



Barclays PLC

Becoming the 'Go-To' bank

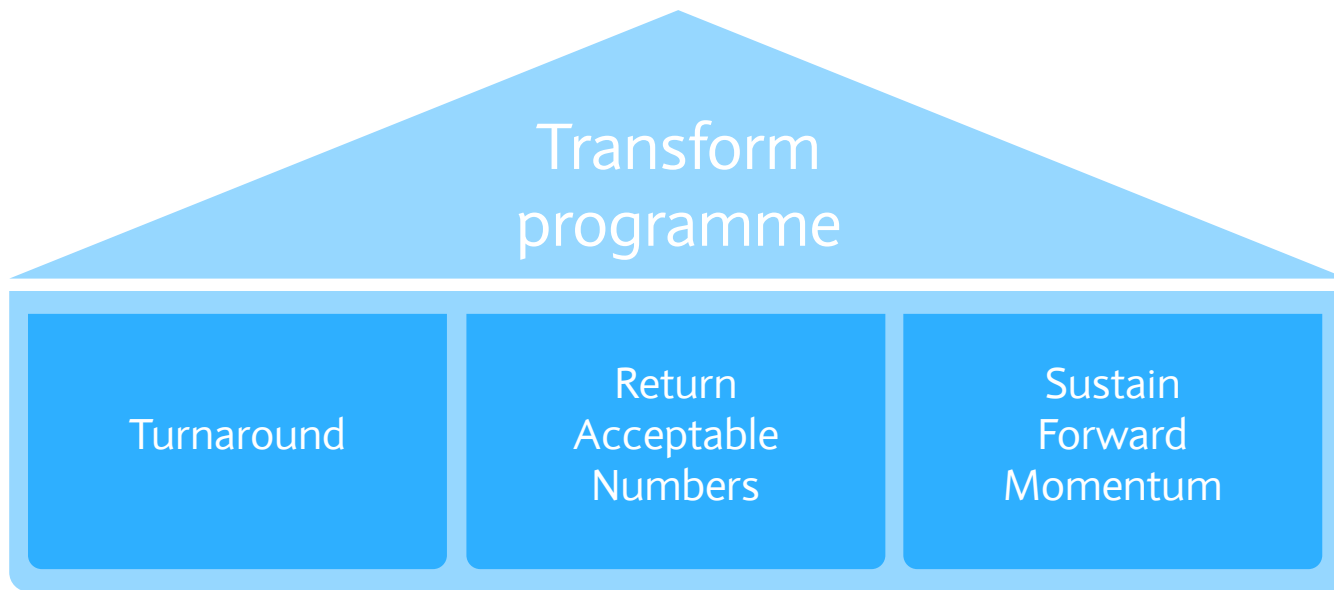
12 February 2013

Our goal

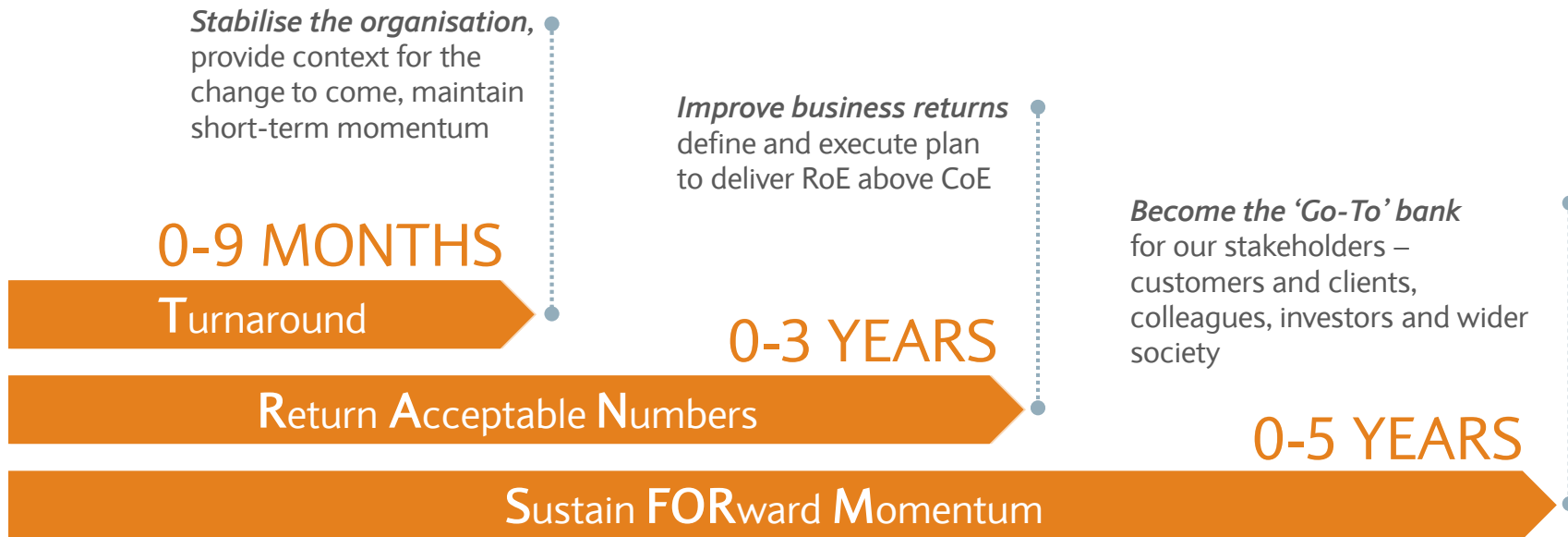
To make Barclays the
'Go-To' bank for all of
our stakeholders

Our strategic plan

To make Barclays the 'Go-To' bank
for all of our stakeholders



Transform overview



Turnaround - our purpose

- Turnaround
- Return Acceptable Numbers
- Sustain FORward Momentum

To help people achieve their
ambitions – in the right way

Turnaround - our values

Respect

We respect and value those we work with, and the contribution that they make

Integrity

We act fairly, ethically and openly in all we do

Service

We put our clients and customers at the centre of what we do

Excellence

We use our energy, skills and resources to deliver the best, sustainable results

Stewardship

We are passionate about leaving things better than we found them

Delivering financial objectives
for 2012

Demonstrating our resilience
and strong franchise

Commitment of our staff

Return Acceptable Numbers



Business Performance Review - assumptions

Turnaround

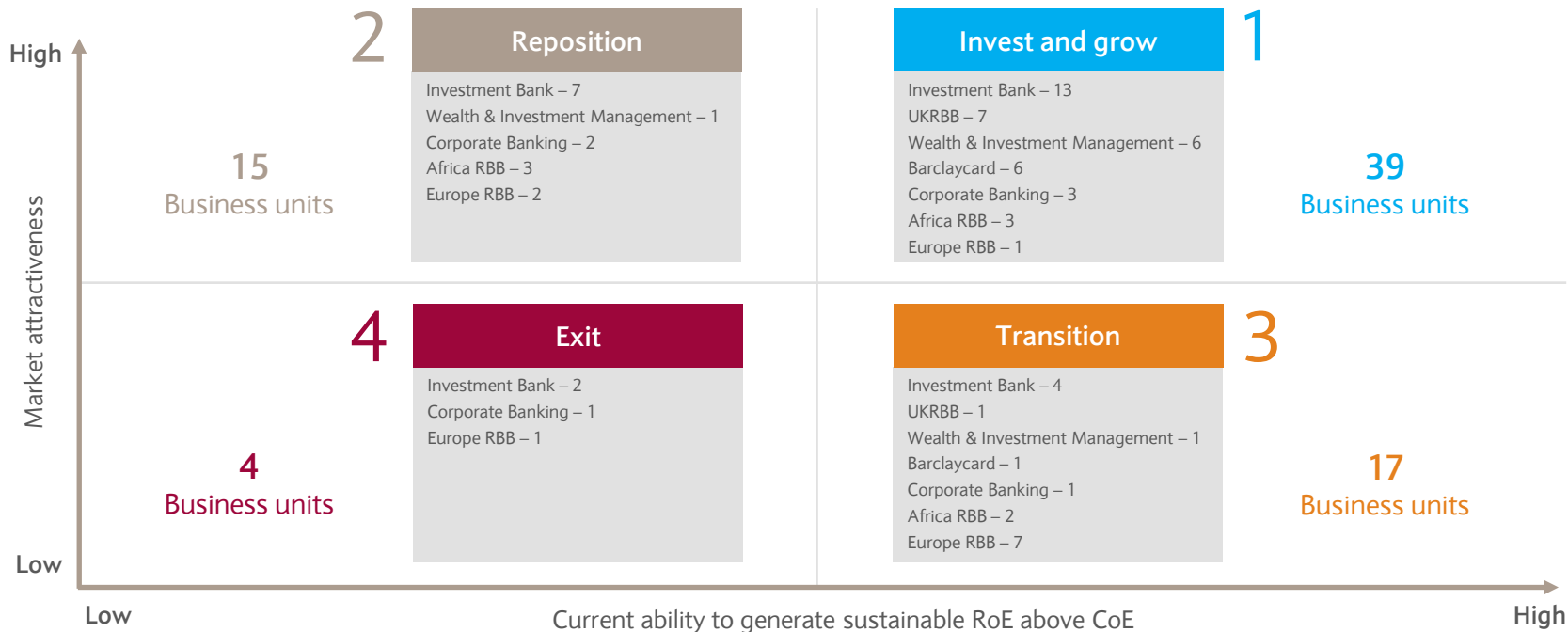
Return Acceptable Numbers

Sustain FORward Momentum

- Muted economic outlook
- Estimated costs for Basel 3 and other regulatory changes included
- Reputational risks assessed through purpose and values lens
- Head Office allocations considered, but not included in business metrics

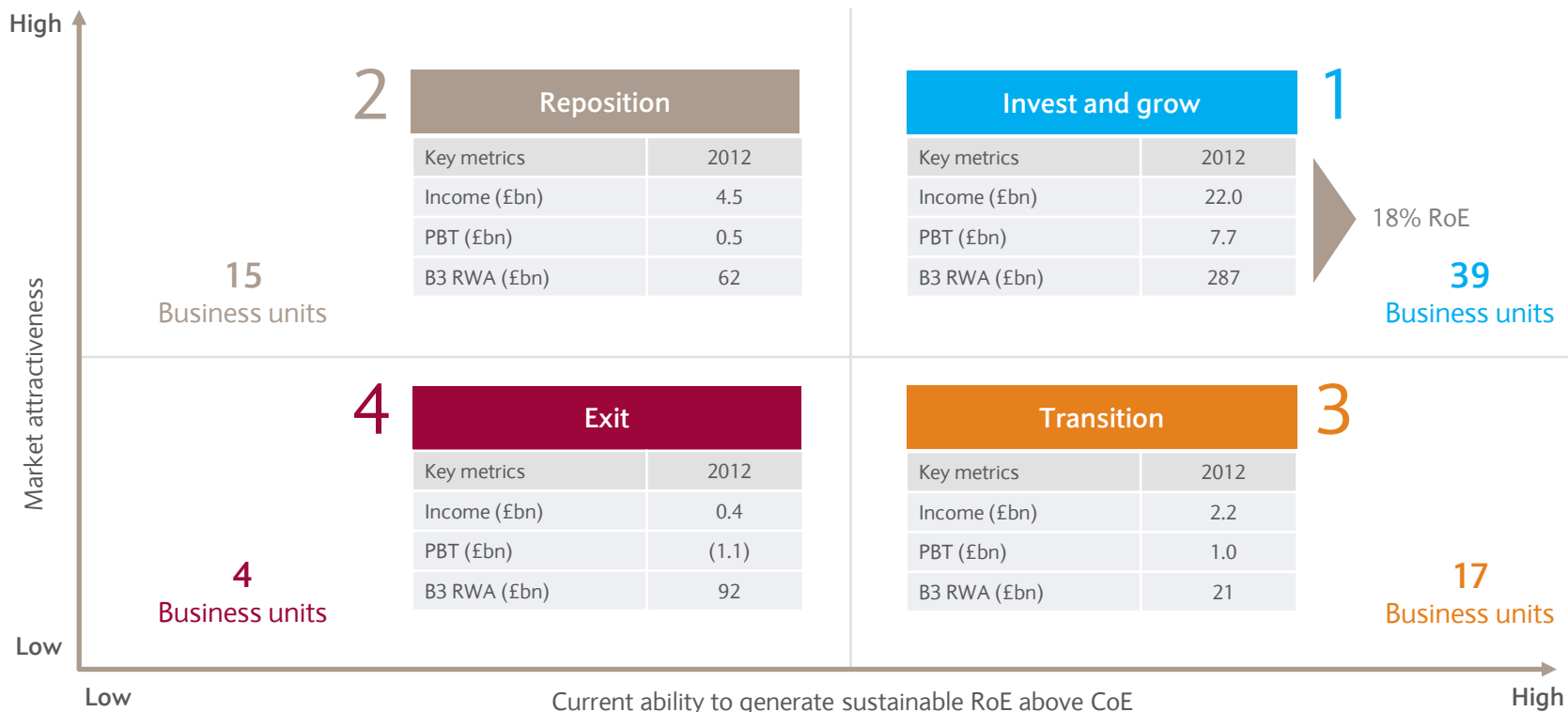
Business Performance Review

The Business Performance Review (BPR) underpinned the decisions to determine the shape of the Group based on a rigorous bottom-up analysis of 75 business units



BPR – financial output¹

Turnaround
Return Acceptable Numbers
Sustain FORward Momentum



¹All footnotes are listed in the appendix

Investment Bank

Turnaround

Return Acceptable Numbers

Sustain FORward Momentum

Largest business in the Group and well positioned to be one of the few full-service global investment banks, leveraging on our strong UK and US positions to serve our clients

A leader in FICC

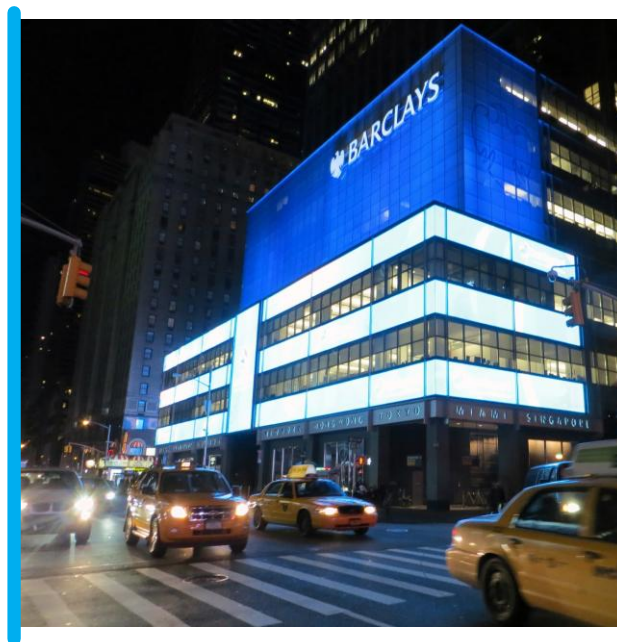
- Mature, at scale platforms
- Client-orientated flow business model

Large US and UK franchises, complemented by global reach

- Consistent growth in Equities and IBD in both US and UK

Focus on returns generation under Basel 3

- Proactive RWA management in FICC
- Right-sizing across all divisions to reflect market opportunities
- Profitable growth in the front-book
- Reduce legacy asset drag on returns



A leading scale player with top tier position across products

- Strong and diversified business, well positioned to benefit from retrenchment of competitors
 - Leader in client-driven flow businesses
- Scale player with operating efficiencies
 - State-of-the art trading platform e.g. BARX
 - Ongoing technology investment programme to maintain competitive advantage
 - Proactive RWA management – plans to reduce legacy book from £79bn to £36bn in 2015

Euromoney
Awards 2012

Best Flow House

FINANCIAL NEWS
DOWJONES

European FICC
House of the Year

BARX

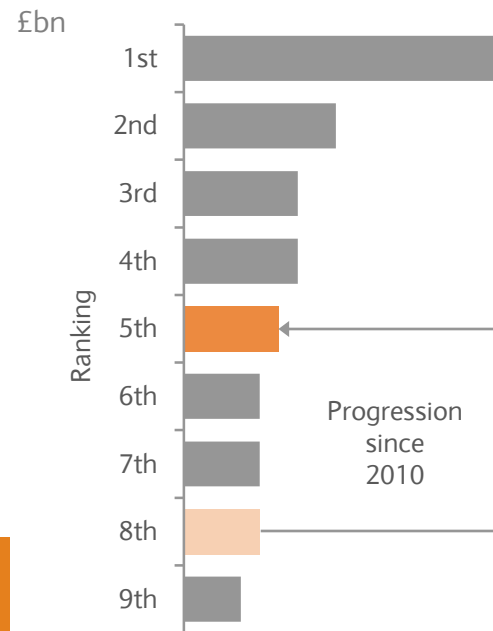
Best Multi-Asset Class
Platform

Equities and Investment Banking Division

Monetise market share gains in key markets

- Good progress in build-outs in a tough market environment
 - Material market share gains in US and UK, which represent half the global revenue pool
 - Growth based on ability to provide global reach to clients
- Focus on generating sustainable returns
 - Though lower capital intensity, continue to scrutinise RWAs
 - Right-size our footprint in some markets to reflect current market opportunity
 - Reassess market conditions for improvement or worsening

