Fixed Income Investor Presentation

Q3 2012 Interim Management Statement

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Barclays Overview

A Global Universal Bank

- Major global financial services provider
- 3 main businesses:
  - Retail and Business Banking (RBB),
  - Corporate & Investment Banking, and
  - Wealth & Investment Management
- Over 320 years of history and expertise in banking
- Headquartered in the UK
- Operates in over 50 countries, across Europe, Americas, Asia and Africa
- Serves c.50m customers, globally
- Employs c. 140,000 people
- Listed on London and New York stock exchanges
- Rated A+ / A2 / A / AA (S&P, Moody's, Fitch, DBRS)

Key Financial Metrics as at 30 Sep 2012

Total Assets	£1.6tr
Core Tier I (Basel 2.5)	11.2%
Adj. Gross Leverage Ratio	20x
Liquidity Pool	£160bn
NSFR (Basel 3)*	101%
LCR (Basel 3)*	97%
Loan to Deposit Ratio	111%
< 1 year Wholesale Funding	£113bn
Wholesale Funding WAM*/** (months)	65+
YTD Term Issuance	£22bn

* As at 30 June 2012
** Excluding liquidity pool

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Latest Financial Highlights (as at 30 September 2012)

"These results demonstrate that we continue to have good momentum in our businesses despite the difficulties we faced through this period" (A. Jenkins, Chief Executive)

Nine months ended – September	2012 (£m)	2011 (£m)	Change (%)
Adjusted[1] income	22,347	22,300	-
Impairment charges	(2,657)	(2,851)	(7)
Adjusted net operating income	19,690	19,449	1
Adjusted operating expenses	(13,832)	(14,441)	(4)
Adjusted profit before tax	5,954	5,062	18
Statutory profit before tax	712	5,066	(86)

- Adjusted income flat despite macroeconomic challenges and continuing low interest rate environment
- Adjusted operating expenses down 4%, with performance costs down 9% to £1,995m and non-performance costs down 3% to £11,837m
- Impairment charges down 7%, reflecting conservative credit risk appetite
- Adjusted PBT up 18% with improvements of 27% in Corporate & Investment Bank and 31% in Wealth & Investment Management
- Liquidity pool decreased to £160bn (30 Jun 2012: £170bn) and loan to deposit ratio remained stable at 111% (30 Jun 2012: 111%)
- Core Tier I remained strong at 11.2% (30 Jun 2012: 10.9%) with an estimated fully loaded Basel III Core Tier I of 8.2% as at 1 Jan 2013
- RWA decreased to £379bn (30 Jun 2012: £390bn) with adjusted gross leverage ratio stable at 20x
- Sovereign exposures to Spain, Portugal, Italy, Ireland, Greece and Cyprus decreased 15% during Q3 to £4.8bn

[1] See slide 26 for adjusting items
Interim Management Statement available on http://group.barclays.com/about-barclays/investor-relations#overview

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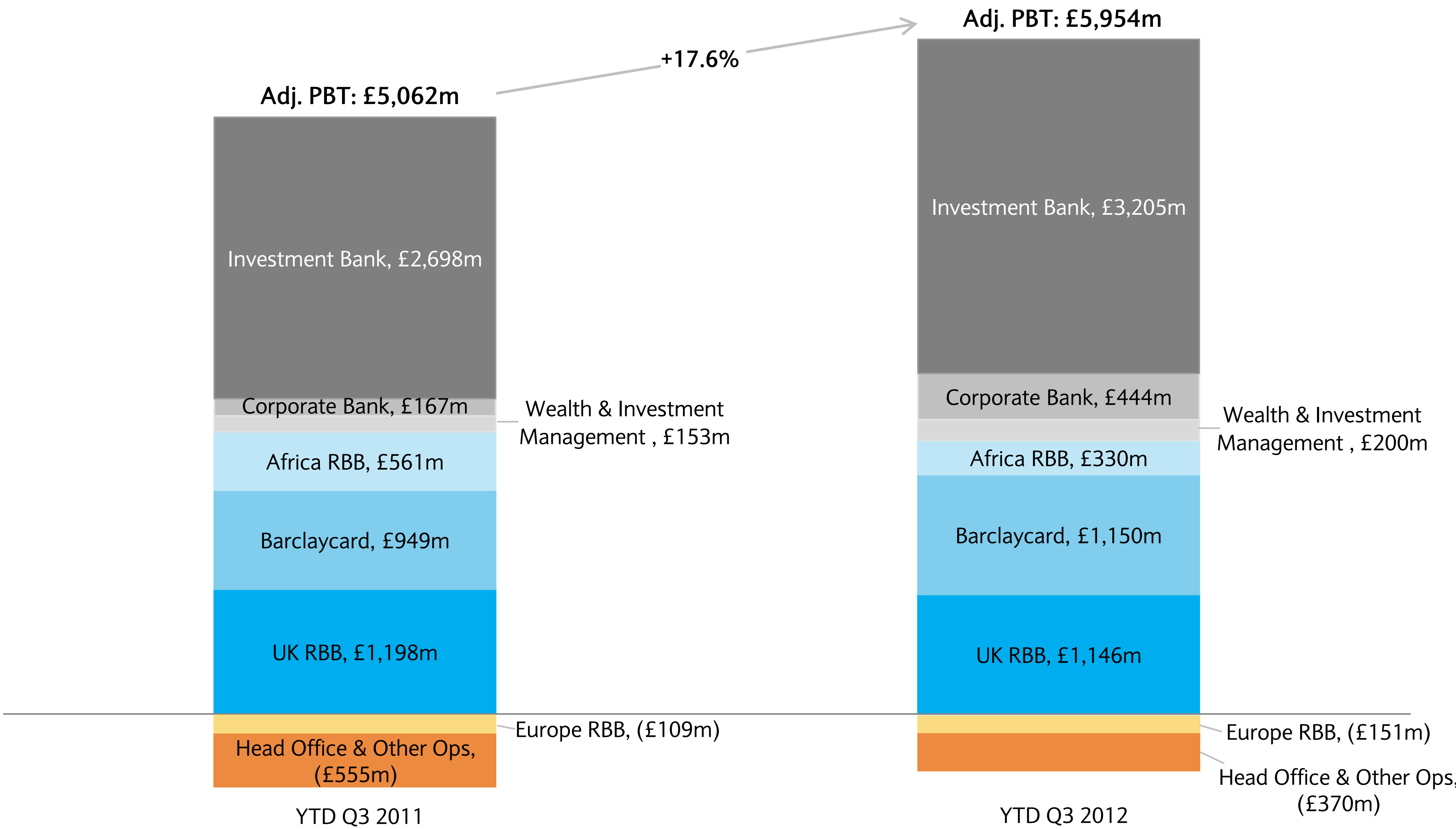
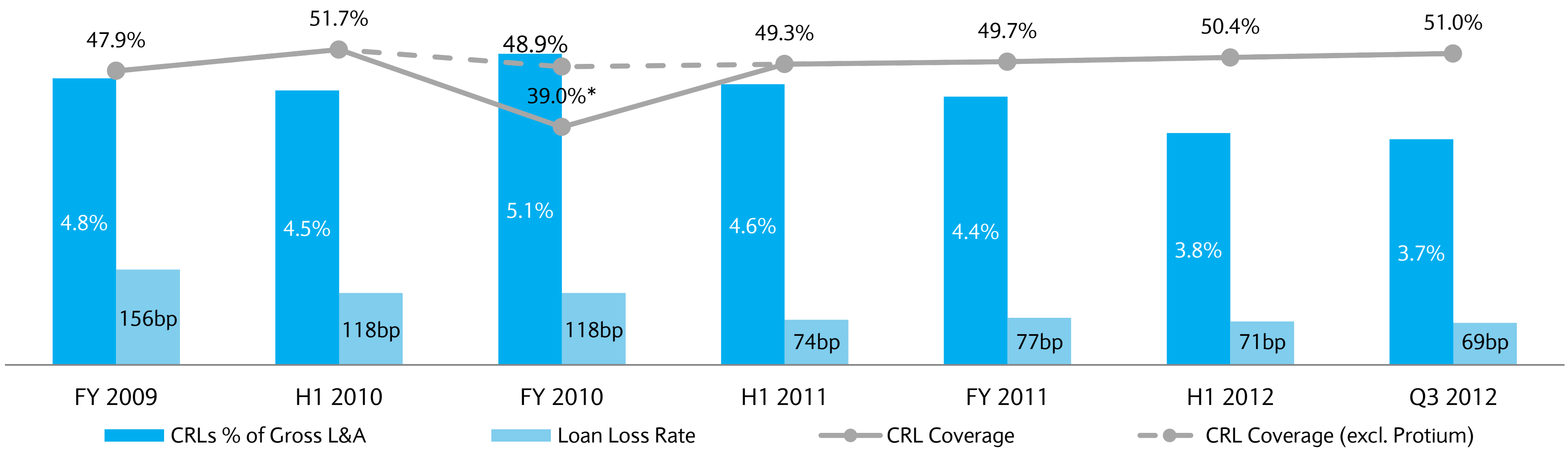
Balanced Profit Distribution Across the Group

Composition of adjusted profit before tax demonstrates the benefits of the universal banking model



Strong Asset Quality

Despite challenging macroeconomic environment, retail and wholesale portfolios are performing well, as evidenced by limited Credit Risk Loans (CRLs) and low loan loss rates



* In FY2010, CRLs include £7,560m loan to Protium, with associated £532m impairment charge

