

BARCLAYS PLC

24 April 2008

Annual General Meeting Marcus Agius, Group Chairman

Ladies and Gentlemen: good morning. I am delighted to welcome you to the Barclays 2008 Annual General Meeting and, on behalf of the Board, to report to you on the performance of the Group.

Last year proved to be an eventful year for Barclays and for the Financial Services Industry as a whole. We announced in March that we were in merger discussions with the Dutch Bank ABN AMRO although we subsequently withdrew our primarily share-based offer. We also saw the crisis at Northern Rock culminate in its effective nationalisation. And the market turbulence that started last summer has continued with little sign to-date of its abating. Despite the difficult market conditions in the second half of last year, however, Barclays performed well in 2007. Pre-tax profits were just under £7.1bn, marginally below the record profits earned in 2006 although profit before business disposals actually rose 3%. We declared a final dividend for the year of 22.5 pence a share, making a total payout for the year of 34 pence, an increase of 10%.

John Varley, our Chief Executive will give you a more detailed assessment of the performance of the Group in a few moments.

Let me first say a few words about the market conditions over the last few months and the so-called credit crunch. What began as an increase in default rates on sub-prime mortgages in the US has led to significant falls in the price of mortgage and asset-backed securities and a severe reduction in the ability to sell such securities to third party investors. We are now seeing several reinforcing factors at work as increases in the price of risk and concerns over the economic outlook, particularly in the US, have led to the prices of many mortgage and asset-backed securities falling even further. This in turn has forced some institutions to sell assets in order to reduce their leverage and raise liquidity, thereby further increasing the selling pressure on certain assets. This of course has led to high impairment charges and write-downs across the banking sector.

This process will not continue indefinitely, however, and, at some stage, market confidence and buyers will return. In the meantime, we welcome the steps taken by the US Treasury, The Federal Reserve and, just this week, by The Bank of England, to inject more liquidity into the system. We believe this is a crucial step in helping to restore stability.

In these difficult market conditions, how has Barclays fared? Well, as you have seen, Barclays Capital managed to increase its profit last year, even after £1.6bn of net losses related to the credit market turbulence and, as you will hear from John Varley, our other businesses are competing well despite continuing difficult market conditions [and gaining market share in a number of areas]. I can assure you that the Board, heavily engaged as it is in discussing and monitoring performance with the Executive team, remains confident in Barclays' prospects and is committed to delivering top quartile returns for our shareholders.

Let me now update you on the Board changes over the year.

David Booth joined the Board on 1 May last year as a Non-Executive Director. He brings to the Board extensive Investment Banking experience and US Market knowledge. Patience Wheatcroft and Sir Michael Rake both joined the Board on 1 January this year. Patience is a former Editor of the Sunday Telegraph and Business and City Editor of The Times and Sir

Michael is the former Chairman of KPMG International and is now Chairman of BT Group. We are delighted to have the benefit of their wisdom and experience. Danie Cronje, who was until July last year the Chairman of Absa, is retiring from the Board at the end of this meeting. I would like to thank him for bringing his wisdom and experience to bear on our board deliberations and to wish him all the best for the future.

Before I hand over to John, I would, on behalf of the Board and on behalf of you, the shareholders, like to thank our employees who have worked so hard for Barclays in a very difficult market and competitive conditions. From the top of the organisation to the bottom, they have been severely tested: without them we could not have achieved the results that we have.