2012 share of reported Equities revenues vs. competitors²



Euromoney
Awards 2012

Best Debt House



Moved from #5 to #1
of overall UK IBD fees
2008-2012

#2 in US ECM
#1 in overall UK
(ECM, M&A and DCM)

Highest ever ranking
demonstrating growth²

Structured Capital Markets

- Closing our Structured Capital Markets tax-related business unit
- We will not engage in complex structures where the primary objective is accessing tax benefits
- Incompatible with our purpose and the new tax principles we are publishing today

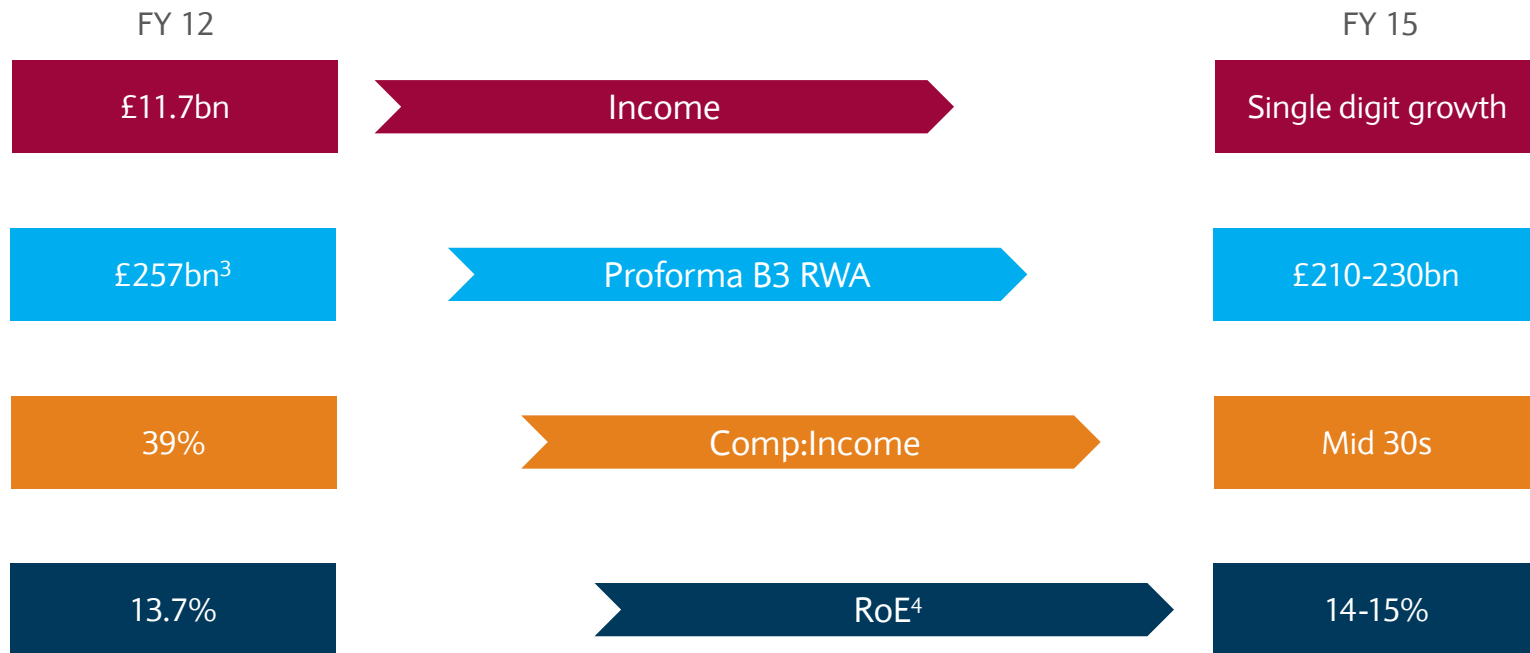
Investment Banking

Turnaround

Return Acceptable Numbers

Sustain FORward Momentum

The Investment Bank will remain a large and very important part of the Group going forward



Corporate Banking

Turnaround

Return Acceptable Numbers

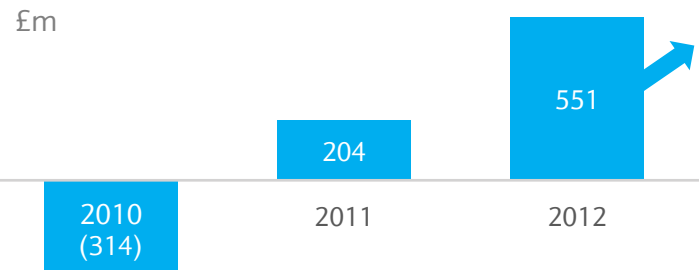
Sustain FORward Momentum

In 2010 the business was repositioned and turnaround is progressing well

- Deal decisively with legacy issues
 - Exited Russia, Indonesia and India Retail
 - Reduce legacy portfolios in Europe⁵
- Continue to strengthen our market leading UK franchise
- Leverage our home market in UK and increasingly in Africa
- Provide multinational clients with full suite of investment banking and corporate products
- Plan for modest income growth but significant RoE improvement to over 10% by 2015



Adjusted PBT



A leading franchise in our UK home market

- High performing despite macroeconomic environment
- Focus on deepening customer engagement and enhancing customer satisfaction, with innovation and technology
- Drive income growth in Business Banking and mortgages
- Sharpen focus on costs to drive reduction in Cost:Income ratio to mid-50s
- RoE target of high teens by 2015



Business model set up to drive growth

- Eighth largest consumer payments company in the world processing >£240bn annually
- Top three in all markets and businesses except the US (top ten) and gained or maintained market share two years in a row⁶
- Unique advantages of geographic diversification and scale on both the consumer issuing and merchant acquiring sides of payments
- Doubled PBT in the past three years and nearly 300% over the past six years
- Business model set up to drive growth through scale economics, diversification, world class analytics and innovation
- Plan for modest income growth while maintaining >20% RoE



Card



Mobile



Contactless

Wealth & Investment Management

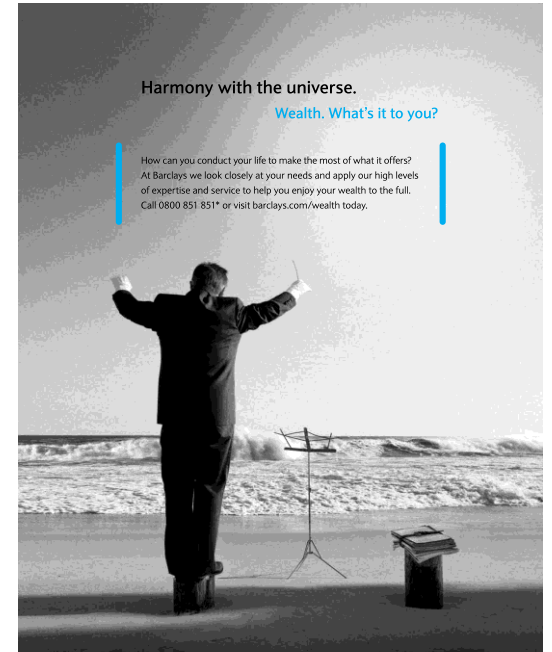
Turnaround

Return Acceptable Numbers

Sustain FORward Momentum

Top ten wealth manager globally⁷

- Business entering high return phase
- Fragmented global market represents significant opportunity
- Strategic investment plan over last three years is yielding results
 - PBT has more than doubled since 2009
- Further plans to improve high-return areas and reposition lower-return areas (HNW Asia)
- Gamma investment at an advanced stage and now have IT platforms and bankers on board to deliver significant growth
- Income growth to generate significant increase in RoE to high teens



Harmony with the universe.

Wealth. What's it to you?

How can you conduct your life to make the most of what it offers?
At Barclays we look closely at your needs and apply our high levels
of expertise and service to help you enjoy your wealth to the full.
Call 0800 851 851* or visit barclays.com/wealth today.

Wealth and Investment Management

 **BARCLAYS**

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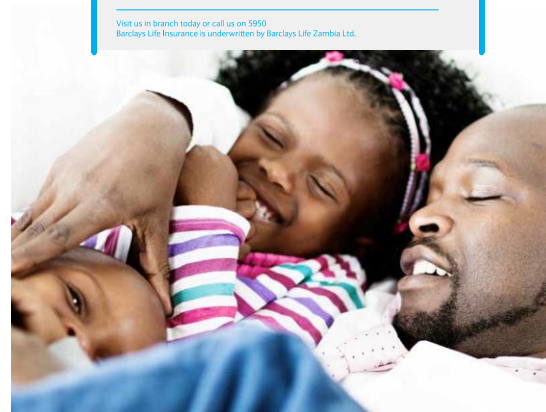
Area of higher economic growth

- One of the largest banks across Africa with a home market in South Africa and critical mass across most of our 12 African countries
- One Africa strategy is to build the 'Go-To' bank integrating our businesses across the continent
- Global, regional and local relationship banking model creating a compelling proposition for customers and clients
- Opportunities for growth by broadening our services in leading markets and investing in local geographies where local presence is essential
- Over £900m PBT generated across all African businesses in 2012

Peace of mind comes with our Umoyo Family Protection Policy

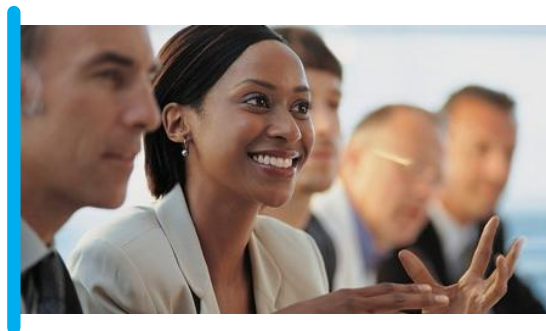
Protect your family today by taking care of the unexpected demands of tomorrow. When you bank with Barclays you can cover your family from the worry and stress of the costs associated with the burial of a loved one with the Umoyo Family Protection Policy. Umoyo Family Protection offers flexible plans and peace of mind.

Visit us in branch today or call us on 5950
Barclays Life Insurance is underwritten by Barclays Life Zambia Ltd.



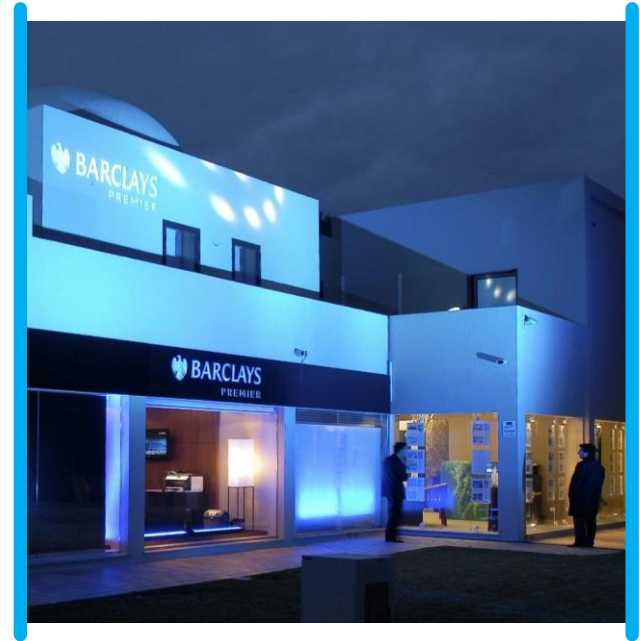
Underlying fundamentals still strong

- RBB is complemented by other African businesses, notably IB, Corporate and Cards
- Some areas of variable performance but clear plans to improve returns in those units
- Focus on building the most innovative, digital banking solutions in Africa, leveraging our global technology capabilities
- Achieve RoE above CoE by 2015



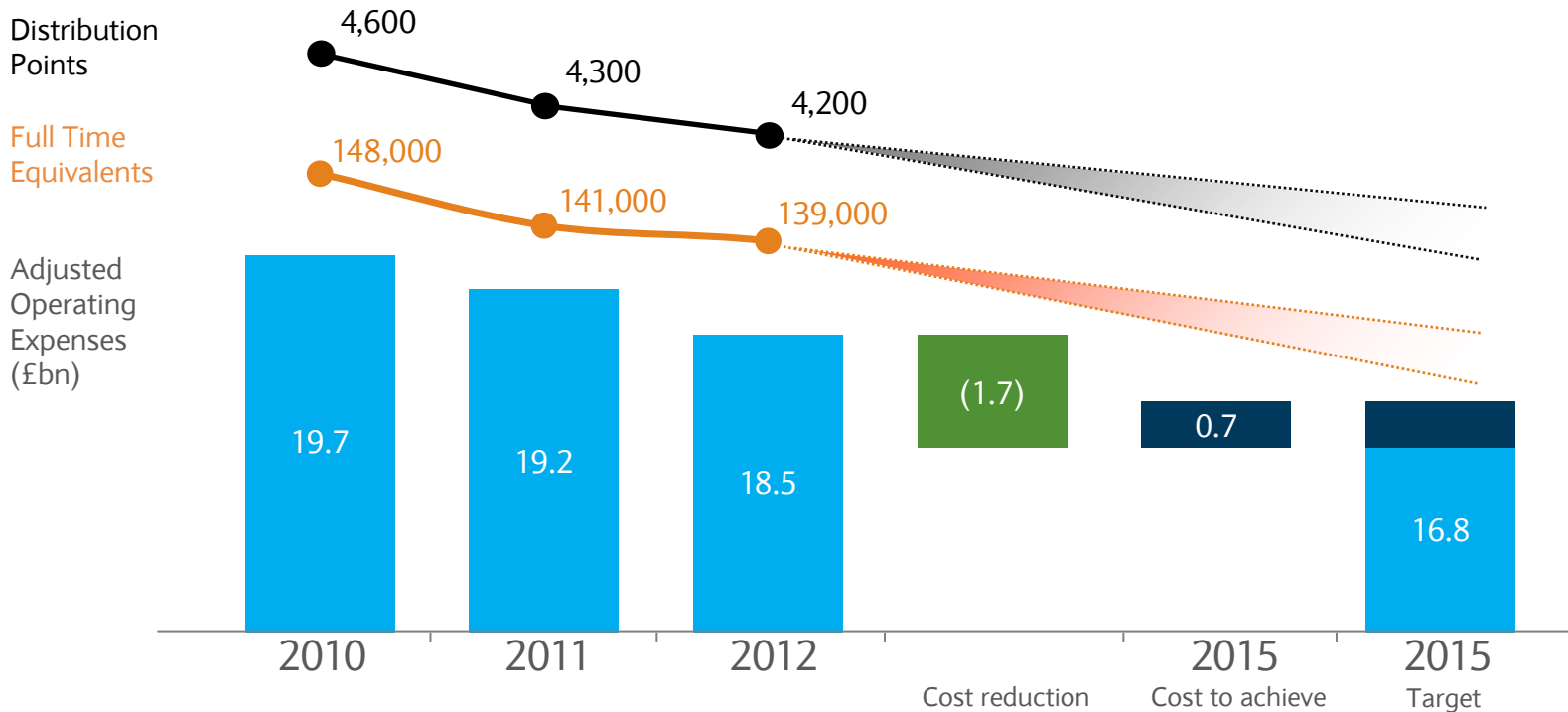
Restructure business, manage risks tightly and reduce costs

- Unsatisfactory returns, facing significant macro-economic challenges
- Businesses need to be repositioned
 - Infrastructure and cost base to be reduced by 30%, near halving of 2010 run-rate costs
 - Run-off of £23bn low-performing legacy assets, to be accelerated through dedicated asset optimisation team
 - Target profitable mass affluent segment
- Plans driven by right-sizing of cost base to appropriate level of income and risk tightly managed
- Deliver a low, but positive RoE in 2015