- CRL balances decreased by 10.4% in the first 9 months to £19,128m, whilst gross L&A increased by 4.4%
- Impairment charges amounted to £2,640m as at 30 Sep 2012 (down 7.1% on an annualised basis)
- Prudent risk approach and early recognition of issues have resulted in appropriate, stable and within expected severity ranges, coverage ratios

- Definitions:
  - CRLs consist of impaired loans, accruing past due 90 days or more and impaired or restructured loans
  - Loan Loss Rate = $\frac{\text{Annualised Impairment Charge}}{\text{Gross Loans \& Advances}}$
  - CRL Coverage = $\frac{\text{Impairment Allowance}}{\text{Credit Risk Loans}}$

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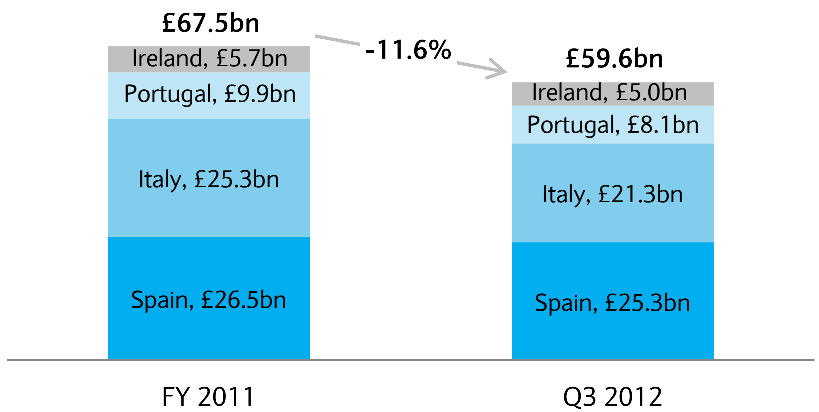
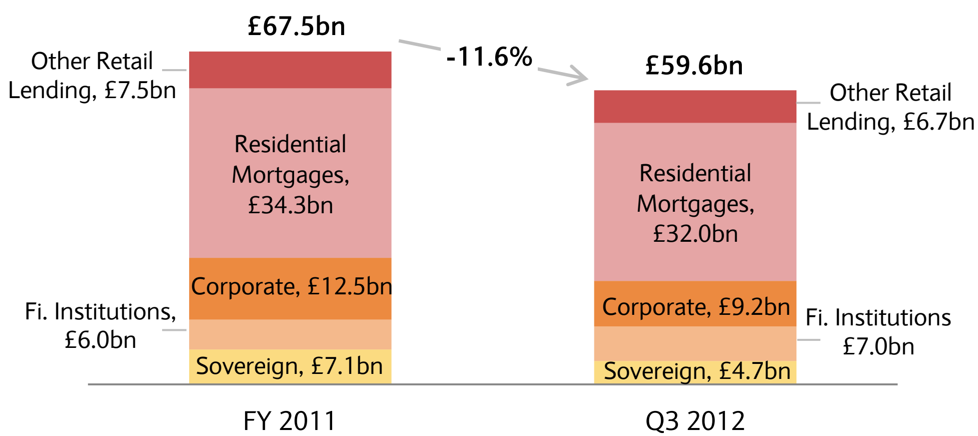
Reduced Exposure to the Eurozone Periphery

Direct exposures continue to be managed down, whilst redenomination risk has significantly reduced in Spain and Portugal

Exposures by Geography



Exposures by Asset Class



- During first 9 months, exposure to Spain, Italy, Portugal and Ireland decreased 11.6% to £59,623m, with sovereign exposures shrinking by 32.9% to £4,748m
- Spanish and Portuguese marked-to-market LTV increased slightly:
  - Spain: 63.8% (31 Dec 2011: 60.1%)
  - Portugal: 76.6% (31 Dec 2011: 69.6%)
  - Italy: 46.3% (31 Dec 2011: 46.9%)
- Exposures to Greece and Cyprus remain contained to £83m and £210m respectively as at 30 September 2012
- Net funding mismatches decreased from £12.1bn to £0.1bn and from £6.9bn to £3.3bn in Spain and Portugal respectively, mainly as a result of €8.2bn LTRO drawdown and additional deposit taking in Spain
- Redenomination risk significantly lower in Italy, with net funding mismatch reduced 19.3% to £9.6bn and with collateral available to support additional secured funding, should risk increase

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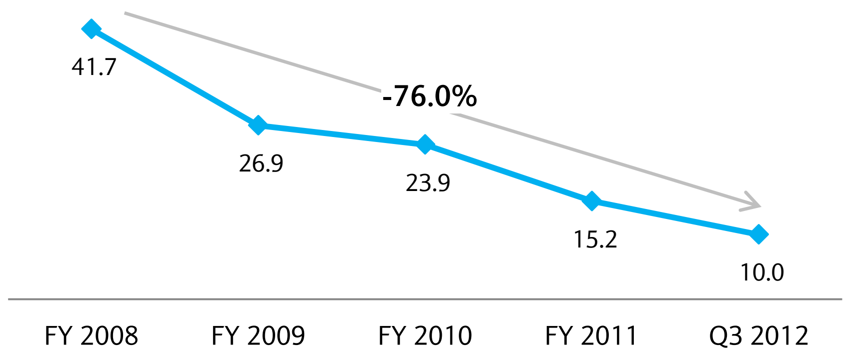
Managed Credit Market Exposure

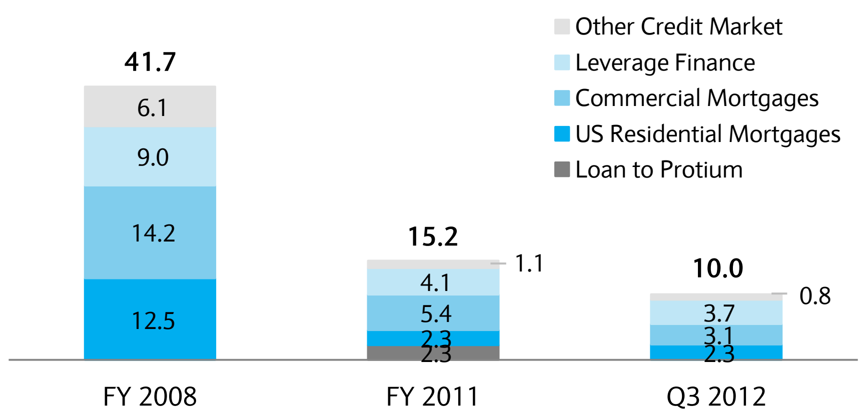
Since December 2008, Barclays has successfully reduced its exposure to legacy assets by 76% to £10.0bn

2008-2012 CME Balances (£bn)



- CMEs arose before market dislocation in mid-2007 and primarily consist of real estate and leveraged finance
- Exposure managed by a dedicated team, supported by the Investment Bank's strong distribution franchise
- Reduction in CMEs mainly results from net sales and paydowns

Balances by Asset Class (£bn)



P&L Impact (£m)

Over the last 21 months, CME balances more than halved and generated a £79m profit relative to their marks

£m	9 months to 30.09.2012	12 months to 31.12.2011
US Residential Mortgages	(97)	(4)
Commercial Mortgages	213	518
Leveraged Finance	(35)	(160)
Other Credit Market	21	(45)
Loan to Protium	0	(332)
TOTAL	**102**	**(23)**

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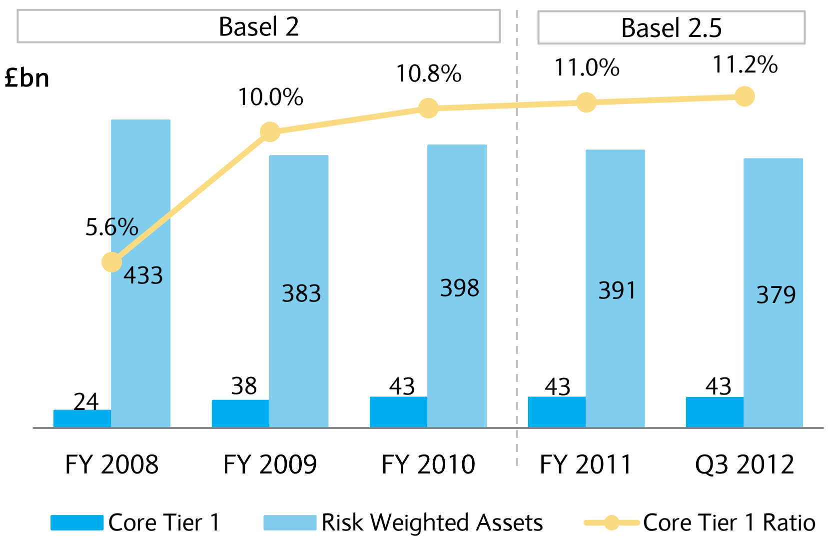
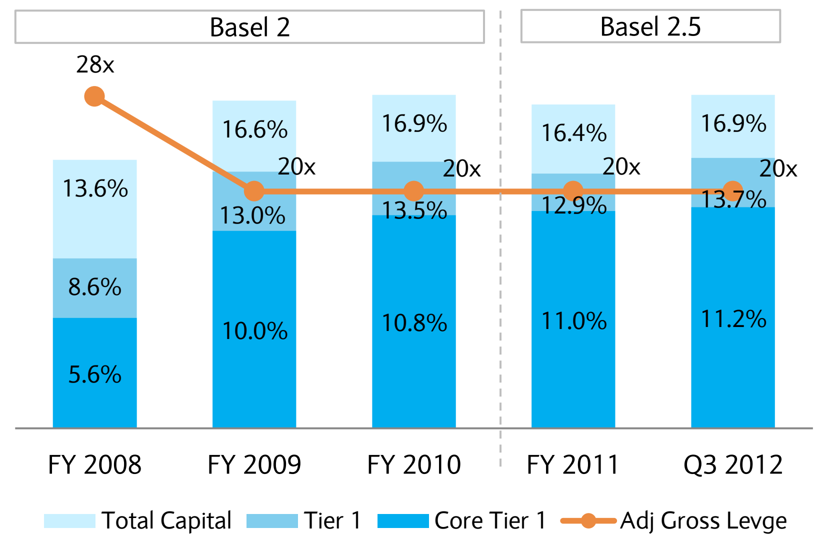
Capital

