance this important piece of regulation.

We believe this is an encouraging start to the year, the environment remains uncertain and it's all about execution, execution, execution.

Thanks very much – we're happy to take your questions.