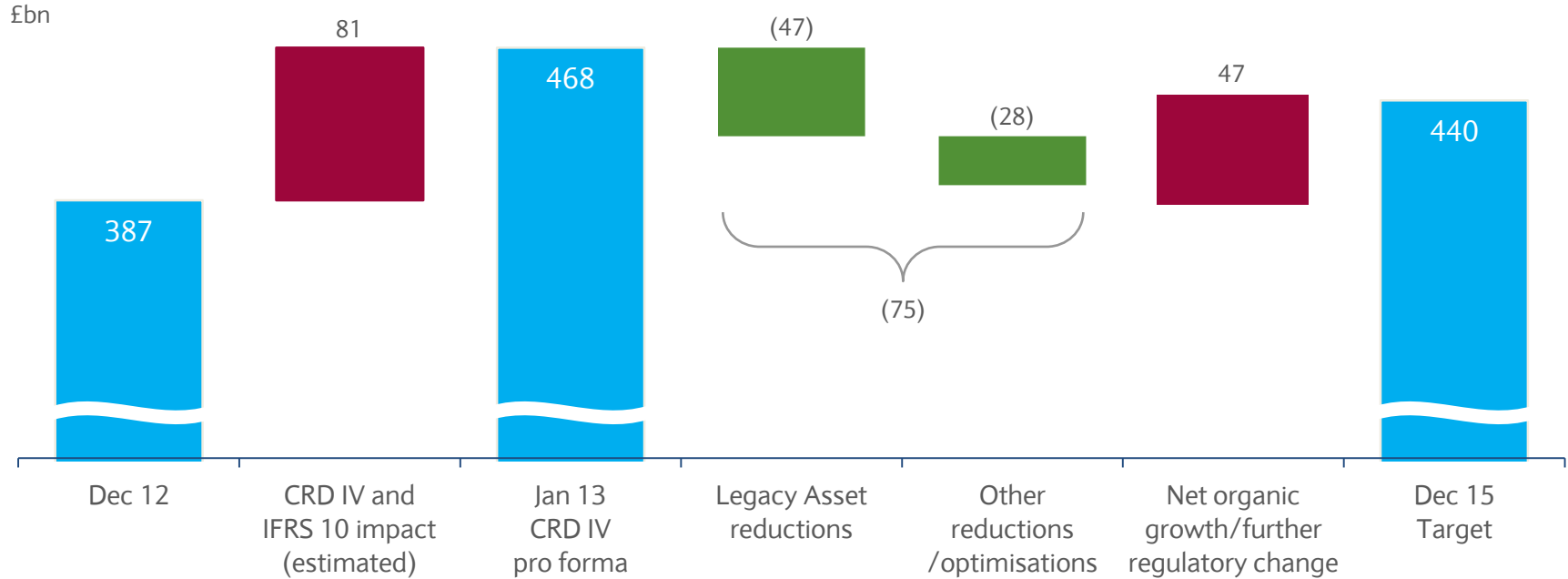
Costs – Strategic battleground

Cost target of £16.8bn in 2015 excluding £0.7bn cost to achieve



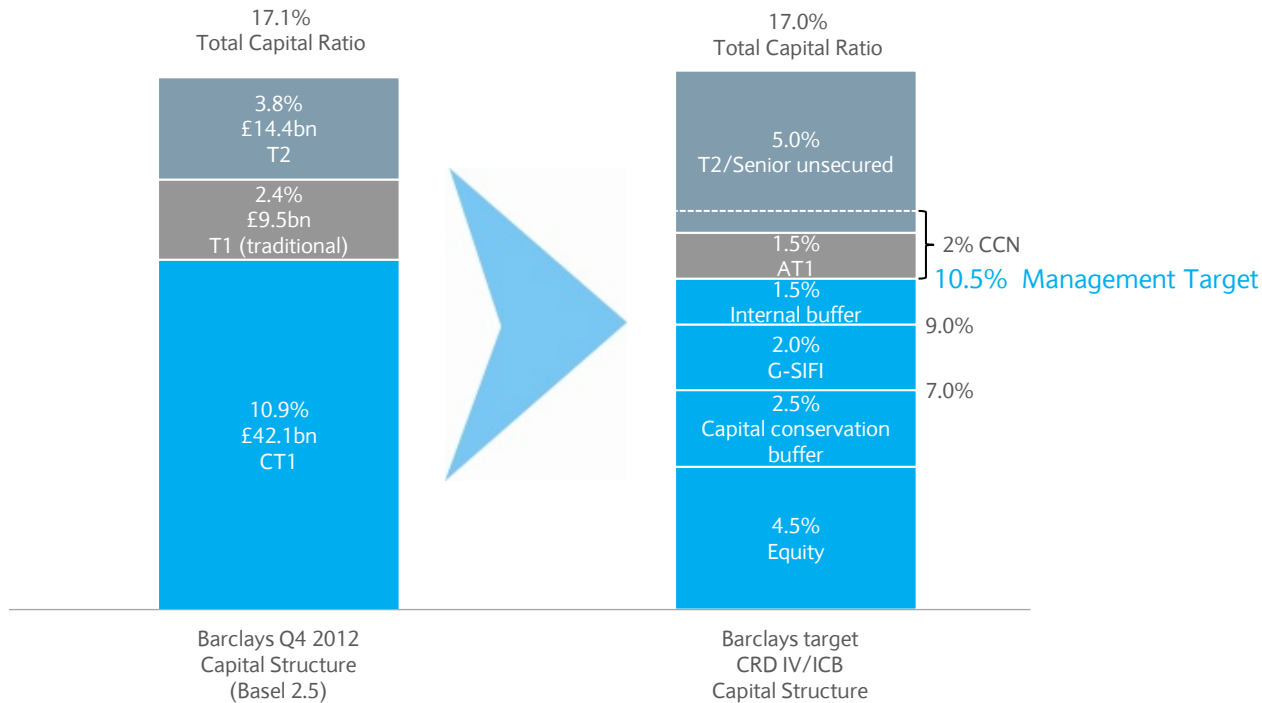
Group RWA progression

Significant management actions to reduce low-returning RWAs, providing a buffer for further regulatory headwinds and investment in high return RWAs^a



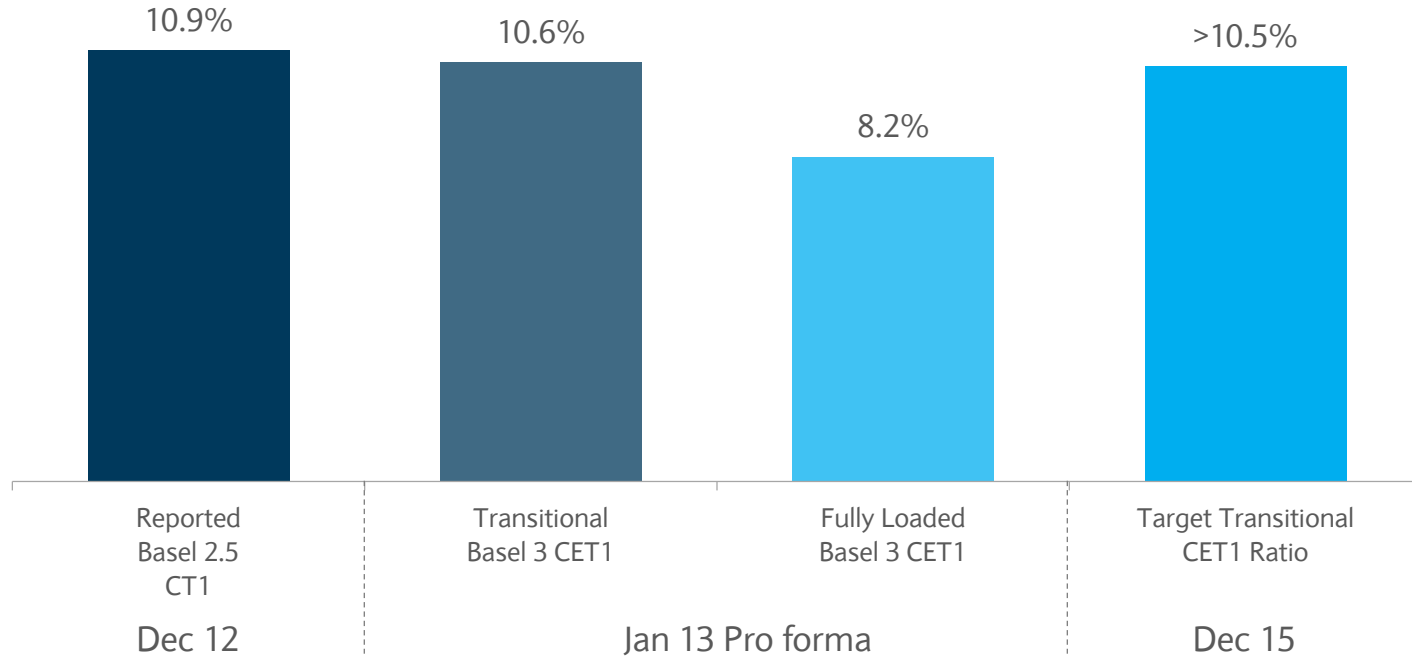
Capital structure

Our target capital structure is intended to support CRD IV and ICB regulations



Capital ratios

Transitional CET1 in 2015 is expected to be well above 10.5%



Superior funding and liquidity

Turnaround

Return Acceptable Numbers

Sustain FORward Momentum

Funding outlook to 2015

- Increased customer and client deposits
- Reduced reliance on wholesale unsecured funding
- Growing usage of secured funding, while maintaining reasonable encumbrance levels
- Dramatic improvement in wholesale funding costs since summer 2012, which has been sustained in 2013
- Overall funding costs expected to fall
- Liquidity buffer targeted to reduce to £125-150bn in 2015, with the projected annual cost expected to fall to £300m⁹

	2011	2012	2015
Group loan to deposit ratio	118%	110%	103-107%
Customer deposits/total funding (excl. Absa)	47%	53%	60-65%
WAM wholesale funding (excl. liquidity pool)	58 mths	61 mths	Mid-50s mths

Key actions

Turnaround

Return Acceptable Numbers

Sustain FORward Momentum

Focus on activities which support our customers and clients

Grow our UK, US and African franchises

Restructure the European retail and corporate businesses

Reposition the European and Asian equities and IBD businesses

Close Structured Capital Markets tax-related business unit

Reduce risk weighted assets by £75bn gross by 2015 and invest in higher return businesses

Reduce operating expenses by £1.7bn by 2015 through a new approach to strategically manage costs

Sustain Forward Momentum

Turnaround

Return Acceptable Numbers

Sustain **FOR**ward Momentum

0-5 YEARS



Sustain Forward Momentum

Turnaround

Return Acceptable Numbers

Sustain **FOR**ward Momentum

0-5 YEARS

Culture

Rewards

Controls

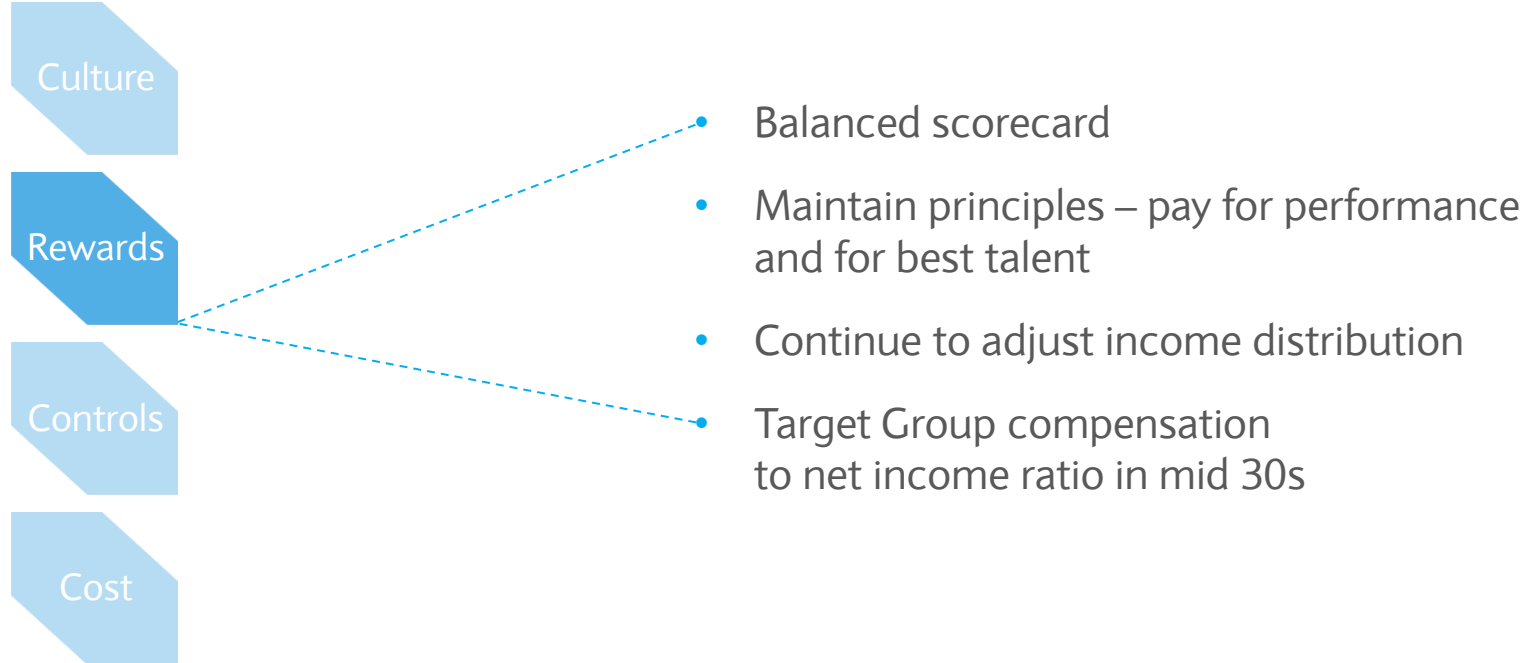
Cost

- Embed Goal, Purpose and Values
- Tone at the top
- Leadership framework
- Balanced scorecard

Sustain Forward Momentum

Turnaround
Return Acceptable Numbers
Sustain **FOR**ward Momentum

0-5 YEARS



Sustain Forward Momentum

Turnaround
Return Acceptable Numbers
Sustain **FOR**ward Momentum

0-5 YEARS

Culture

Rewards

Controls

Cost

- Starts with individual responsibility – culture
- Strong oversight from world-class compliance function
- Have made a start – more to do
- Getting balance right requires training, investment and integration

Sustain Forward Momentum

Turnaround

Return Acceptable Numbers

Sustain **FOR**ward Momentum

0-5 YEARS

Culture

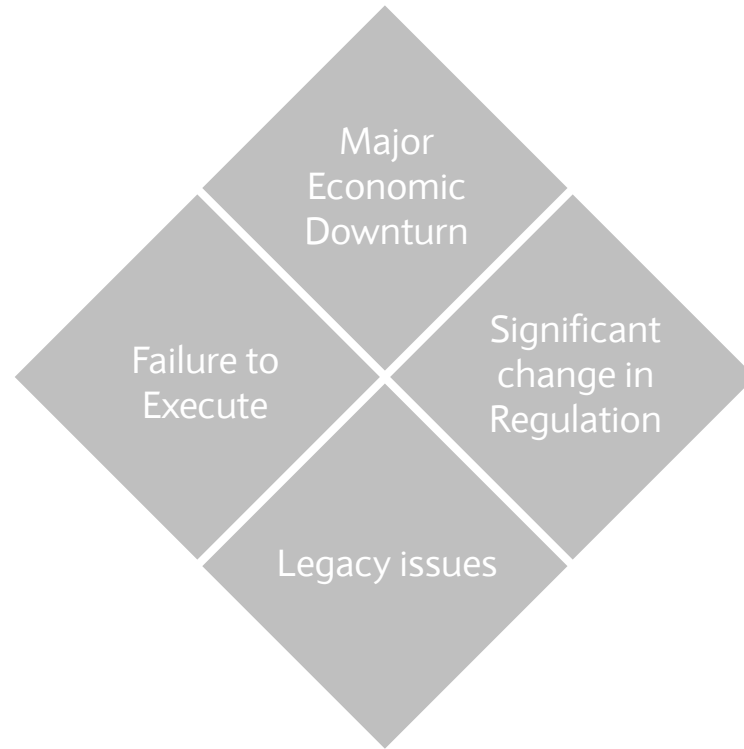
Rewards

Controls

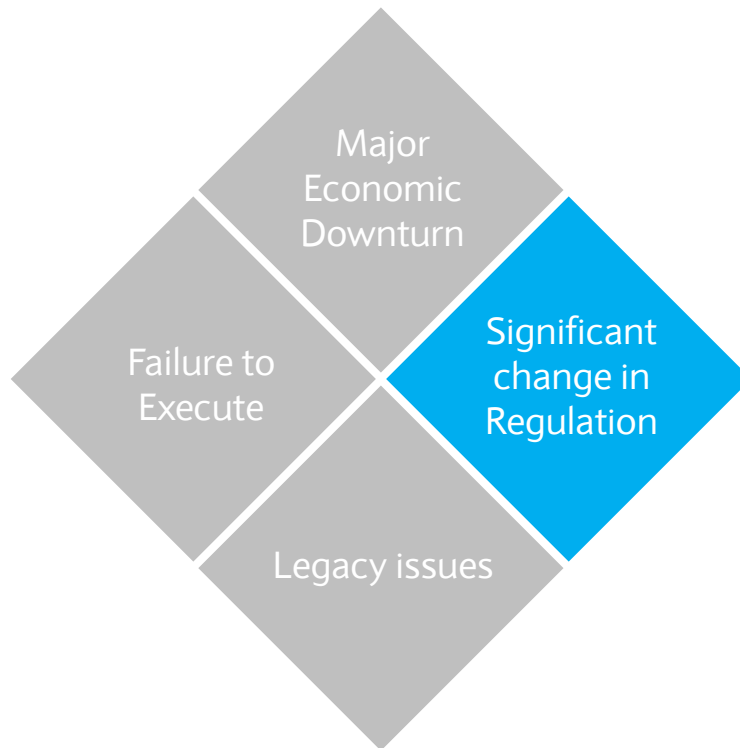
Cost

- Strategic battleground for the next decade
- Requires fundamentally different approach
- Technology key
- Have already started the journey