Capital Ratios and Leverage

Our financial strength continues to serve us well in the current environment and remains a core component of our strategy going forward





- CT1 improved significantly since 2008, despite stricter capital definitions, to reach 11.2% at end of September 2012
- Solid CT1 reflecting broadly stable CT1 equity and reduced risk weighted assets
- We expect to maintain CT1 and Tier 1 ratios at levels which significantly exceed current minimum regulatory requirements

- Barclays significantly deleveraged since 2008, by strengthening its Core Tier 1 capital base, reducing RWA and decreasing non-risk adjusted leverage metrics
- Adjusted gross leverage stabilised at around 20x; excluding liquidity pool, the ratio was 17x as at 30 September 2012 (compared to 26x in Dec 2008)
- Barclays estimates leverage ratio under Basel 3 to be currently below 33x limit

Pro forma Capital and RWAs

Barclays continues to manage the business to absorb changing regulation. Pro forma CT1 ratios are subject to finalisation of Basel 3 rules and market conditions

	Reported Sep-12	Pro forma Dec-12	Pro forma Jan-13	Pro forma Dec-13
CT1 Capital	42.5	42.9	42.9	47.2
CRDIV impact to CT1 Capital			1.3	1.3
CT1 Capital (under CRDIV)			44.2	48.5
Sep-12 RWAs	379	379	379	379
Operational Risk and Slotting (Q4-12)		15	15	15
RWAs (post Operational Risk & Slotting)		394	394	394
CRDIV impact to RWAs:				
CVA			46	46
Securitisation			39	39
Other			23	23
Gross impact			108	108
Planned Management actions			(17)	(38)
Net Impact of CRDIV			91	70
RWAs (post CRD IV and regulatory changes)			485	464
Transitional CT1 Ratio	11.2%	10.9%	9.1%	10.4%
Other 2014 - 2018 transitional deductions			(4.6)	(4.6)
Fully loaded CT1 Capital			39.6	43.9
Fully loaded CT1 Ratio			8.2%	9.5%

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Pro forma Capital and RWAs – Notes

Notes on Basel 3 Core Tier 1 pro formas

1. Pro forma uses consensus estimates for retained earnings from 23 sell-side analysts, including consensus dividend payout. Barclays neither endorses nor verifies the estimates used
2. Pro forma assumes exercise of outstanding warrants (£0.8bn) by Oct 2013. There is a risk that these warrants will not be exercised (strike price is £1.977)
3. No growth in RWAs is assumed for new business activity. However September 2012 RWAs are assumed to increase in Q4 2012 for increases to our assessment of Operational Risk and regulatory change relating to Commercial Real Estate ("Slotting")
4. The pro forma RWA increase from Basel 3 includes 1250% risk weighting of securitisation positions while pro forma capital includes the add back of Basel 2 50/50 securitisation deductions
5. Planned management actions relate principally to CVA effects and run down of legacy assets
6. Pro forma ratios remain subject to final CRD IV rules and market conditions notably due to CVA's sensitivity to credit spreads
7. Other CRDIV impact to RWAs include adjustments for Central Clearing, Asset Valuation Correlation, withdrawal of national discretion of definition of default, Deferred Tax Assets, Material Holdings and other Counterparty Credit Risk
8. Transitional Core Tier 1 ratios post Dec 12 do not include Basel 3 2014-2018 phased deductions. Fully loaded Core Tier 1 ratios reflect these deductions in full as if applied on an accelerated basis. These deductions comprise excess Minority Interests, Deferred Tax Assets, Available for Sale (AFS) debt and equity reserve, EL>Impairment and Material Holdings, and also Debit Valuation Adjustments (DVA) and Prudential Valuation Adjustments (PVA)
9. In absence of clear guidance in CRD IV draft, PVA is assumed to transition in. There is a risk that this deduction will have no transitional provisions. If this scenario materialises, Jan 13 Transitional CT1 ratio will be c30bps lower with no impact of Fully Loaded CT1 ratio

FSA Guidance on Publication of Ratios (issued 29/10/2012)

1. Post implementation of CRD IV, the FSA has asked that banks publish Common Equity Tier 1 (CET1) as prescribed by CRD IV Transitional Rules. In addition, the FSA will require certain UK banks to continue to disclose ratios using their 2009 definition of Core Tier 1 (CT1) capital
2. The key difference between the calculation of CET1 and CT1 is the treatment of intangible assets, which are already fully deducted from CT1, but will not be deducted from CET1 at the inception of CRD IV and instead will be phased-in between 2014-2018 at 20% per year. Pro forma reported CET1 ratios would be 10.7% and 12.1% as at 1 Jan 13 and 31 Dec 13, respectively, benefiting by £7.6bn against reported CT1 ratios

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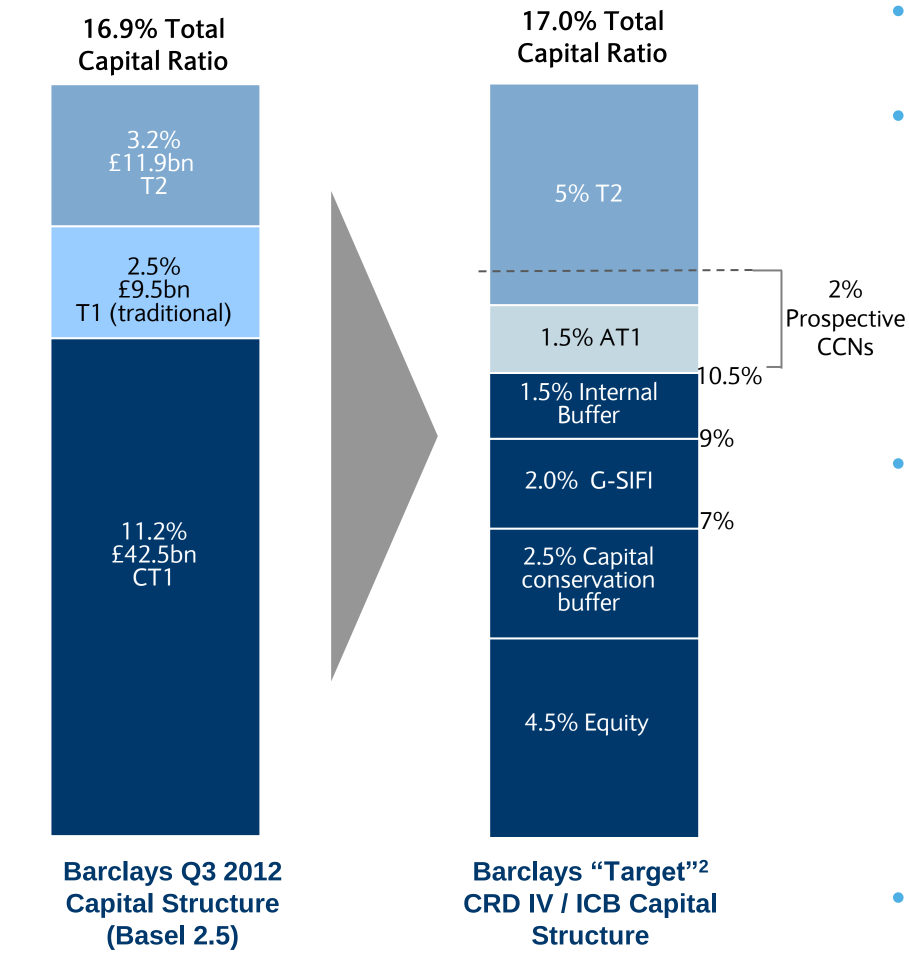
‘Target’ Capital Structure post CRD IV and ICB

Irrespective of final regulatory outcomes, proposed CRD IV requirements and ICB proposals provide enough certainty to target an end state capital structure with considerable confidence



- Barclays “target” capital structure embraces requirements for G-SIFI banks under CRD IV and ICB 17% PLAC proposals
- The target structure opposite anticipates:
  - Expected 9.0% minimum CET1 ratio requirement under CRD IV, plus a 1.5% CET1 “internal capital management buffer”
  - 1.5% Additional Tier 1 (AT1) ratio, being the minimum CRD IV requirement[1], and
  - 5% Tier 2 (T2)/senior unsecured debt capital to meet ICB 17% PLAC proposal
- Currently targeting a 2% CCN buffer, with a 7% Trigger Event, that will comprise 1.5% AT1 (which has to be in contingent capital form) and 0.5% of T2. We believe this target best aligns interests of key stakeholders:
  - Provides going concern “loss absorbing capital” treatment in AT1 and incremental T2 component
  - Falls at the bottom of the G-SIFI capital buffer, incentivising management actions well in advance of Trigger Event, and
  - Reduces “moral hazard” for fixed income investors that an excessive CCN buffer could introduce
- Given transition rules on Barclays outstanding T1 stock, AT1 is currently an inefficient choice for CCNs at the current time

