

23 April 2015

## BARCLAYS PLC

### Chairman's AGM Statement

Good morning and welcome to Barclays' 2015 Annual General Meeting.

The Barclays of today is a very different organisation from the one that I joined in the summer of 2012.

There was urgent need then to adapt our business model and governance to the new economic, financial and regulatory environment and to reconnect with the original values of this great institution.

The journey is incomplete. But great progress has been made on all these fronts.

Before I continue, I'd like to play a short video reflecting on Barclays' journey over a rather longer period – the last 325 years.

As this film shows, there is a huge amount of which the board, the executive leadership, our employees and you, the owners of Barclays, can be proud.

This is further evidenced in the Exhibition outside, curated by Leslie Hannah, business historian and Professor at the London School of Economics, whom you just saw in the video. I encourage you to stop by after the AGM.

Looking back, it is clear that trust and confidence in us reached a low ebb around the middle of 2012.

Some of the criticism was exaggerated, but a good part of it was justified. It was both essential and urgent to get this institution back on a better course.

Inevitably the journey to restoration and recovery takes time, but it was clear to me from the outset that at the heart of Barclays there is a great franchise and we have great people.

As I reflect on the extent of change since that critical phase in 2012, I have no doubt that Barclays is positioned to succeed over the long term because of the action we've taken and continue to take.

Over the course of the last two and a half years, a reinvigorated, rebalanced Barclays has begun to emerge under Antony Jenkins' leadership as chief executive.

A Barclays underpinned by a purpose and a set of common values that are fundamental to long term success.

And a bank that is much more resilient than pre-crisis with much stronger capital ratios and liquidity pools, lower leverage, more robust compliance controls and a strategy for sustainable performance.

For hundreds of years, trust has been fundamental to banking and the changes that are taking place across our sector will only make this more important.

That is why your board and executive management team have taken the deliberate action necessary to focus this business once again on service and innovation for customers and clients, delivering for shareholders, and fulfilling a positive role in broader society.

The process is not complete. But while I was, personally, confident about Barclays' prospects even in the dark days of 2012, I am very optimistic about them now.

It is evident that Barclays is becoming the institution that we want it to be for customers, clients, employees, but ultimately you, our shareholders.

It is 325 years since two Quakers, John Freame and Thomas Gould, established themselves as goldsmith bankers in London in 1690. That was the beginning of the journey that we are continuing today, some highlights of which we just saw in the video.

The Quakers relied on their own hard work, pioneering spirit and moral code to become trusted and respected figures within their communities. And the people that started the Barclays journey made bold, innovative decisions that ensured the bank would go from strength to strength.

These are precisely the qualities – not of course the sole preserve of Quakers - that we look for today and that will ensure that Barclays prospers and grows for many years to come.

It is worth reminding ourselves of the progress we have made in the last few years and highlighted in our 2014 Results:

- Return on Equity in the core business was nearly 11% last year, putting Barclays in good stead to reach its target of 12% plus in 2016.
- We have made excellent progress on cost, and you can rest assured that we will maintain momentum in this area throughout 2015. The same applies to our reduction of non-core assets.
- Bonus payments were also down. Total incentive awards granted were down 22% in absolute terms, against a backdrop of increased adjusted profit before tax. Levels of bonus deferral continue to exceed regulatory requirements and are expected to remain among the highest deferral levels globally.
- Our Purpose and Values are now part of the fabric of the organisation – influencing the way we do business each and every day, as is our Balanced Scorecard. We have reported on this for the first time this year - you can read more about it in the Annual Report.
- Our efforts to support the real economy have made a tangible difference to thousands of people's lives, from students and the young unemployed to budding entrepreneurs and small business owners all over the world.

This is something of which I am immensely proud. We are here to serve our customers, to respond to their needs and to help them achieve their ambitions in the right way. Our results demonstrate that we are doing this.

The results for 2014 were unfortunately impacted significantly by the size of the provisions we have taken against a number of legacy issues that we continue to deal with.

We have an obligation to you to work through these issues as expeditiously and transparently as possible.

The behaviours, practices and conduct that led to these issues are wholly inconsistent not just with the Values and culture of Barclays today, but with the ethos of the founders of this organisation.

I spoke briefly of the Quakers' drive to build trust within society and our swift and decisive resolution of these legacy issues underlines our commitment to rebuilding the trust of all of our stakeholders.

There will be further issues to resolve this year. I urge you not to be disheartened when you see these as they emerge.

This is simply further evidence of our commitment to deal with the past and, most importantly, learn from it.

By working more closely and proactively with our regulators than ever before, we will also move towards greater resilience, transparency and sustainability.

One of the Barclays Values is Stewardship – the notion that we should all leave the matters with which we deal in better shape than we find them at the outset. This is what my colleagues have been doing through collectively living and breathing the spirit of Stewardship.

I want to thank each and every one of them. They have worked relentlessly to put Barclays into a better place than when I began as Chairman in 2012.

I am delighted that this work will continue to progress under the guidance of John McFarlane – whose stature and experience make him the ideal candidate to lead this organisation in the next phase of its journey.

My final word of thanks is to you, the shareholders. You have been patient, and on behalf of the Barclays Board, I thank you for that.

Thank you for giving me the privilege of serving as Chairman; I am proud to have done so during what I am confident will prove to be a pivotal period in Barclays' long history.

What counts now is the future and I leave Barclays in very good hands. Let me hand over now to our Chief Executive, Antony Jenkins.

-Ends-

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