Risks

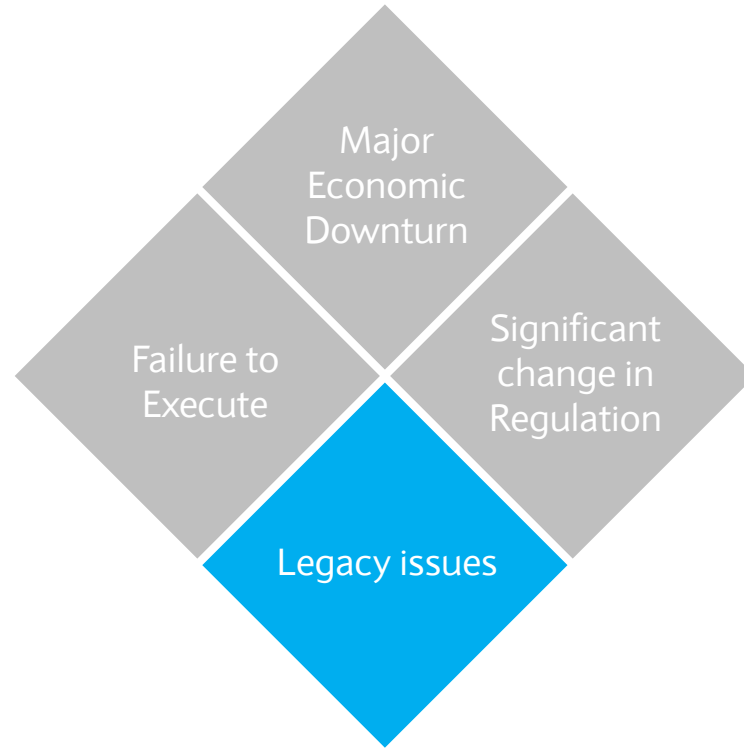


Risks – UK regulation



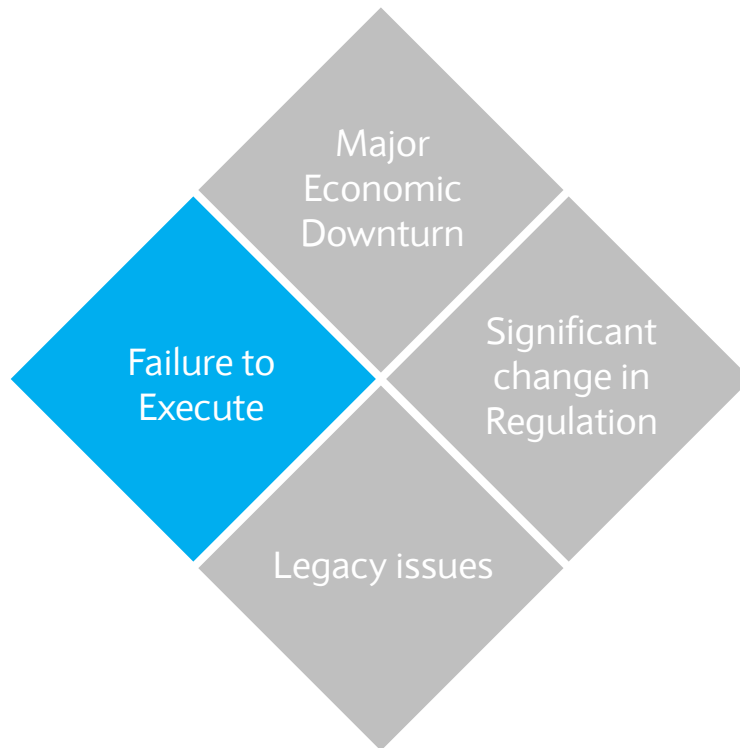
- Ring-fence based on minimum liabilities with appropriate asset mix
- Will establish operating service company
- Some uncertainty remains
- Best current estimate is that ongoing cost lower than earlier estimates
- Confident could adapt Group structure if required

Risks – legacy issues



Risks – failure to execute

- Only risk under our control
- Rests squarely with me and my team
- Recognise you need to be able to monitor progress



Clear 2015 financial targets

	2012 Results		2015 Targets	Commentary
Return on Equity	7.8%	➤	> Group CoE	<ul style="list-style-type: none"> Target sustainable returns in excess of cost of equity Improve quality of income and predictability of earnings
Operating Expenses	£18.5bn	➤	£16.8bn	<ul style="list-style-type: none"> Target operating expense base excluding £0.7bn cost to achieve (CTA) in 2015
Cost:Income Ratio	64%	➤	mid-50s	<ul style="list-style-type: none"> Plan assumes low to mid-single digit income growth Strategic cost management required to drive fundamental change
Pro forma B3 RWAs	£468bn ³	➤	£440bn	<ul style="list-style-type: none"> Reduction of £75bn gross risk assets by 2015 including over £45bn legacy assets Legacy asset disposal and run-off allows investment in higher return RWAs e.g. UK mortgages and Equities/IBD
Core Capital Ratio	10.9%	➤	>10.5%	<ul style="list-style-type: none"> Management actions including run-down of legacy assets to counter effect Basel 3 Significant profit generation to support growth and offset regulatory headwinds
Dividend Payout Ratio	19%	➤	30%	<ul style="list-style-type: none"> Drive greater balance between staff and shareholder returns Demonstration of solid capital base

Commitments – non-financial

Balanced
scorecard



- Embed purpose and values
- Assessing performance against
 - Customers and clients, company, conduct, colleagues and citizenship

Financial
reporting



- Provide greater disclosure and transparency
- Committed to industry-leading financial reporting

Our goal

To make Barclays the
'Go-To' bank for all of
our stakeholders

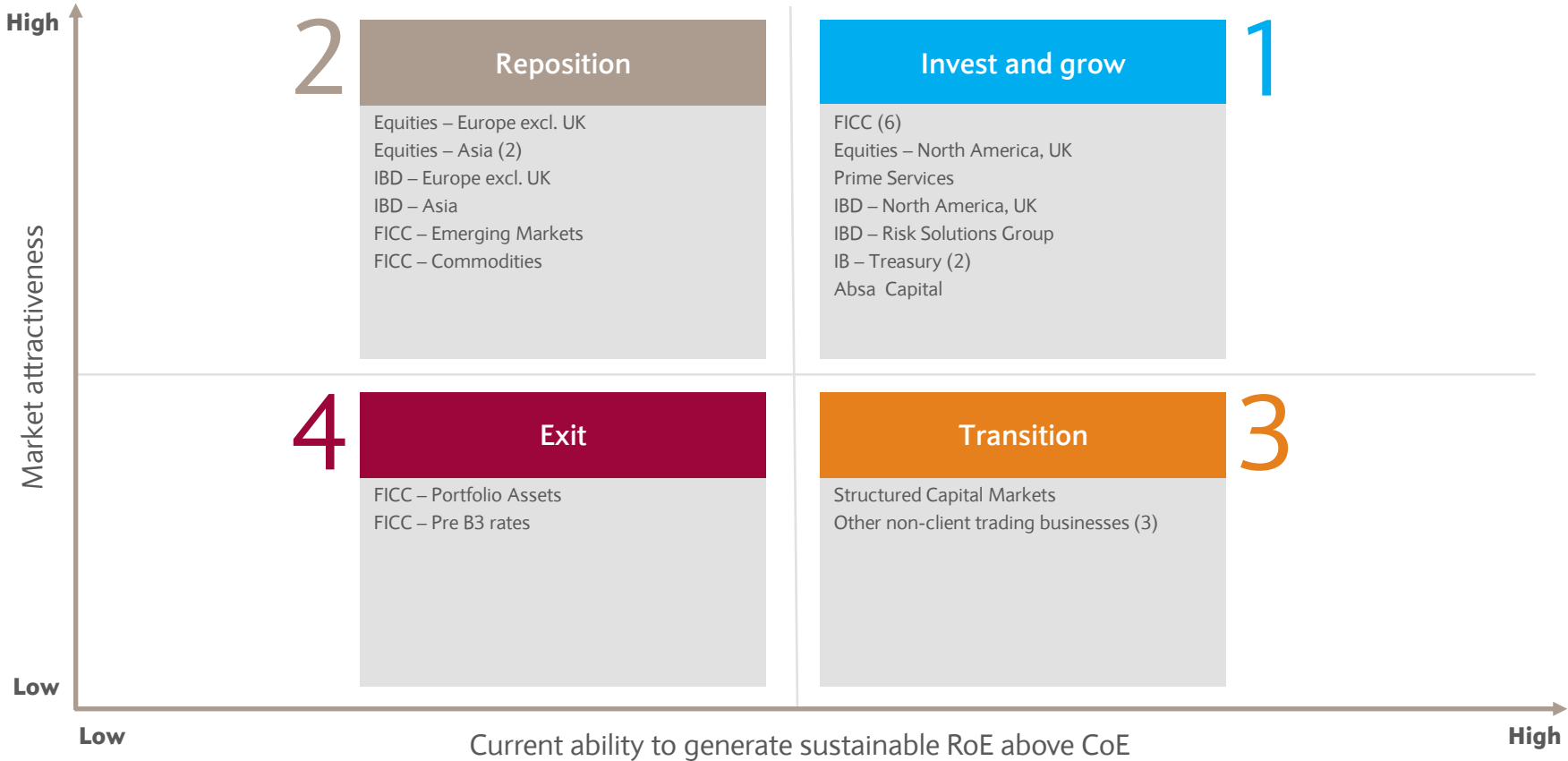


Appendix



BPR – The Investment Bank

Largest business cluster within Barclays, uniquely placed as global FICC player and a leader in the two largest investment banking markets



The Investment Bank

Go-To:

- One of a small group of global investment banks gaining share at low incremental cost
- Full service model deployed in the UK and US with appropriately sized models for the rest of the world to reflect market opportunities
- Further consolidate leading FICC franchise with top tier products
- Continue on upwards trajectory of share and profitability in US and UK, Equities and IBD franchises
- Robust and comprehensive control environment
- Business mix that minimizes earnings volatility and eliminates reputational risks

Already a top franchise

- Well positioned businesses
- Mature, at scale platforms
- Bottom line performance continues to be resilient
- Despite challenging backdrop, market share continues to grow (e.g. M&A volumes)

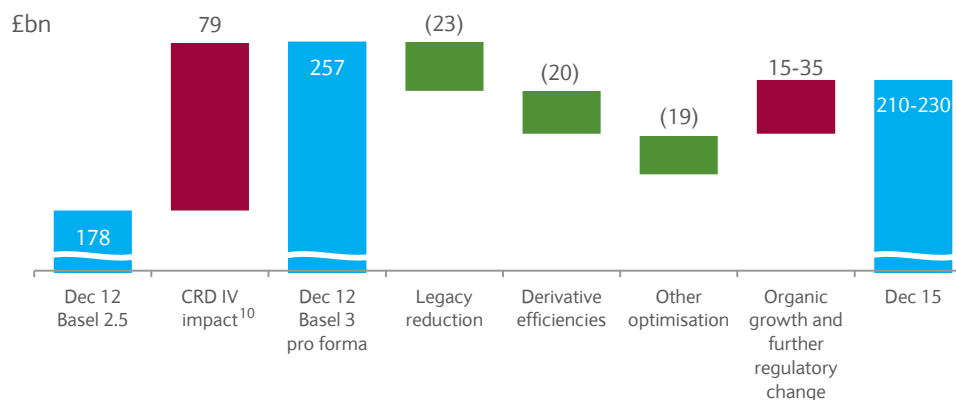
Actions we're taking

- 1,600 FTE reductions
- 55% front-office, 45% back-office
- £300m p.a. savings by 2015
- Reduce legacy assets by £43bn with minimal lost income
- Exit businesses with significant reputational risks

PBT quarterly volatility (excl. own credit and bank levy), 2009-2012



Investment Bank 2012-2015 RWA^a



Key metrics¹

	FY12	2015 Target
Income (£bn)	11.7	Single digit growth
B3 RWA (£bn)	257	210-230
Compensation:Income ratio (%)	39	Mid-30s
RoE (%)	13.7	14-15

FICC

Go-To:

- Strong client-based franchise, well diversified across asset classes and geographic regions, serving global client needs
- Scale player well positioned to deliver returns in the new regulatory environment, and benefit from retrenchment of competitors
- Competitive advantage maintained through state of the art technology platforms that deliver cost efficiency and tight controls
- Capital efficient business as a result of active management of RWAs and run-off of legacy assets

1

- Majority of FICC businesses (e.g. Rates, FX, Credit) well positioned, scale businesses able to grow share
- Maintain leading presence in flow markets continues to provide a sustainable advantage

2

- Reposition commodities business to focus on core banking, financing and risk management activities, and 'smart' physical activity (restructuring largely completed)
- Focus on delivering risk management and DCM solutions to target client base in emerging markets

3

- For non-client and reputationally challenged businesses, move into appropriate structure, sell or wind-down

4

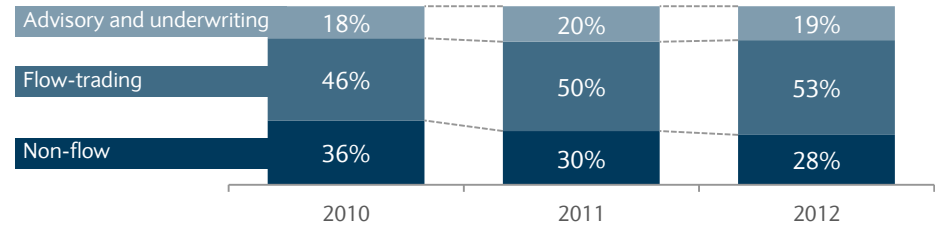
- Broaden definition of legacy book to £79bn RWA and reduce to £36bn by 2015

Key metrics¹

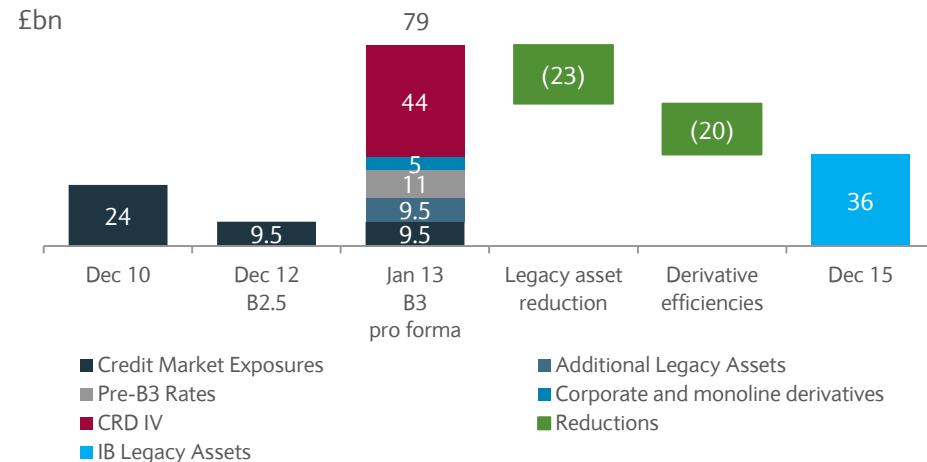
FY12

Income (£bn)	7.4
B2.5 RWA (£bn)	137

Flow-based business model – IB revenue distribution



Legacy Assets RWA development ^{a,11}



Equities and IBD

Go-To:

- Larger market share and profitability trajectory in our US and UK franchises
- Adaptable target model over various geographies, depending on core market and penetration
- Footprint and cost base realigned in Asia and Europe to reflect market environment
- Low capital intensive business; well positioned for upturn in European market activity

1

- Maintain positioning of US and UK Equities and IBD businesses, where half of wallet is concentrated
- Compete and win share (#2 in US ECM, #1 UK ECM/M&A/DCM) from competitors²
- Maintain growth in UK IBD business as a leading corporate broker

2

- Right-size footprint in Equities and Asia to reflect market opportunity
- FTE reduction of approx. 550 front-office in Equities and IBD as part of IB-wide reduction resulting in c.15% reduction of front-office MD/D FTE in the businesses being strategically realigned

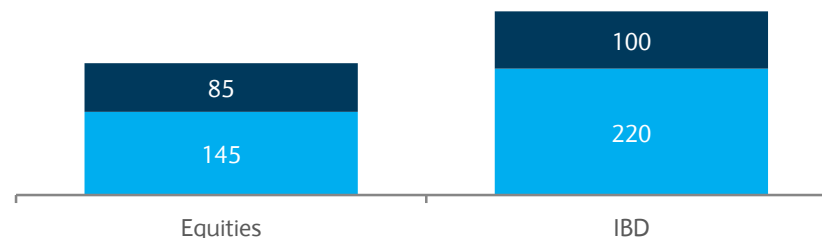
Key metrics¹

FY12

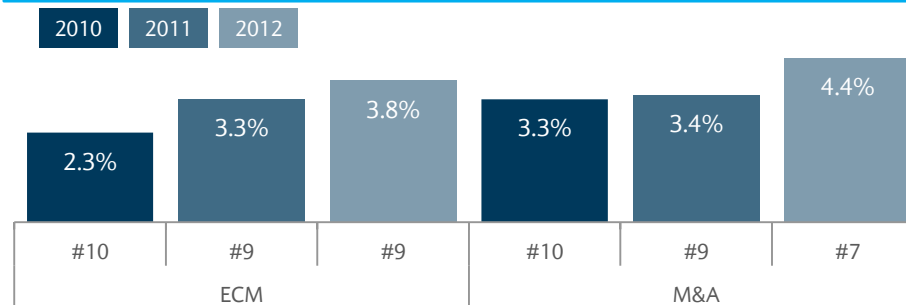
IBD	
Income (£bn)	2.1
B2.5 RWA (£bn)	19
Equities and Prime Services	
Income (£bn)	2.0
B2.5 RWA (£bn)	21

FTE reductions across Equities and IBD

- Front-office efficiency savings
- Strategic realignment

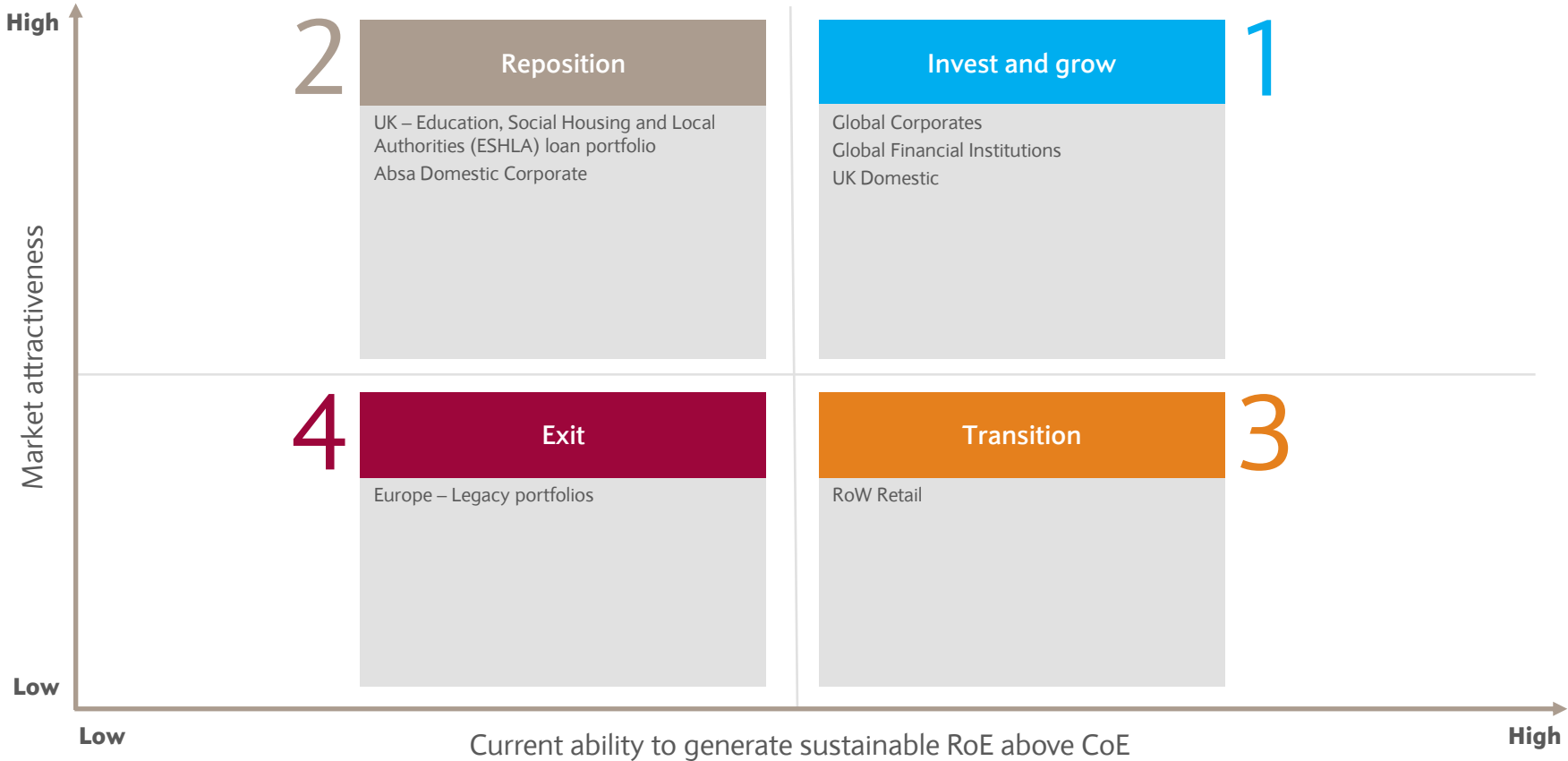


Barclays gained market share in ECM and M&A¹²



BPR - Corporate Banking

Strong overall UK franchise with broad, loyal client base. Globally, Corporate has access to international trade corridors, as well as local presence on the African continent



Corporate Banking

Go-To:

- Core UK and Africa markets strengthened
- Synergies across the Group maximised for referral and cross-sell
- New cash management platform fully deployed
- Legacy assets wound down to improve returns

1

- Maintain a franchise leading position in the UK
- Focus on global corporates and financial institutions through:
 - Building on IB relationships to expand business
 - Accelerating investment plans for enhancing global product capabilities
- Continue to self-fund the balance sheet

2

- Strengthen cross-border offerings to support clients particularly in Africa
- Deepen relationships with Education, Social Housing and Local Authorities clients (ESHLA)

3

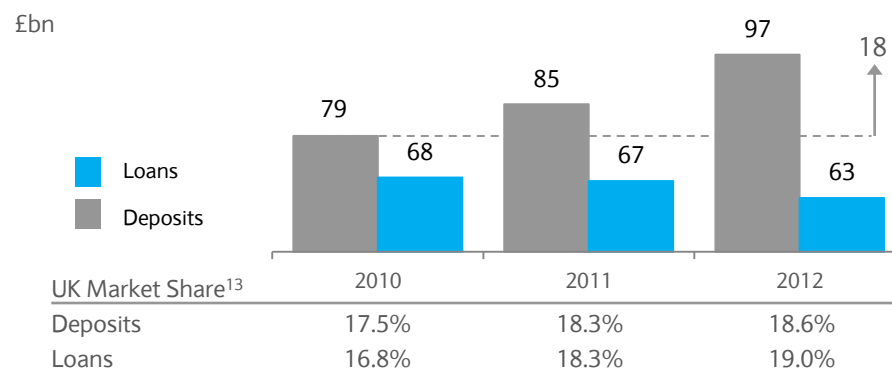
- Improve performance in ROW Retail

4

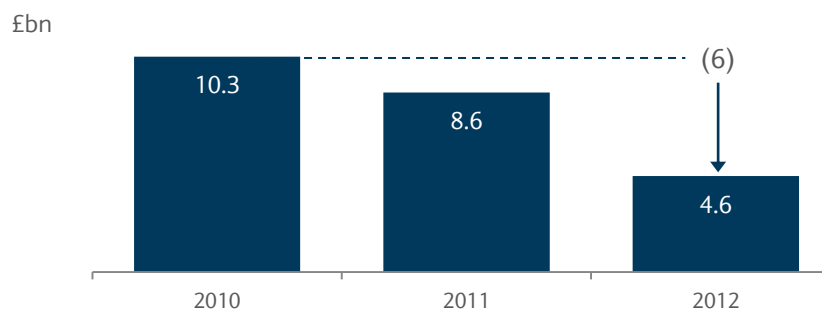
- Continue to run-off or restructure legacy assets
- Reduce client base in Iberia from 5,000 to <3,000

Key metrics ¹	FY12	2015 Target
Income (£bn)	2.9	3.0-3.5
RoE (%)	5.5	>10
B3 RWA (£bn)	68	70-80

Global Customer Balances (£bn)

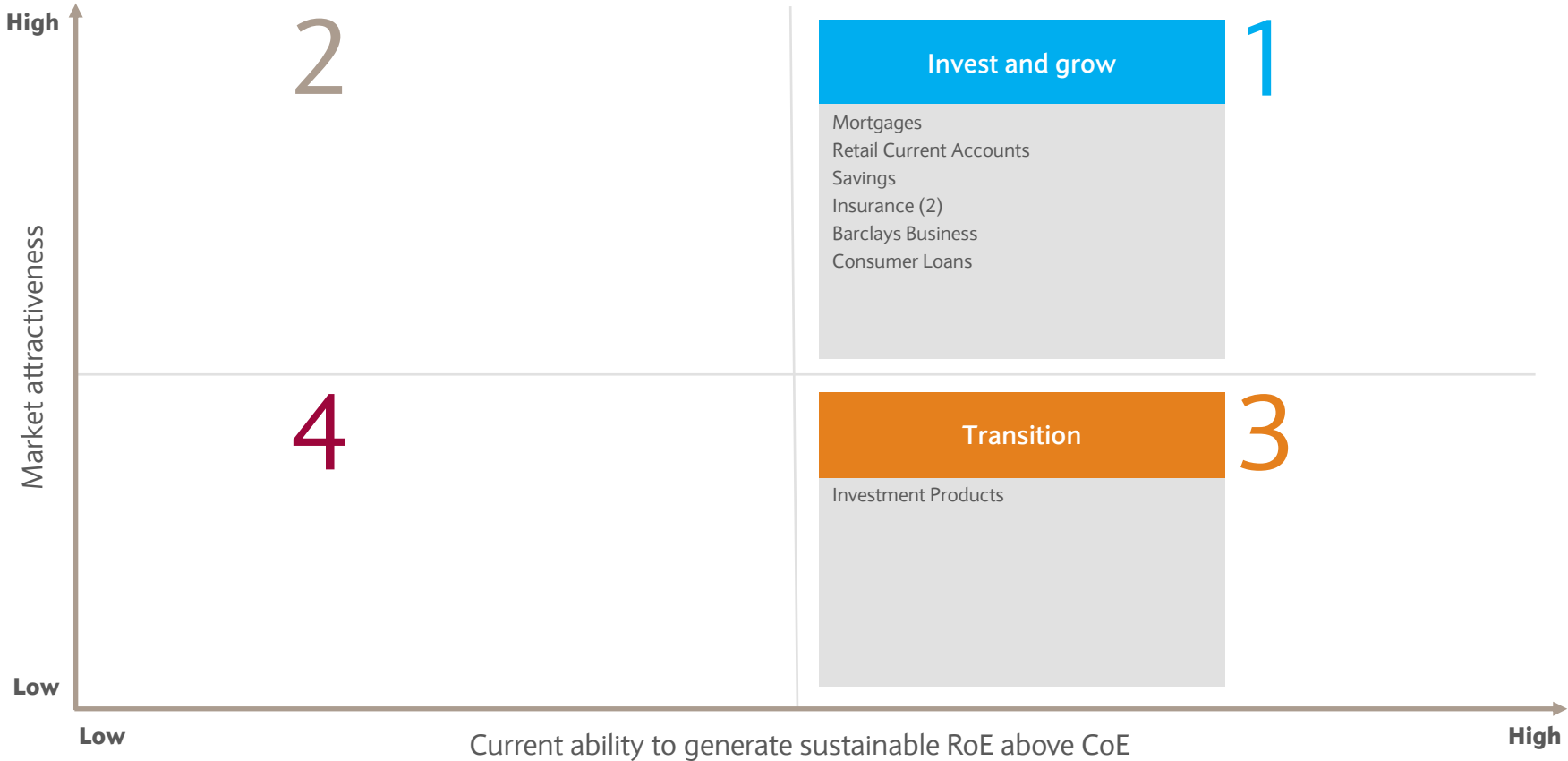


Remaining legacy RWAs⁵



BPR – UK RBB

UK RBB is a leading franchise in our UK home market where the majority of businesses are high performing despite challenging economic conditions



UK RBB

Go-To:

- Unique and differentiated customer experience provided through seamless multichannel access, focused on digital channels (e.g. Barclays Mobile Banking, PingIt, Text alerts)
- Simple products that are easily understood, putting the customer in control and building trust through transparency (e.g. Features Store)
- Products and services provided instantly for our customers, enhancing processes and driving a reduction in costs and complaints
- Relationships consolidated in target segments - mass affluent and business

1

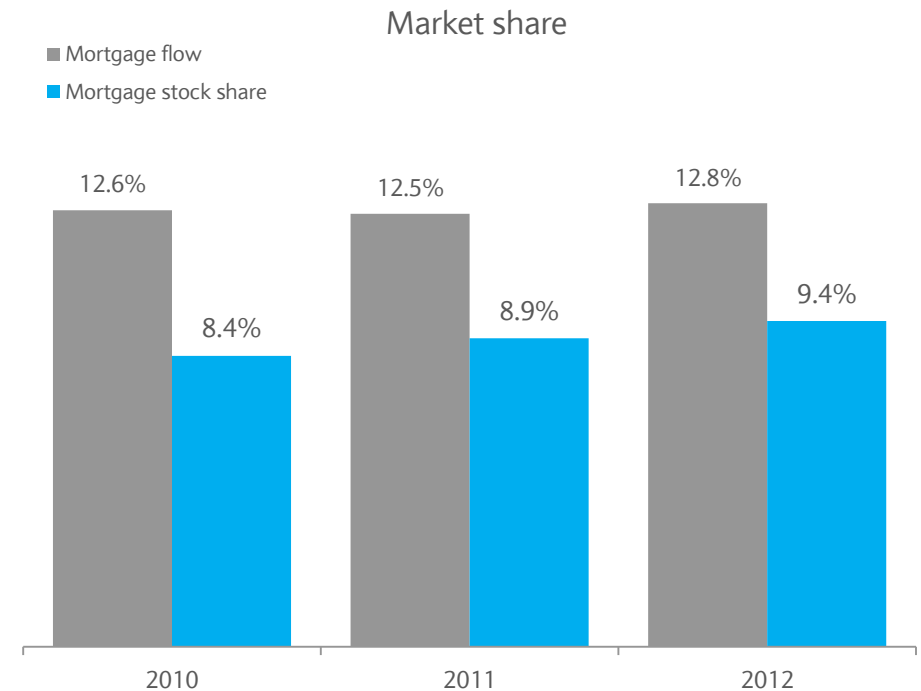
- Continue to develop products that utilise technology to meet customer needs
- Offer tailored pricing to grow lending through existing customers and provide right-sized lending mandates to accommodate current gaps in market
- Further integration of services with core banking offerings to provide bespoke solutions to the mass market through products like Features Store
- Grow mortgage share with niche products and attractive rates, as demonstrated by the new Family Springboard Mortgage product