[1] *Without this, excess equity is allocated first to AT1 requirement ahead of capital conservation buffers*
[2] *Strategic view (subject to change) formed on information currently available and on our interpretation of draft CRD IV / ICB proposals and final application in the UK*

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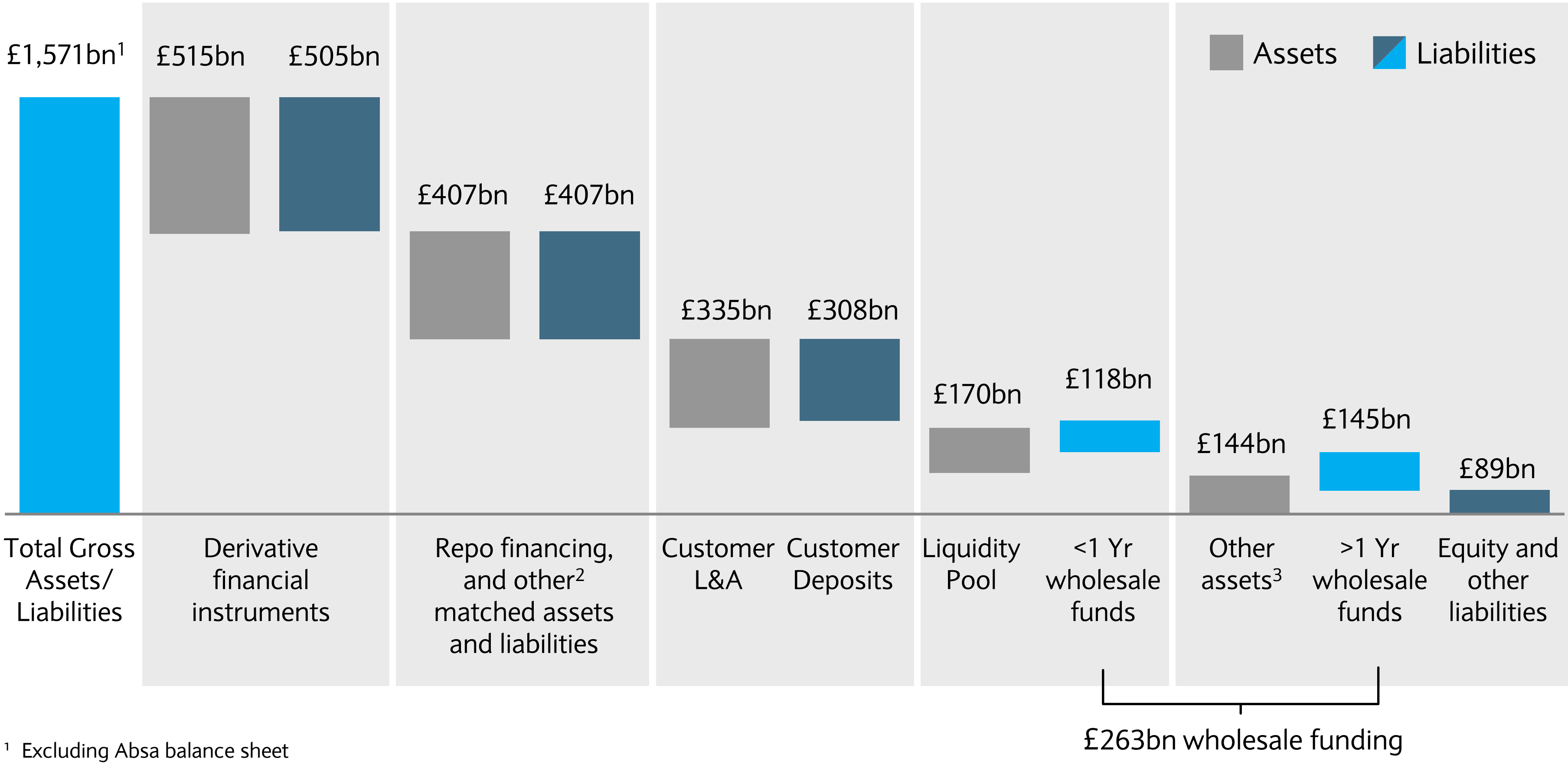
Liquidity & Funding

Balance Sheet as at 30 June 2012

Whilst the balance sheet totals £1.6tn, wholesale funding requirements are limited to £263bn as a consequence of its structure



1 Excluding Absa balance sheet

2 Including cash collateral, settlement balances, trading portfolio liabilities & securities funding

3 Including loans and advances to banks, unencumbered securities and net derivative assets

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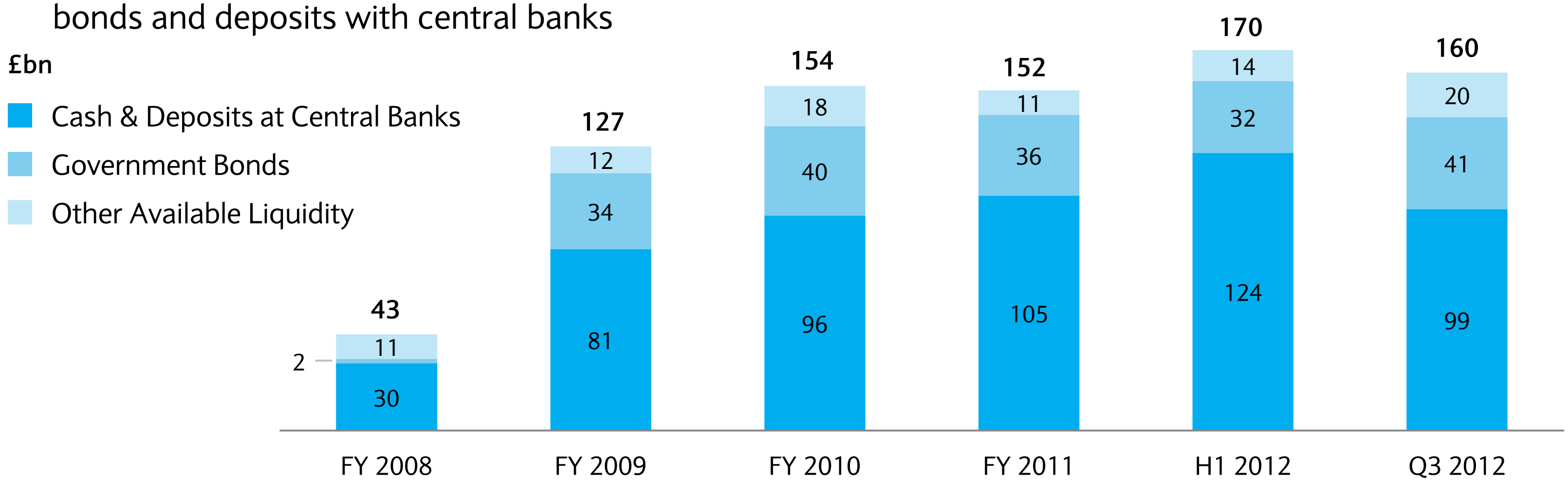
Liquidity Pool

Barclays continues to maintain a strong and high-quality liquidity pool that consists exclusively of unencumbered assets

- Liquidity pool amounted to £160bn at end of September 2012, with 87.5% held in cash, high quality government bonds and deposits with central banks



- Balances at central banks decreased in Q3, as we continue to optimise cost and composition of liquidity pool within our liquidity risk appetite framework
- Although not a requirement, as at 30 September 2012, liquidity pool was equivalent to more than one year of wholesale liabilities maturities
- Liquidity pool exceeds net stress outflows under all three liquidity stress scenarios:

Liquidity pool as a percentage of anticipated net outflows	Market-wide 3 months	Barclays-specific 1 month	Combined 1 month
As at 30.06.12	141%	115%	124%
As at 31.12.11	127%	107%	118%

- NSFR of 101% (31 Dec 2011: 97%) and LCR of 97% (31 Dec 2011: 82%) at end of June 2012

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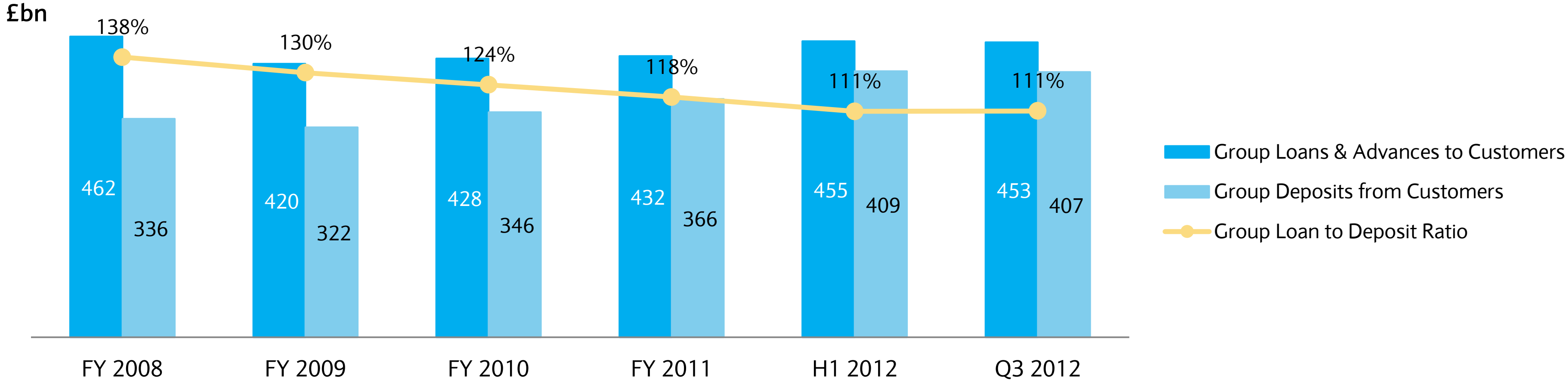
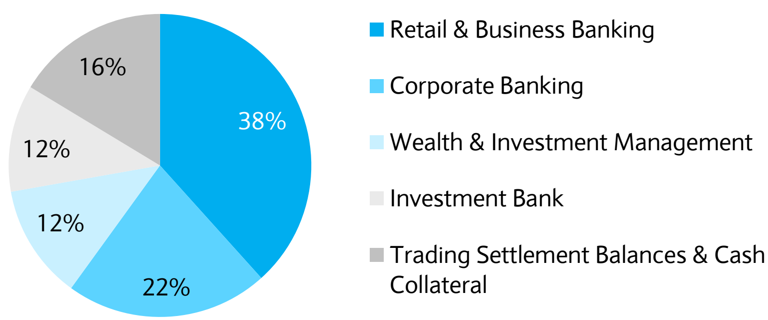
Funding