3

- Develop an integrated investment and banking solution in conjunction with Wealth & Investment Management

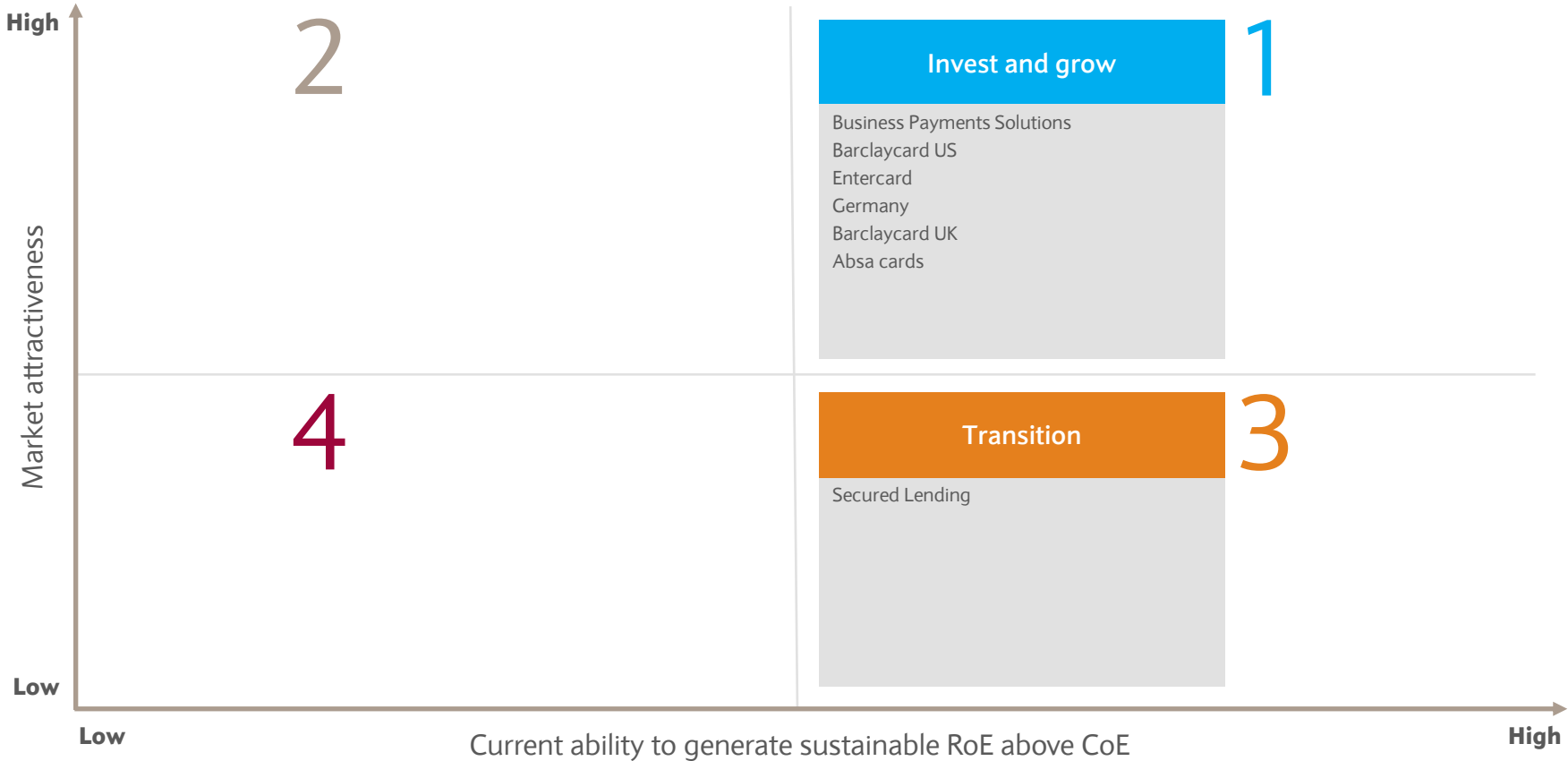
Key metrics ¹	FY12	2015 Target
Income (£bn)	4.4	Mid single digit growth
RoE (%)	16	High teens
B3 RWA (£bn)	39	43–45

The mortgage book is forecast to grow at a greater rate than the market¹⁴



BPR – Barclaycard

Barclaycard is a strong, diverse franchise with scale presence on both the consumer and merchant sides of payments with growth opportunities in multiple markets



Barclaycard

Go-To:

- Continue to surpass existing and new customers needs by developing new and innovative products
- Attract over one million net new customers each year
- Market leading net promoter scores and most trusted bank credit card brand in the UK
- Largest provider of mobile payments in Europe both in store and online
- Over half of all customer and client interactions completed electronically
- Market leading products and value delivered to both customers and clients

1

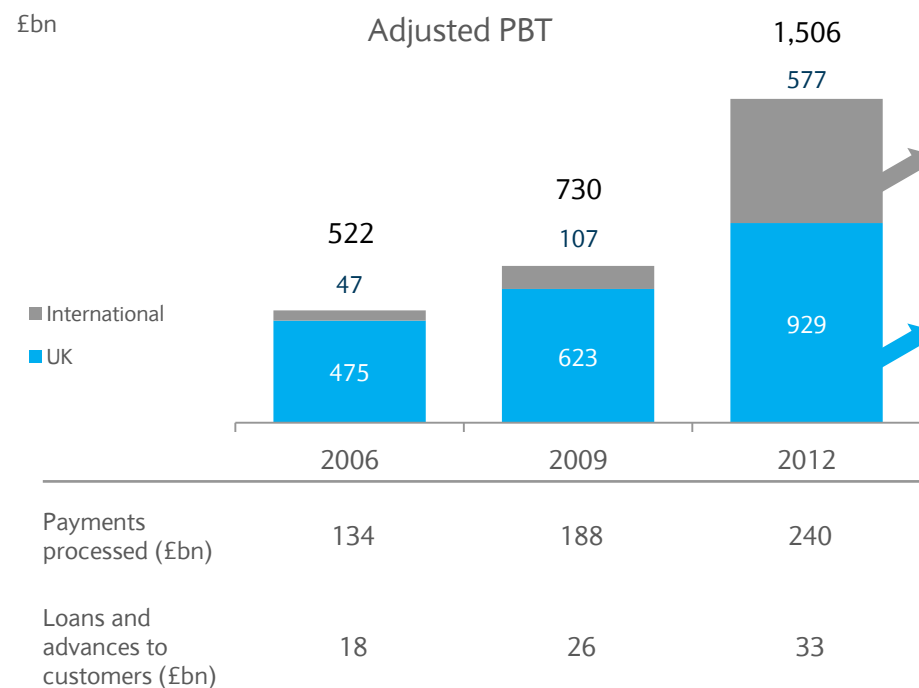
- Grow customer base in consumer credit cards in the US, Europe and Africa
- Expand payment acceptance and commercial payments in Europe
- Consolidate to a single card platform for Continental Europe
- Selectively acquire portfolios and leverage scale to deliver superior economics
- Continue to ensure products are simple, transparent and meet the highest standards of conduct
- Maintain world class risk management

3

- Run-off UK Secured Lending portfolio

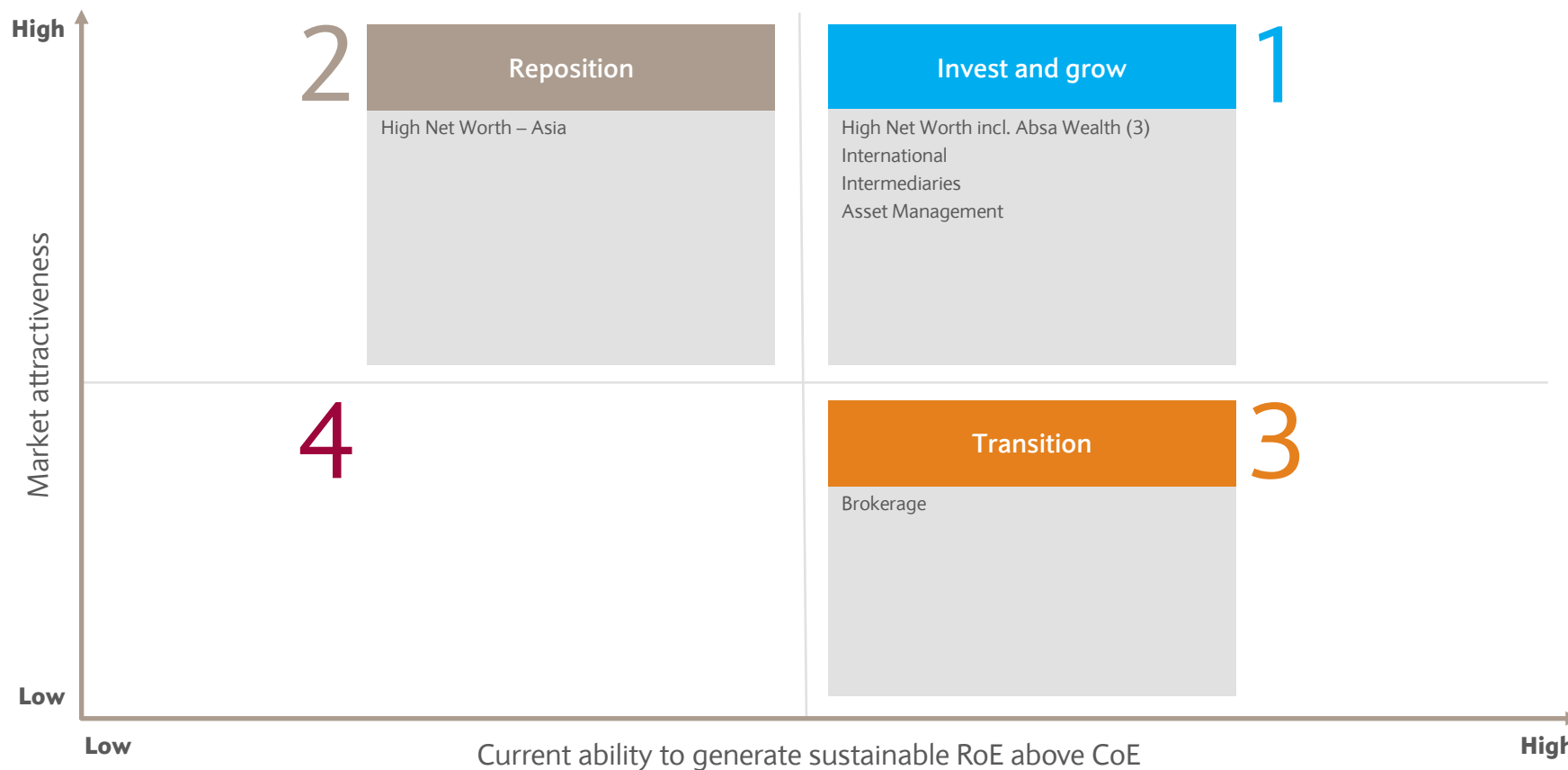
Key metrics ¹	FY12	2015 Target
Income (£bn)	4.2	>5
RoE (%)	22.1	>20
B3 RWA (£bn)	36	Mid 40s

Performance Trajectory



BPR – Wealth & Investment Management

International mix of different businesses brought together through the 'Gamma' strategic investment plan. Focus on growing High Net Worth businesses



Wealth & Investment Management

Go-To:

- Relentless focus on improving the client experience
- Delivery of best-in-class capabilities through Project Gamma
- Continued focus on building the High Net Worth (HNW) businesses into a top tier wealth manager
- Integration of products and services across the bank to provide private clients with a gateway to Barclays

1

- Rapid franchise expansion driven by focused investments in HNW businesses globally
- Growth supported by enhanced platforms and increased productive capacity
- Significant focus on further enhancing the client experience in the pursuit of 'Go-To'

2

- Leverage Project Gamma investment to build critical scale and achieve profitable growth

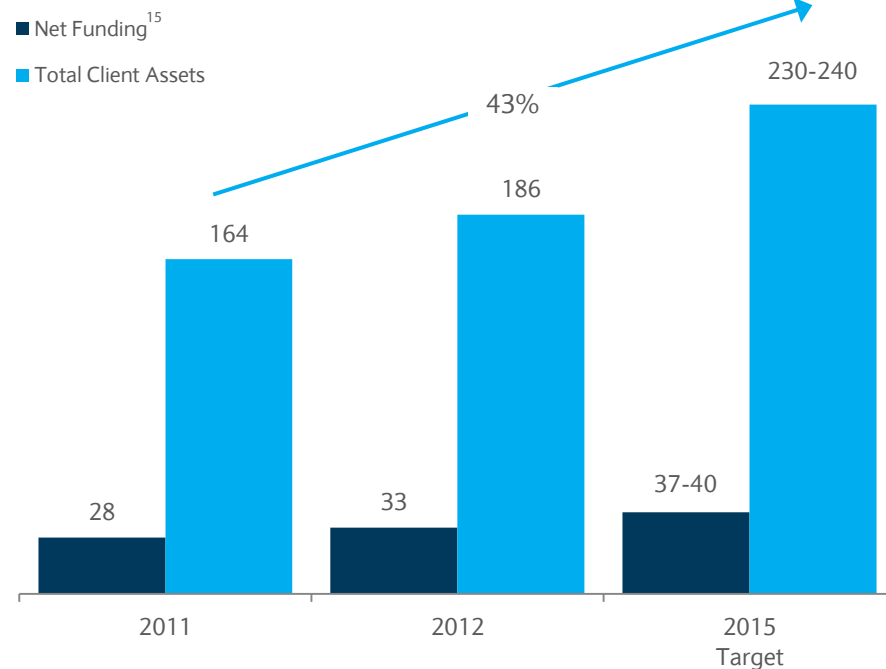
3

- Reposition brokerage business through development of the digital channel and providing access to execution-only investment services

Key metrics ¹	FY12	2015 Target
Income (£bn)	1.8	2.2-2.4
RoE (%)	13.9	High teens
B3 RWA (£bn)	16	18-20

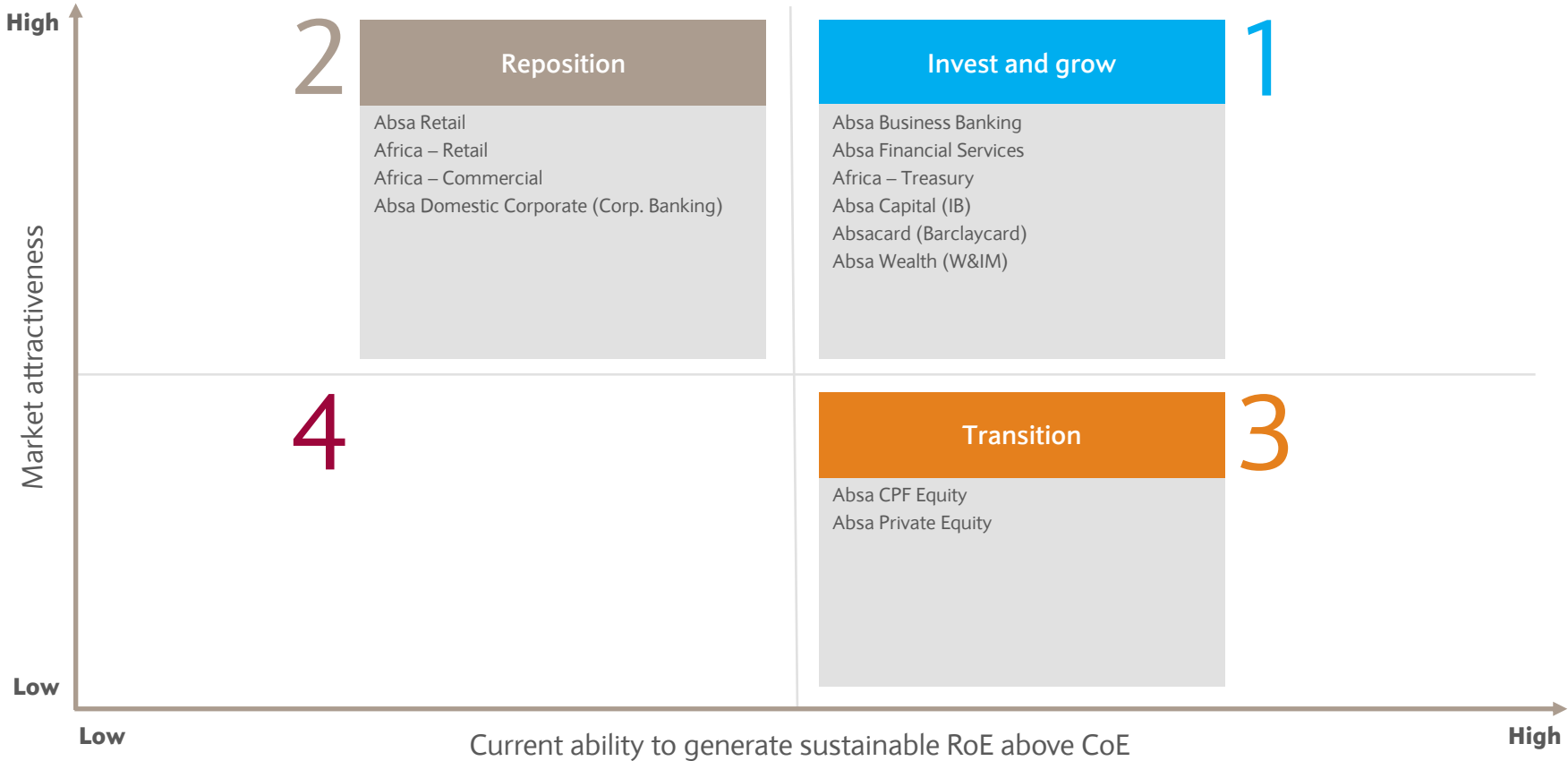
Net funding and client asset growth

£bn



BPR – Africa RBB and One Africa

Africa is the primary emerging market opportunity over the medium to long term for Barclays with strong GDP growth and our One Africa strategy will align businesses