Barclays maintains access to a variety of funding sources, including customer deposits and wholesale funding, and has significantly improved its loan to deposit ratio since 2008

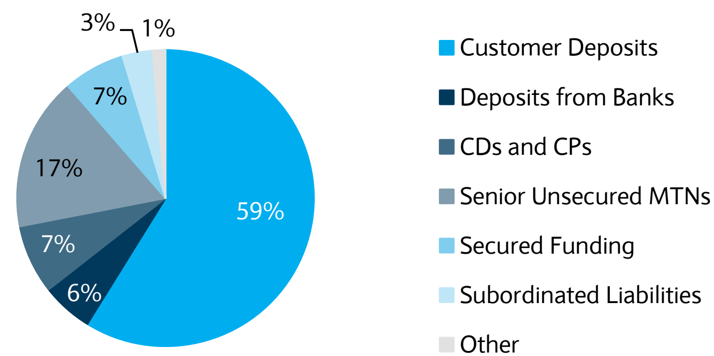


Balanced Deposit Base (as at 30 June 2012)



Total: £409bn (deposit group-wide, including ABSA)

59% Deposit Funded[1] (as at 30 June 2012)



[1] Total: £638bn, made of £262.5bn of wholesale funding and £375.2bn of customer deposits (excluding ABSA)

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Wholesale Funding

Despite reduced requirements for wholesale funding, Barclays maintains access to a variety of wholesale sources, with different maturities and in multiple currencies

YTD Funding Activity

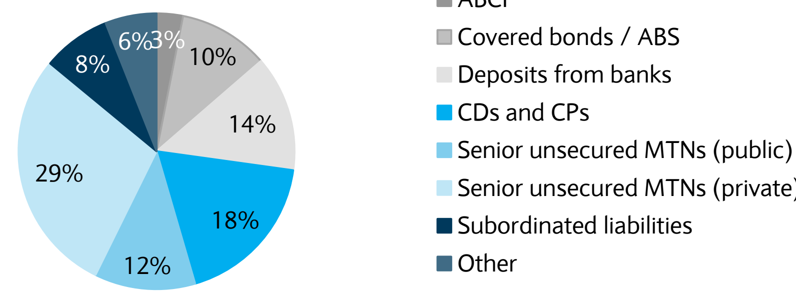
- £21.6bn of wholesale funding raised YTD:
  - £3.5bn of public benchmark senior unsecured
  - £7.1bn of privately placed senior unsecured
  - £10.0bn of term secured funding
  - £1.0bn under Bank of England's Funding for Lending Scheme
- £27bn term funding maturing in 2012 and £18bn maturing in 2013
- Barclays has met 2012 term funding requirements, any further debt issuance will pre-fund 2013 needs

2013-2015 Funding Plan

- Reduction in wholesale funding requirements, due to increased deposit taking and legacy asset run-off
- Growing usage of secured funding, whilst maintaining reasonable encumbrance levels
- Commitment to issue MTN and senior unsecured debt, though at lower levels
- Continued participation in Funding for Lending Scheme

Diverse Wholesale Funding Base (as at 30 June 2012)

- By Product

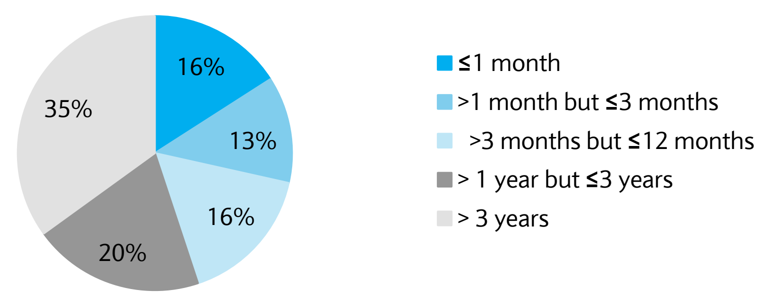


Total: £262.5bn (excluding ABSA)

- By Currency

	USD	EUR	GBP	Others
As at 30.06.2012	**33%**	**37%**	**19%**	**11%**
As at 31.12.2011	37%	30%	22%	11%

- By Maturity: WAM excl. liquidity pool > 65+ months



Total: £265.2bn (excluding ABSA)

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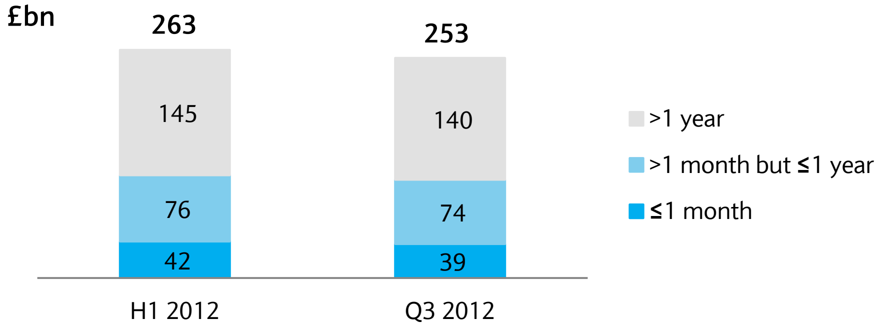
Wholesale Debt Maturity

Barclays maintains access to a variety of sources of wholesale funds, with different maturities and in multiple currencies (principally EUR, GBP and USD)

H1 - Q2 2012 Wholesale Funding Maturity Evolution



- Wholesale funding decreased 3.6% in Q3 2012, to £253bn
- Reduced reliance on very short term funding: 15.4% of debt matures within one month (30 Jun 2012: 15.9%)
- Majority of wholesale funding matures in more than one year

Wholesale Funding Maturity Table as at 30 June 2012

As at 30 June 2012	≤1 month (£bn)	>1 month but ≤3 months (£bn)	>3 months but ≤12 months (£bn)	**Total ≤1 year (£bn)**	> 1 year but ≤3 years (£bn)	> 3 years (£bn)	**Total (£bn)**
Deposits from banks	16.7	7.2	3.5	27.4	6.7	1.5	35.6
CDs and CPs	12.2	15.4	17.2	44.8	2.4	0.8	48
Asset backed commercial paper	4.7	3.3	0.1	8.1	-	-	8.1
Senior unsecured MTNs (public)	-	2.4	3.4	5.8	11.3	13.9	31
Senior unsecured MTNs (privately placed)	1.4	2.7	13.4	17.5	20.3	37.5	75.3
Covered bonds / ABS	-	0.3	2.6	2.9	10.4	14.4	27.7
Subordinated liabilities	-	-	0.6	0.6	0.3	20.1	21
Other	6.8	1.7	2.3	10.8	1.4	3.6	15.8
Total	41.8	33	43.1	117.9	52.8	91.8	262.5
Of which secured	*6.9*	*5.2*	*4.6*	*16.7*	*11.5*	*14.6*	*42.8*
Of which unsecured	*34.9*	*27.8*	*38.5*	*101.2*	*41.3*	*77.2*	*219.7*

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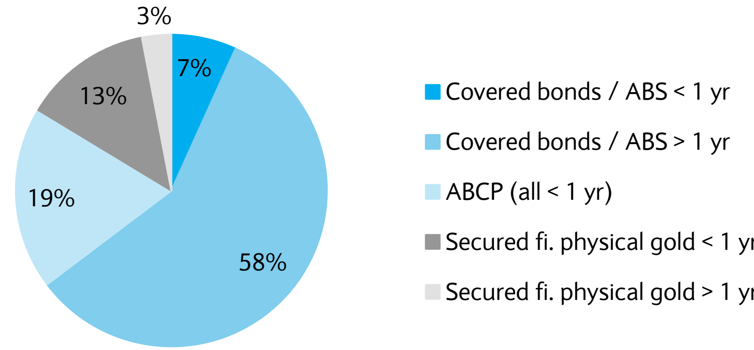
Secured Funding

High-quality assets and low encumbrance levels allow Barclays to maintain access to secured funding

Strategy

- Secured term funding backed by prime assets, including residential mortgages, credit cards and corporate loans, with focus on highly rated term issuance
- £10.0bn of secured term funding raised YTD (including both private and public issuances)
- First securitisation programme backed by US domiciled credit card receivables registered with SEC in Q4

Wholesale Secured Funding (as at 30 June 2012)

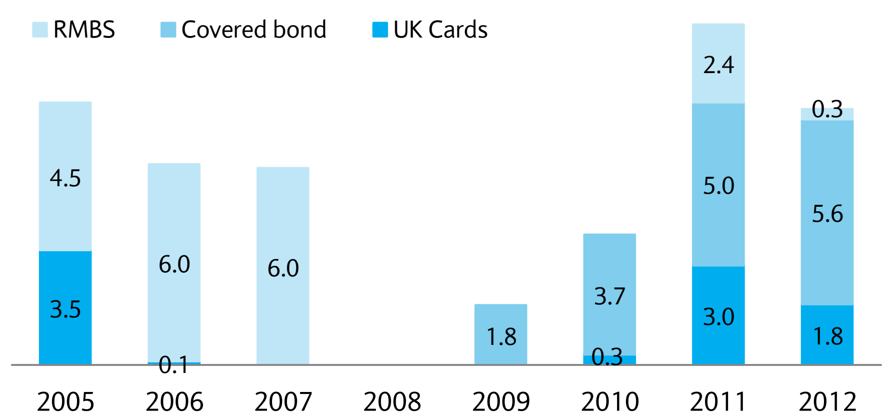


Total: £42.8bn (excluding ABSA)

Public Secured Funding Platforms

UK Mortgages		UK/US Cards	
UK Covered Bonds	Gracechurch RMBS	Gracechurch Cards (UK Cards)	Dryrock (US Cards)
144a/Reg S	144a/Reg S	144a/Reg S	SEC
€/£/$ / CHF	€ / £ / $	€/£/$	$

2005-2012 Public Secured Term Funding Issuance (£bn)



Additional information on secured funding, including monthly reports, available on www.barclays.com

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Senior Unsecured Medium-Term Notes (public & private)

Barclays is a major Medium-Term Notes (MTNs) issuer, with MTNs representing c.40% of its total wholesale funding as at 30 June 2012

Strategy

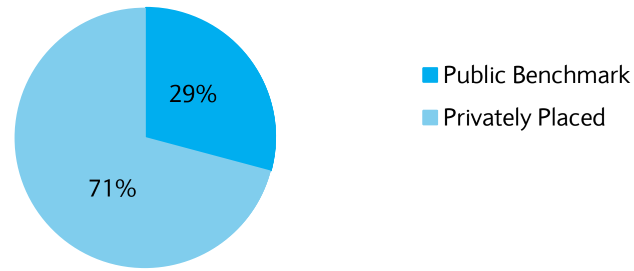
- MTN programme is an important component of Barclays diversified wholesale funding base
- At end of June 2012, MTNs outstanding amounted to £106.3bn, of which £10.2bn were issued during H1:
  - £3.5bn of public benchmark, and
  - £6.7bn of privately placed (additional £0.4bn in Q3)
- Liability management exercise in September whereby Barclays bought back MTNs for a nominal of c.£1.6bn
- Barclays is committed to continue issuing MTNs, even though its wholesale funding needs are decreasing

Barclays Senior Unsecured Spreads

Source:Barclays Live - Chart

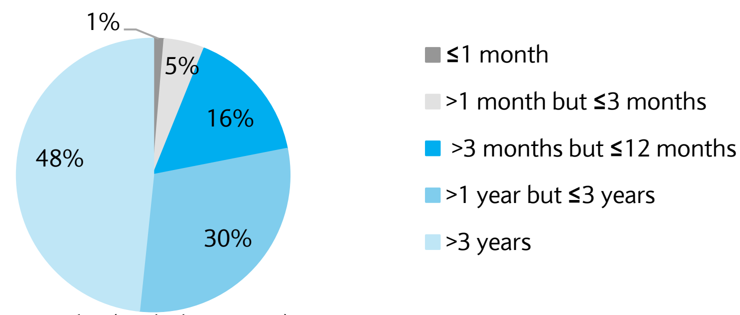
MTNs are an important source of funding diversity (as at 30 June 2012)

- By Placement Type



Total: £106.3bn (excluding ABSA)

- By Currency: YTD, 3 public issuances, 3 currencies
  - EUR: €1.5bn 2-year floating note
  - USD: $1.25bn 3-year fixed note
  - GBP: £1.5bn 5-year fixed note
- By Maturity: 48% of MTNs mature in more than 3 years



Total: £106.3bn (excluding ABSA)

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Credit Ratings

2012 Rating & Outlook Changes

Despite re-rating of sector by all main rating agencies in the last 12 months, Barclays rating remains strong and in line with peers'

	Barclays Bank plc	
2012 Rating & Outlook Changes	**1 January 2012**	**31 October 2012**
Standard & Poor's		
Long Term	A+ (Stable)	A+ (Negative)
Short Term	A-1	A-1
Stand-Alone Credit Profile (SACP)	a-	a-
Moody's		
Long Term	Aa3 (Negative)	A2 (Negative)
Short Term	P-1	P-1
Bank Financial Strength Ratio (BFSR)	C (Stable)	C- (Stable)
Fitch		
Long Term	A (Stable)	A (Stable)
Short Term	F1	F1
Viability Rating	a	a
DBRS		
Long Term	AA High (Stable)	AA (Negative)
Short Term	R-1 High (Stable)	R-1 High (Negative)

- Barclays ratings and outlooks have been adversely impacted by:
  - Global economic slowdown and prolonged crisis in the Eurozone area
  - Credit rating agency reassessments of risks inherent with large and complex capital market operations
  - Settlement of the LIBOR case and resignation of senior management
- Current ratings reflect Barclays' strong franchise, low historical earnings volatility, resilient capital and sound liquidity profile

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Credit Rating Management

Barclays prudently manages the impact of credit rating on the Group's funding and liquidity positions

- Credit rating downgrades could result in contractual outflows to meet collateral requirements on existing contracts
- Outflows related to a multiple-notch credit downgrade are included in Liquidity Risk Appetite (LRA) stress testing and a portion of the liquidity pool is held against this risk
- The below table shows contractual collateral requirements following one and two notch long-term and associated short-term simultaneous downgrades across all credit rating agencies, which are fully reserved for in the liquidity pool
- Credit rating downgrades could also result in increased costs or reduced capacity to raise funding

Contractual credit rating downgrade exposure- as at 30 Jun 2012	**Cumulative cash outflow**
1 notch long-term and associated short-term downgrade	£11bn
2 notch long-term and associated short-term downgrade	£20bn

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Barclays Debt

Strong Credit (A+/A2/A, S&P/Moody's/Fitch)

- Global universal bank with diversified portfolio of customer-focused businesses
- Prudent risk approach to growth of franchise and delivery of returns
- Resilient profit performance and low historical earnings volatility relative to peers

Prudent Liquidity & Balance Sheet Management

- Large liquidity pool (£160bn), in excess of stress outflows and compliant with UK ILG*
- Strong balance sheet, closely managed leverage and solid capital position
- On track to meet Basel 3 liquidity, leverage and capital requirements

Wide Range of Debt Instruments

- Diversified funding model with stable and competitive access to global markets
- Issuance of both secured and unsecured securities
- Notes spanning the yield curve and covering multiple currencies

Liquid Instruments

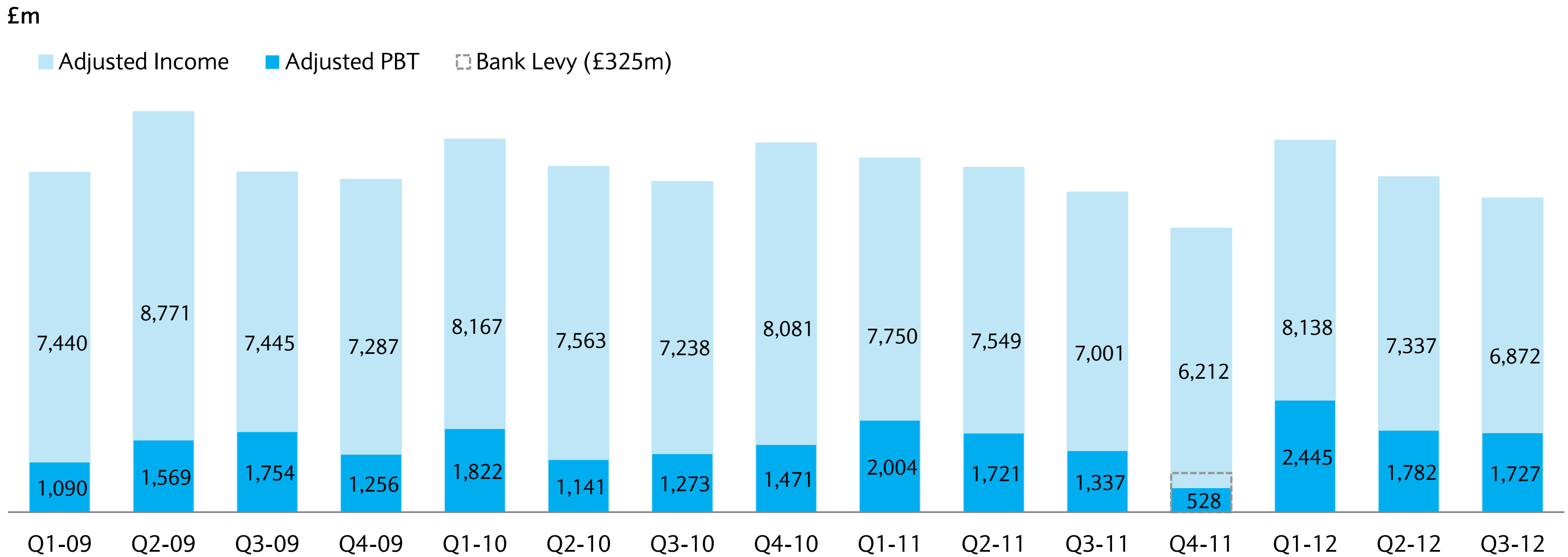
- Established track record of benchmark issuances that are index eligible
- Provider of liquidity in its own securities, ensuring active secondary market
- Track record of aligning Barclays' interest with those of investors