Africa RBB and One Africa

Go-To:

- Global product knowledge combined with regional expertise and our extensive and well established local presence in 12 countries
- Through targeted innovation, improved customer and client service and experience

1

- Expand in core markets and broaden footprint
- Optimise our wealth, investment management and insurance value offerings across Africa
- Service business customers with a pan-African business banking proposition

2

- Build scale through growth in our Corporate and Investment Bank activity across Africa
- Restore top-line growth through relentless customer focus and new product offerings
- Complete roll-out of improved processes to enhance customer experience
- Leverage Retail Banking capabilities across Africa
- Step-change customer service through innovation and digital roll-out

3

- Pursue an orderly reduction of the listed and unlisted Commercial Property Finance (CPF) equity portfolios
- Reduce capital deployed in Private Equity with the focus on optimising return on equity

Africa RBB key metrics¹

	FY12	2015 Target
RoE (%)	3.8	>CoE
B3 RWA (£bn)	27	28-30

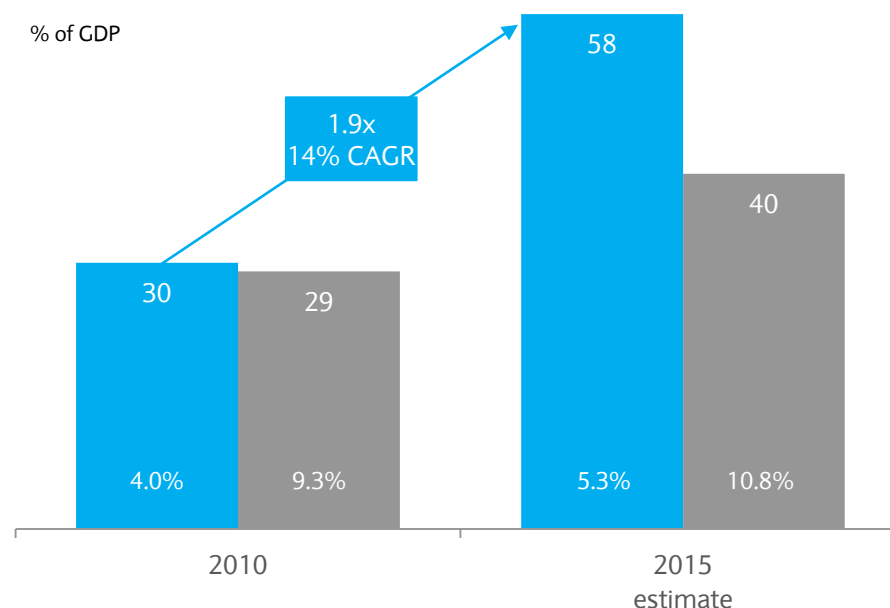
Africa is the next major growth frontier

\$bn Projected banking revenues (incl. retail and corporate)¹⁶

■ Africa (excl. SA)

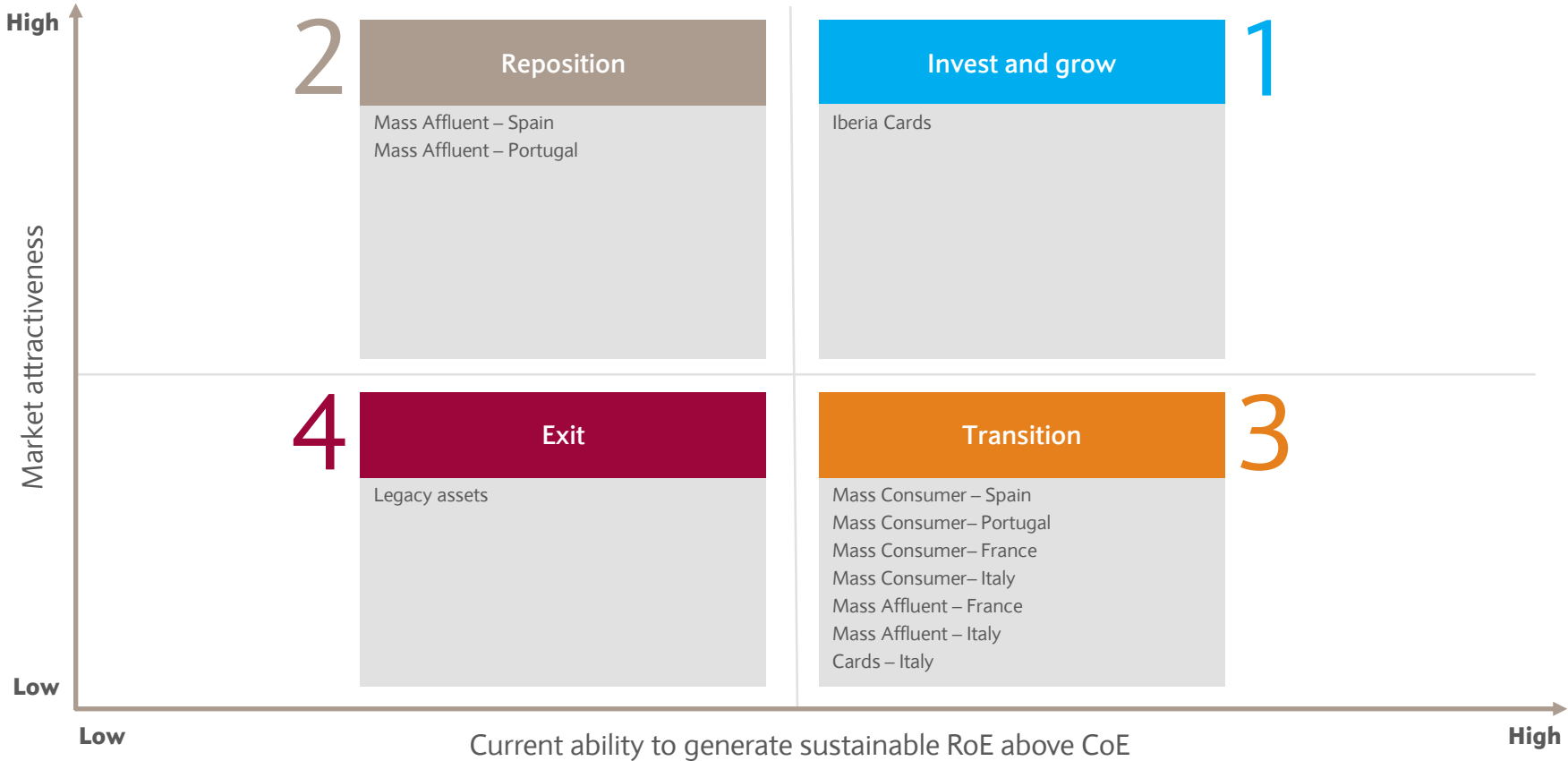
■ South Africa

% of GDP



BPR – Europe RBB

Low return, mass consumer businesses utilising limited amounts of Group capital but facing significant challenges in macro economic and sovereign environment



Europe RBB

Go-To:

- Downsized presence and run-off of mass consumer business
- Legacy asset run-off through dedicated asset optimisation team
- Repositioned to focus on targeted growth in mass affluent segment
- Business excluding legacy portfolio is expected to breakeven in 2014, with the whole business breakeven in 2015

1

- Continue with a leading card platform and proven open market capability driving a small but highly profitable operation

2

- Grow higher value customer segments

3

- Selectively target higher value customer segments and manage down mass consumer business

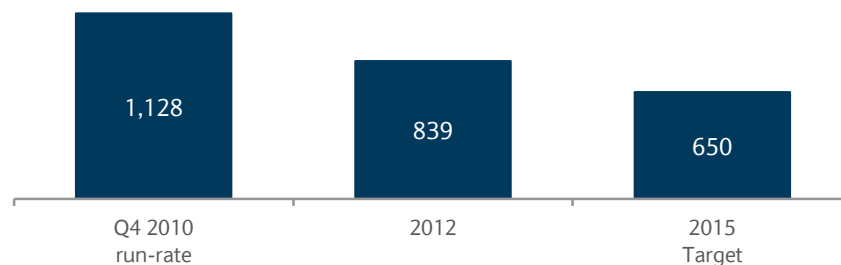
4

- Significantly downsize network to reduce infrastructure by 30% and FTE by approximately 2,000 in 2013
- Manage assets for accelerated run-off through creation of £23bn legacy book with a dedicated asset optimisation team

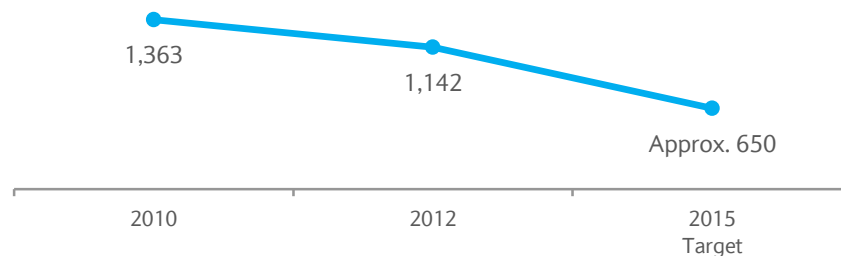
Key metrics ¹	FY12	2015 Target
Income (£bn)	0.9	1.0
RoE (%)	(8)	Low single digits
B3 RWA (£bn)	17	Mid teens

Near halving of costs vs. 2010 Q4 run rate

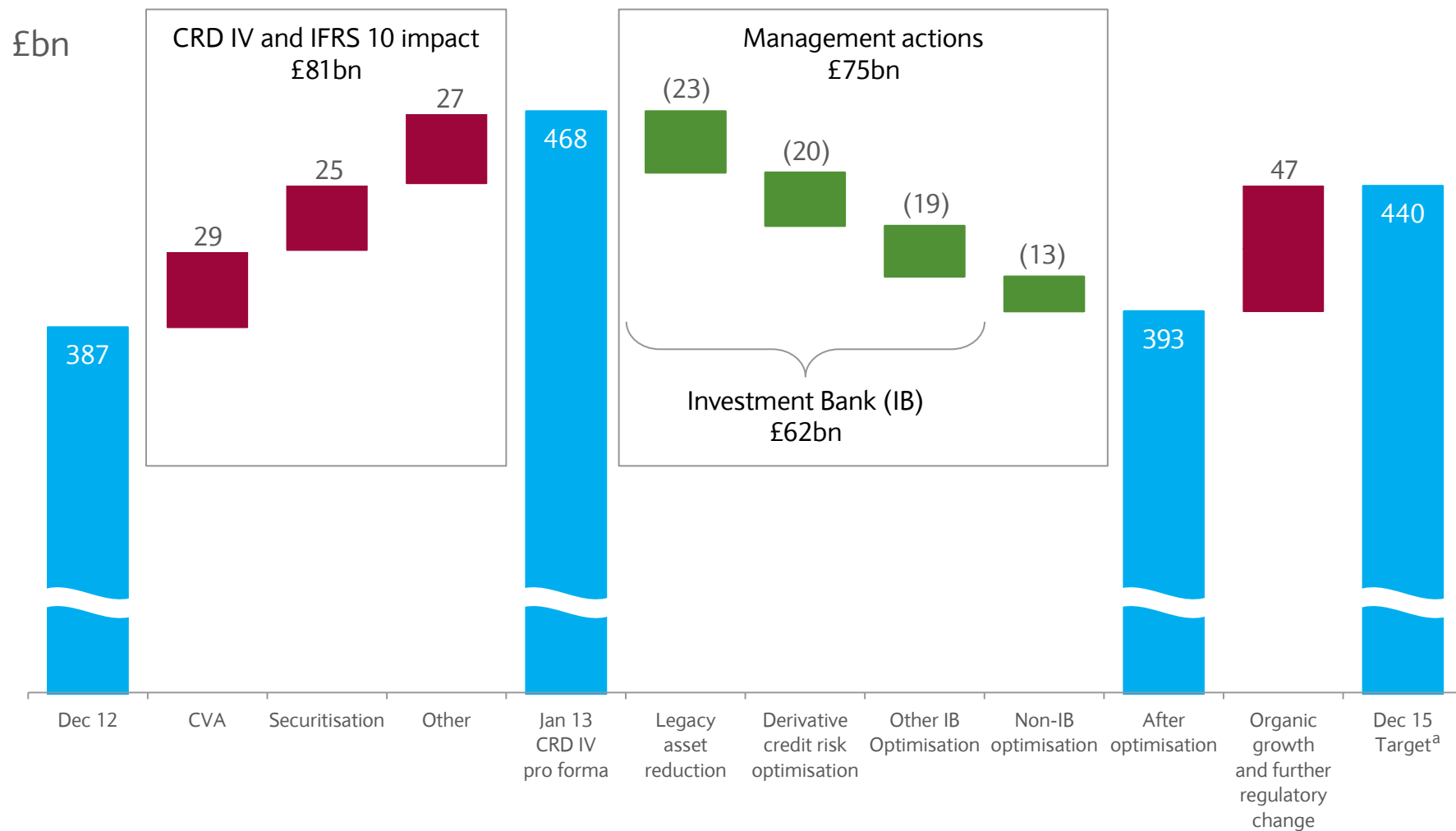
£bn



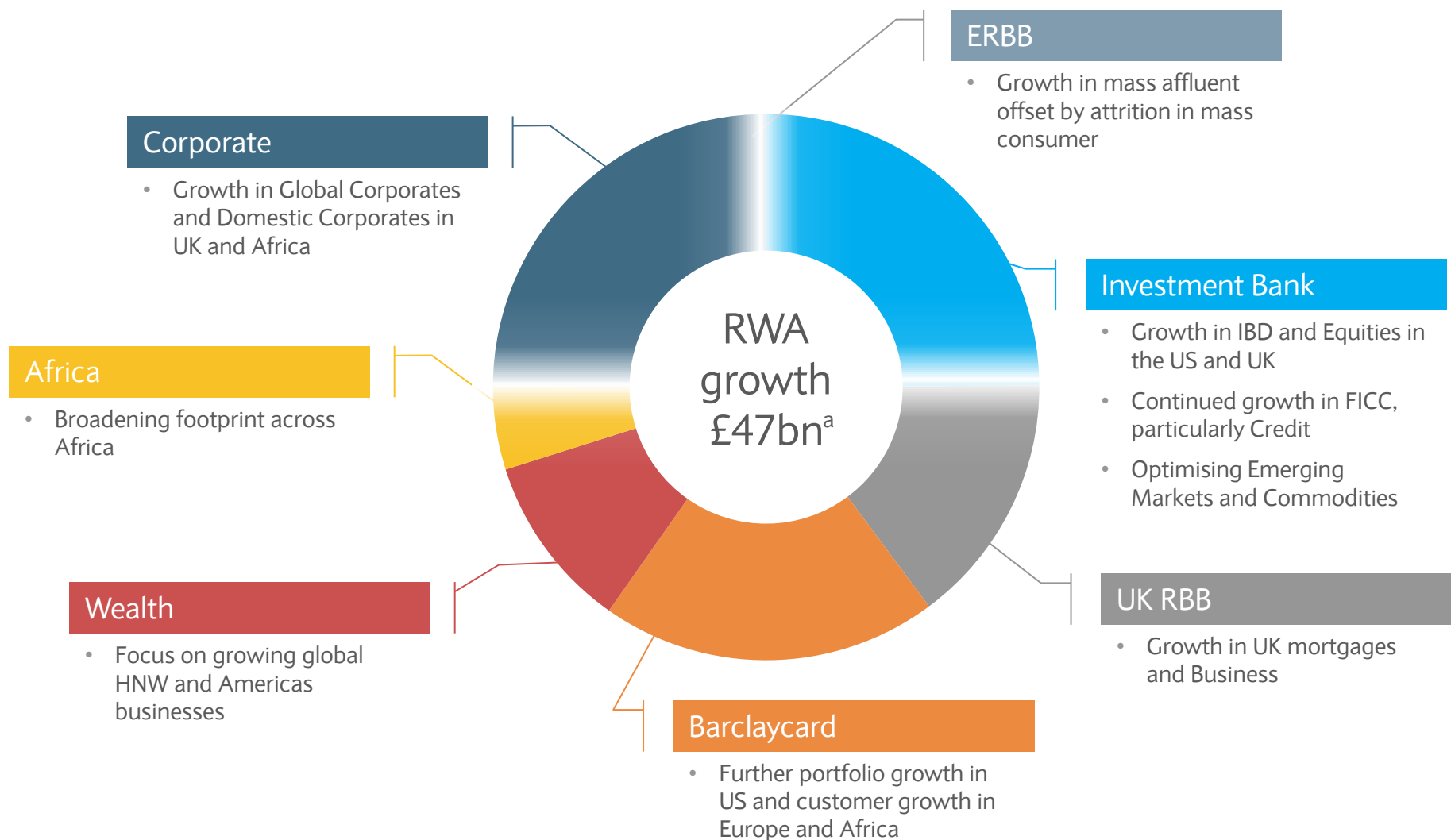
Halving of distribution points vs. 2010¹⁷