* ILG: Individual Liquidity Guidance set by FSA, short-term liquidity stress test, broadly comparable to the LCR under Basel 3

Appendix

Resilient Performance

Despite challenging macroeconomic conditions, Barclays has performed well and consistently remained profitable, since the beginning of the crisis



Please see slide 26 for adjusting items and respective quarterly reports for further details

Adjusting Items to Profit Before Tax

	Q312 (£m)	Q212 (£m)	Q112 (£m)	Q411 (£m)	Q311 (£m)	Q211 (£m)
Adjusted profit before tax	1,727	1,782	2,445	528	1,337	1,721
Own credit	(1,074)	(325)	(2,620)	(263)	2,882	440
Gains on debt buy-backs	-	-	-	1,130	-	-
Impairment and gain/(loss) on disposal of BlackRock investment	-	227	-	-	(1,800)	(58)
Provision for PPI redress	(700)	-	(300)	-	-	(1,000)
Provision for interest rate hedging products redress	-	(450)	-	-	-	-
Goodwill impairment	-	-	-	(550)	-	(47)
(Losses)/gains on acquisitions and disposals	-	-	-	(32)	3	(67)
Statutory (loss)/profit before tax	(47)	1,234	(475)	813	2,422	989

Adjusted Profit/(loss) Before Tax by Business

Diverse portfolio of businesses supports resilient levels of profit generation

Nine months ended – as at 30 September	2012 (£m)	2011 (£m)	Change (%)
UK RBB	1,146	1,198	(4)
Europe RBB	(151)	(109)	39
Africa RBB	330	561	(41)
Barclaycard	1,150	949	21
Retail and Business Banking	**2,475**	**2,599**	**(5)**
Investment Bank	3,205	2,698	19
Corporate Banking	444	167	166
Corporate and Investment Banking	**3,649**	**2,865**	**27**
Wealth and Investment Management	200	153	31
Head Office and Other Operations	(370)	(555)	(33)
Total adjusted profit before tax	**5,954**	**5,062**	**18**

Reduced Exposure to the Eurozone Periphery

Total Eurozone exposure of £59.6bn comprised of £38.8bn of high quality retail assets, principally low LTV residential mortgages. Sovereign exposure has decreased 15% in Q3 2012 to £4.7bn

As at 30 September 2012	Spain (£m)	Italy (£m)	Portugal (£m)	Ireland (£m)	Total (£m)
Sovereign	2,165	1,946	627	10	4,748
Corporate	4,175	1,790	2,190	1,023	9,178
Residential mortgages	13,261	15,238	3,436	78	32,013
Financial institutions	2,866	298	67	3,790	7,021
Other retail lending	2,815	1,991	1,752	105	6,663
Total	25,282	21,263	8,072	5,006	59,623
30 June 2012 Total	25,039	22,902	8,437	5,738	62,116

Total net on-balance sheet exposure as at 30 September 2012 for Greece and Cyprus was £83m and £210m respectively

Spanish Exposures

Retail

- Average indexed LTV of 64%
- Average retail customer age 48; less than 1% of mortgage balances with customers aged under 25
- 0.7% of home loans greater than 90 days in arrears*

Corporate

- £4.6bn gross lending to corporates with £1.1bn impairment providing 59% coverage on £1.9bn CRLs
- This includes £2.1bn gross lending to property and construction with £0.9bn impairment providing CRL coverage of 58%

Sovereign

- Largely AFS government bonds. No impairment and £69m loss held in AFS reserve

Redenomination

- Local net funding mismatch reduced from £2.5bn to £0.1bn during Q3 2012

Gross mortgage exposure by location of outstanding balances

* Greater than 90 days in arrears exclude recovery balances

Portuguese Exposures

Retail

- Average indexed LTV of 77%
- Average retail customer age 40; less than 1% of mortgage balances with customers aged under 25
- 0.6% of home loans greater than 90 days in arrears*

Corporate

- £1.7bn gross lending to corporates with £0.3bn impairment providing 57% coverage on £0.4bn CRLs
- This includes £0.4bn net lending to property and construction

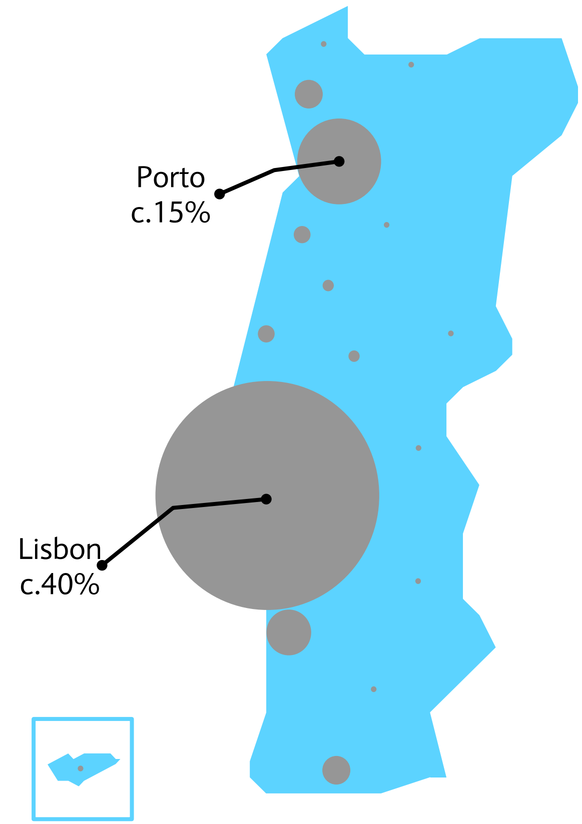
Sovereign

- Largely AFS government bonds. No impairment and £15m loss held in the AFS reserve

Redenomination

- Local net funding mismatch reduced from £3.7bn to £3.3bn during Q3 2012

Gross mortgage exposure by location of outstanding balances



* Greater than 90 days in arrears exclude recovery balances

Italian Exposures

Retail

- Average indexed LTV of 46%
- Average retail customer age 46; less than 3% of mortgage balances with customers aged under 25
- 1.1% of home loans greater than 90 days in arrears*

Corporate

- Focused on large corporate clients with very limited exposure to property sector
- Balances in early warning lists broadly stable since December 2011

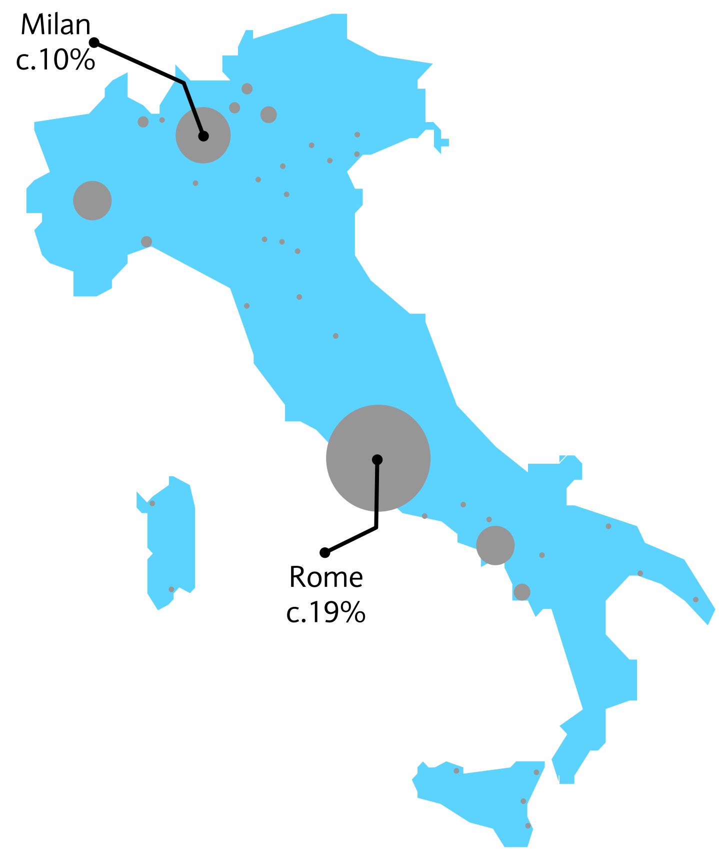
Sovereign

- Largely £1,615m AFS government bonds with no impairment or loss in the AFS reserve

Redenomination

- Local net funding mismatch reduced from £11.9bn to £9.6bn during Q3 2012

Gross mortgage exposure by location of outstanding balances



* Greater than 90 days in arrears exclude recovery balances

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Investment Bank Credit Market Exposures

Barclays continues to reduce its credit market exposure, managing for value

As at	30 Sep12 (£m)	31 Dec 11 (£m)	Nine months ended 30 Sep12 FV (losses) / gains (£m)	Nine months ended 30 Sep12 Imp. (charge) / release (£m)	Nine months ended 30 Sep12 Total (losses) / gains (£m)
ABS CDO Super Senior	1,536	1,842	(24)	(129)	(153)
US sub-prime and Alt-A	803	1,381	68	(12)	56
Commercial real estate loans and properties	2,821	5,329	78	-	78
Commercial Mortgage Backed Securities	303	1,022	135	-	135
Monoline protection on CMBS	3	9	-	-	-
Leveraged Finance	3,739	4,066	(42)	7	(35)
SIVs, SIV-Lites and CDPCs	-	6	(1)	-	(1)
Monoline protection on CLO & others	668	1,120	(30)	-	(30)
CLO and Other assets	130	386	52	-	52
Total	**10,003**	**15,161**	**236**	**(134)**	**102**

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Calculation of Adjusted Gross Leverage

As at	30-Sep-12 (£bn)	30-Jun-12 (£bn)
Total assets	1,599.1	1,631.3
Counterparty netting	(411.4)	(425.6)
Collateral on derivatives	(48.1)	(51.4)
Net settlement balances and cash collateral	(100.1)	(97.2)
Goodwill and intangible assets	(7.9)	(7.9)
Customer assets held under investment contracts	(1.6)	(1.7)
Adjusted total tangible assets	1,030.1	1,047.5
Total qualifying Tier 1 capital	52.0	52.0
Adjusted gross leverage	20x	20x
Adjusted gross leverage (excl. liquidity pool)	17x	17x
Ratio of total assets to shareholders' equity	25x	26x
Ratio of total assets to shareholders' equity (excl. liquidity pool)	23x	23x

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Capital Resources

As at	30-Sep-12 (£m)	30-Jun-12 (£m)
Shareholders' equity (ex. NCIs)	54,295	54,205
Net NCIs	2,409	2,525
Regulatory adjustments and deductions:		
Goodwill and intangible assets	(7,564)	(7,574)
Own credit cumulative gain (net of tax)	323	(492)
Defined benefit pension adjustment	(2,297)	(2,260)
Unrealised losses on AFS debt securities	(433)	83
Unrealised gains on AFS equity (recognised as Tier 2 capital)	(88)	(95)
Cash flow hedging reserve	(2,049)	(1,676)
50% excess of expected losses over impairment (net of tax)	(519)	(500)
50% of securitisation positions	(1,550)	(1,663)
Other regulatory adjustments	(20)	23
Core Tier 1 capital	42,507	42,576
Risk Weighted Assets (RWAs)	378,642	390,223
Core Tier 1 ratio	11.2%	10.9%

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Liquidity & Funding Management Framework

Barclays has developed a dynamic liquidity framework and a diversified funding base, whilst maintaining strong protection against unexpected fluctuations

Liquidity Risk Framework

- Liquidity framework meets FSA standards
- Liquidity framework ensures that sufficient financial resources of appropriate quality are maintained
- Barclays manages liquidity pool at Group level and allocates costs to businesses based on their liquidity risk appetite
- Barclays has established the Liquidity Risk Appetite (LRA) providing a Group wide perspective
- LRA is measured with reference to the liquidity pool as a percentage of anticipated stressed net outflows for each of the following three scenarios:
  - a Barclays-specific stress event (1 month)
  - a market-wide stress event (3 months)
  - a combination of the two (1 month)

  Under normal market conditions, liquidity pool must exceed 100% of anticipated outflows
- Since June 2010, Barclays reports its liquidity against FSA's Individual Liquidity Guidance (ILG)

Funding Structure

- Barclays maintains access to a variety of alternative funding sources (deposits, secured and unsecured debt capital markets), in order to:
  - Minimise cost of funding,
  - Avoid over reliance on any particular funding source, and
  - Optimise the use of its high quality assets and low level of encumbrance
- Retail and Business Banking, Corporate Banking and Wealth & Investment Management activities largely funded by customer deposits, with remainder covered by secured funding
- Investment Bank activities primarily funded through wholesale markets
- Absa funding position separately managed due to local currency and funding requirements
- Barclays prudently manages its liabilities, whilst aligning its interests with investors'

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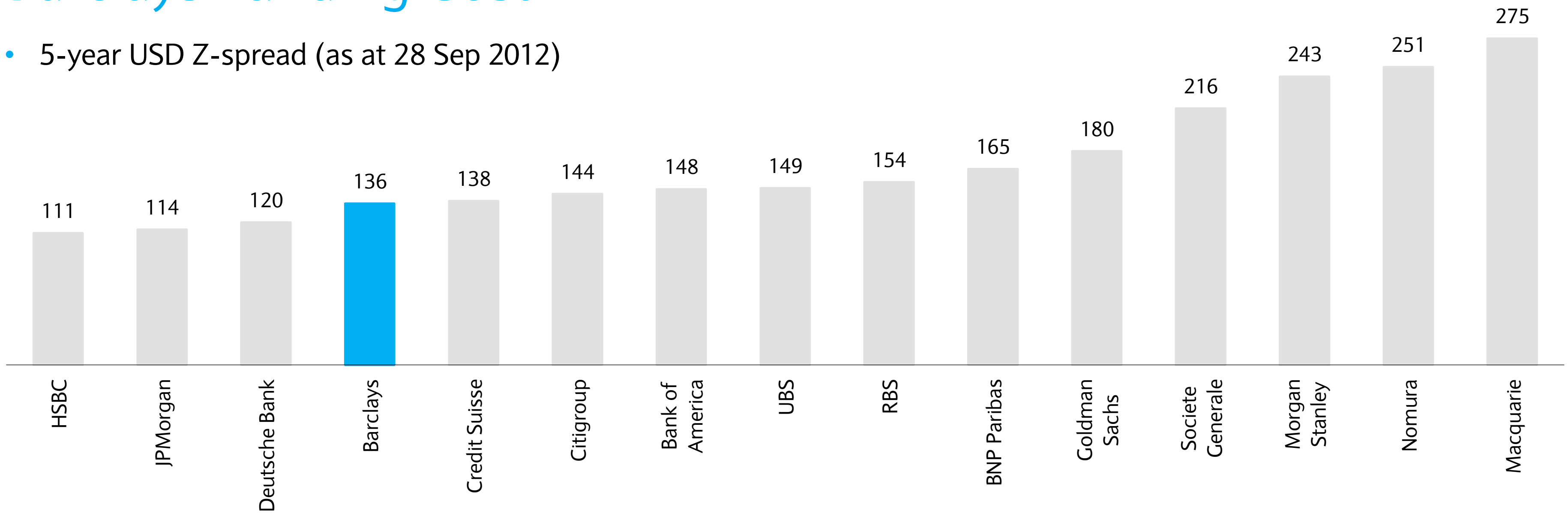
Barclays Funding Cost

- 5-year USD Z-spread (as at 28 Sep 2012)



- 5-year CDS vs. iTraxx

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Basel 3

Regulatory Timeline

- The initial timeframe mentioned below is now expected to be delayed in the EU – alternative dates have yet to be communicated

	H1 2010	1 Jan 2011	1 Jan 2012	1 Jan 2013	1 Jan 2014	1 Jan 2015	1 Jan 2016	1 Jan 2017	1 Jan 2018	1 Jan 2019
Capital Requirements				Phased-in Capital Requirements						
Leverage Ratio			Supervisory Monitoring	Parallel Run (Jan 2013 – Jan 2017) Disclosures starts in Jan 2015					Pillar I Requirement	
Net Stable Funding Ratio (NSFR)			Observation Period						Introduction of minimum requirement	
Liquidity Coverage Ratio (LCR)			Observation Period			Introduction of minimum requirement				
FSA's Individual Liquidity Guidance (ILG)*	Introduction of ILG									

**short-term liquidity stress test, broadly comparable to the LCR under Basel 3*

Requirements

- Capital: minimum of 4.5% CET1 + 1.5% AT1 + 2% T2. In addition, banks are subject to a countercyclical buffer of 0-2.5%, a capital conservation buffer of 2.5% (outside periods of stress) and a SIFI buffer of up to 2.5% to be satisfied with CET1
- Leverage: Tier 1 Capital to be at least 3% of total exposure (including off-balance sheet exposures)
- NSFR: available amount of stable funding to exceed required amount of stable funding, over a stress 1-year period (NSFR > 100%)
- LCR: stock of unencumbered high quality liquid assets to exceed net stressed cash outflow over 30 days (LCR > 100%)

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Independent Commission on Banking (ICB)

Barclays backs ICB's initiative to improve stability of UK banking system and support a sustainable economy, however, requires alignment with international regulation and careful consideration of implementation costs

Regulatory Timeline

- September 2011: publication of ICB Recommendations
- June 2012: publication of HM Treasury White Paper on ICB recommendations
- 2013-2015: expected enactment of Banking Reform Bill
- 2019: implementation of banking reforms

Retail Ring-Fence

- The objective is "to isolate banking activities where continuous provision of service is vital to the economy and to a bank's customers"
- The ring-fenced entity would essentially take deposits from and provide payment services to individuals (with free and investable assets below £250,000 - £750,000) and SMEs (with turnover below £6.5m - £25.9m), and would not be permitted to provide certain services
- The ring-fenced bank would be subject to capital and liquidity requirements on a standalone basis
- Even though Barclays anticipates the size of its ring-fenced bank to be relatively small, Barclays is supportive of a ring-fenced structure that offers sufficient flexibility to maintain diversification benefits inherent to the universal banking model

Loss Absorbing Capacity & Bail-in

- ICB recommends large UK banks hold primary loss-absorbing capacity (incl. long-term senior unsecured debt) (PLAC) of at least 17%-20%. Certain other liabilities should be subject to a broad bail-in power (secondary loss-absorbing capacity, SLAC)
- Barclays believes that Basel III will already result in stronger capital structures and supports the Government's stance to lobby for homogeneity across EU

Preferred Creditor

- ICB and EU RDD are considering the status of insured and uninsured deposits (including use of depositor preference) but the position is currently unclear
- Barclays would urge UK authorities to focus on international coordination to avoid arbitrage

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