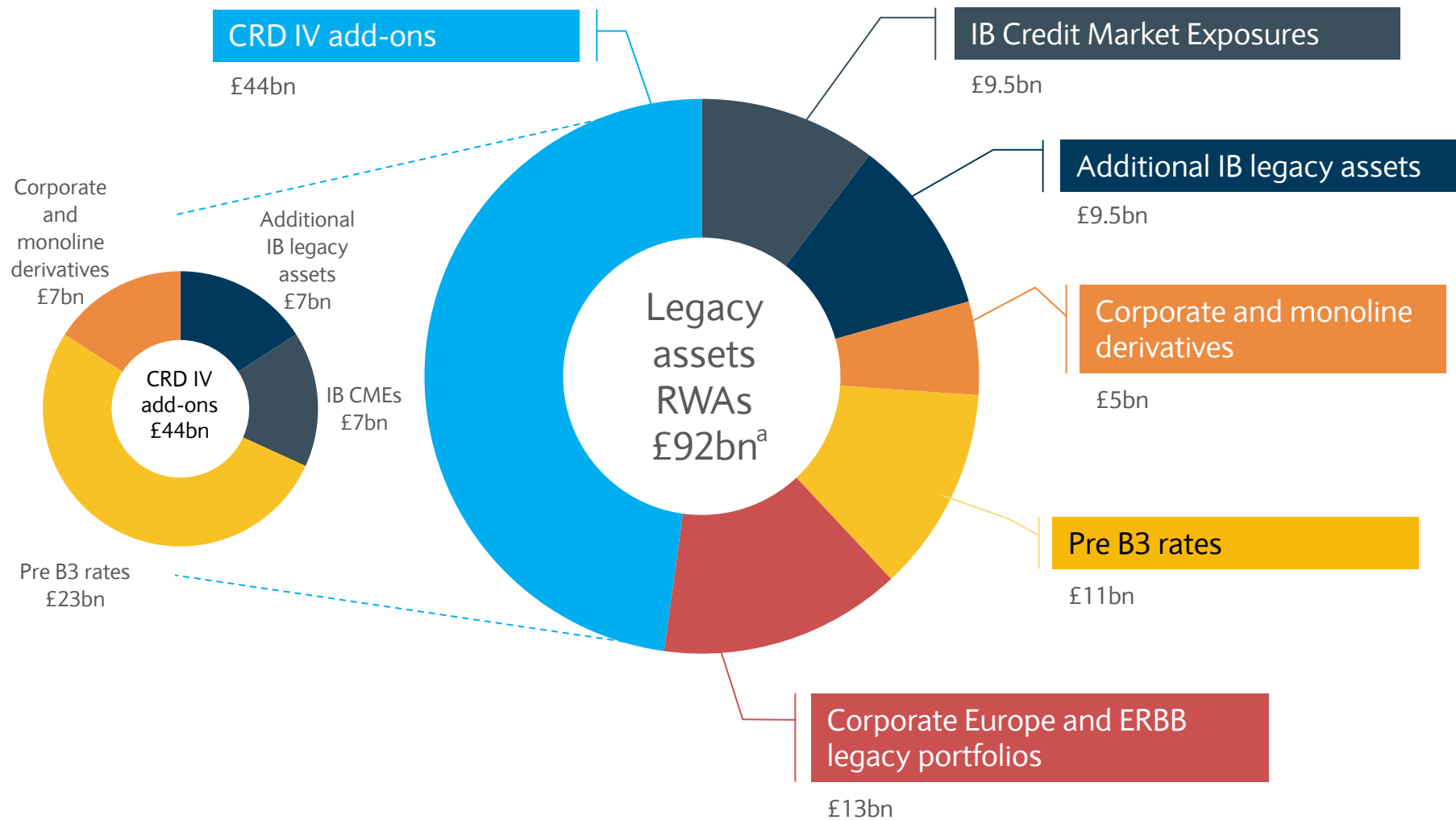
Group RWA progression, 2012-2015



Group RWA growth indications, 2012-2015



Group RWA^a – quadrant 4 legacy assets



Funding and Liquidity

Robust funding and liquidity position supported by diversified, low cost funding base

Reduction in wholesale funding requirements

- Reduced wholesale funding requirement due to increase in customer deposits and further reduction of legacy assets

Reduction in term funding costs

Jan 2012 Barclays 5 year EUR cash spread tightening of 150-200bps → Feb 2013

Optimising funding costs and risk profile

Secured

- Optimising the cost of funding through greater emphasis on secured funding while maintaining encumbrance at reasonable levels

Deposits

- Increased proportion of customer deposits
- Continued decline in non-IB Loan:Deposit ratio to 102% in 2012, down from 111% in 2011

Short-term/long-term split to remain constant

- Over the last few years, reduced reliance on short-term money market funding
- Alignment of assets/liabilities maturities and optimisation of the duration of the balance sheet

Minimal regulatory impact

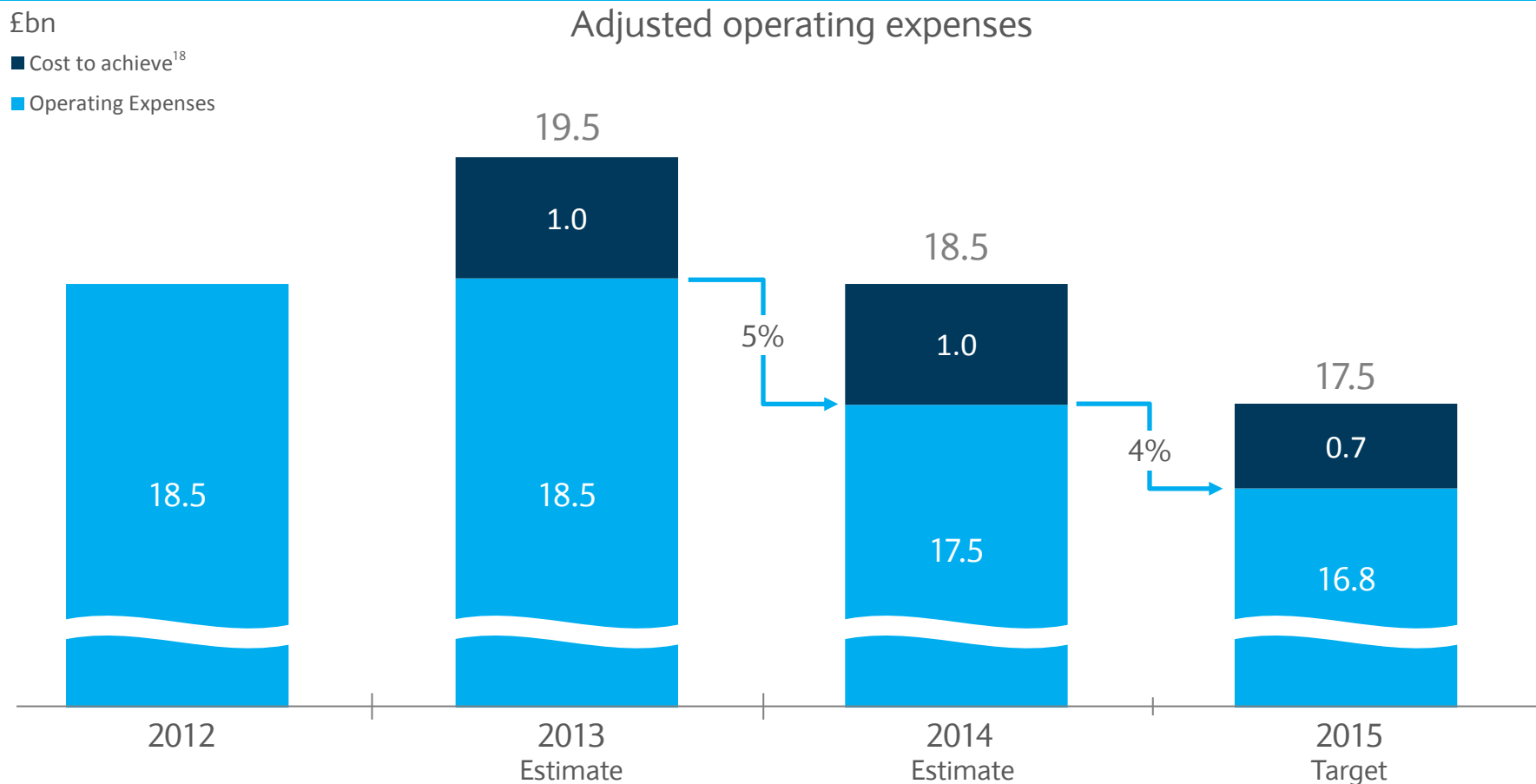
- Impact of pending regulatory actions mitigated by pro-active approach and management actions

Liquidity

- Impact of revised Liquidity Coverage Ratio (LCR) rules on Barclays estimated LCR as at 31 December 2012 was a 23 percentage points increase in overall LCR ratio (from 103% to 126%)
- Seek to optimise composition of pool, while maintaining very conservative approach
- Buffer only consists of very high quality assets that remain liquid in stress events

Costs – Strategic battleground

Over the next 3 years, results will be affected by 'cost to achieve' charges, delivering further strategic cost reduction beyond 2015



Cost to Achieve (P&L) breakdown 2013-2015

Executed and managed through active continuous feedback across the Balanced Scorecard

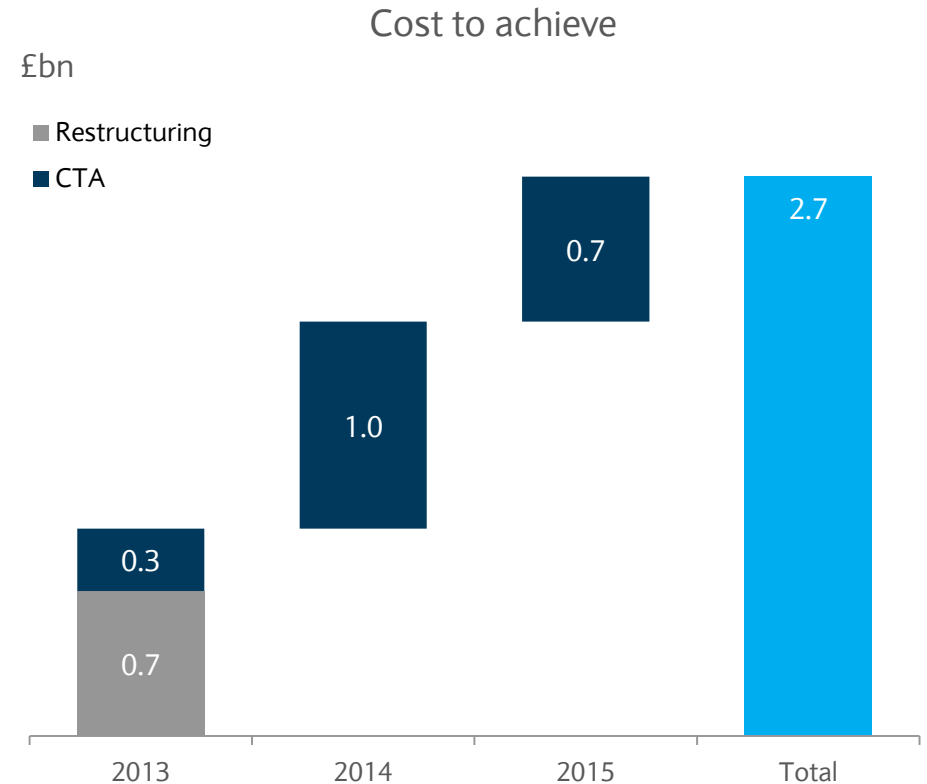
Select examples

Restructuring

- Europe Retail and Corporate restructuring (2013) – £0.4bn
- IB restructuring (incl. Front Office, 2013) – £0.1bn
- Africa – Transform the Branch
- Right-sizing while leveraging Group wide capabilities, primarily focusing on technology

21st Century Industrialisation

- Large scale focused automation of core processes
- Globalisation of processes – ‘active-active’ across the globe and reduced real-estate footprint
- Consolidation and rationalisation of operations and platforms
- Customer and client-centric self-service via best-in-class digital and mobile (opening window to all of Barclays capabilities)
- Hyper-scale secure internal cloud infrastructure



Examples of Strategic Cost Opportunities

Efficiency aspirations

Increase self-serve from 10% to 50%+ through better customer experience

Increase low/no touch trading from 30% to 70%

Dramatically decrease manual handling and rework

Context sensitive execution by joining multi-asset class capabilities around clients and customers

		Execution Momentum	
Programme	Select Initiatives	Customer Experience	Benefits
Africa customer on-boarding	<ul style="list-style-type: none"> Deployed new customer on-boarding process in 800+ sites in Absa Retail and Business markets Redesigned/automated manual processes e.g. Identification and verification through biometrics, image and workflow, automated document validation 	<ul style="list-style-type: none"> Shortened home loan approval cycle from 13 to 4 days General customer on-boarding reduced from 5 days to 12 minutes 	<ul style="list-style-type: none"> 92% reduction in back office document validation times
Europe instant account opening	<ul style="list-style-type: none"> In Portugal, deployed 200+ iPads with 200 additional expected in Q1 2013 Spain and France – gradual roll out in Q1-Q2 2013 UK – planned for 2013 	<ul style="list-style-type: none"> On-boarding cycle time reduced from 90 to 30 minutes 20% account opened within 15 minutes and 95% in less than 30 minutes More than 75% reduction in paper used in account opening 	<ul style="list-style-type: none"> 80% reduction in account opening FTEs Potential savings across Europe would be up to c.£40m
BARX	<ul style="list-style-type: none"> Automate institutional clients' front and back-office flows across a wider range of asset classes Award winning platform - industry leader for client performance, productivity and experience 	<ul style="list-style-type: none"> Direct integration into client workflows Reduce manual trade flow and increase colleague productivity through straight through processing 	<ul style="list-style-type: none"> Increase transaction automation rates from 30% low/no touch trading to 70% Enable client self-service rates to increase from 10% to 50%+ through workflow automation and improved client experience
Cloud based infrastructure	<ul style="list-style-type: none"> The move from federated proprietary infrastructure to open source cloud based infrastructure 	<ul style="list-style-type: none"> Service availability improvement – 35% reduction in IT incidents 	<ul style="list-style-type: none"> 3,500 servers decommissioned 2 data centres closed £155m savings realised Reduced downtime risk
Identification and verification (enabled by TCV)	<ul style="list-style-type: none"> Customer identification tools, e.g. allowing customers to reset their PIN via telephone or online 	<ul style="list-style-type: none"> Instant PIN reset (down from 5 days) Enabled customers to use PINsentry functionality via Barclays Mobile Banking, eliminating the need for an additional device 	<ul style="list-style-type: none"> c.£10m savings enabled through PinView and knowledge based authentication Reduced fraud risk
True Customer View (TCV)	<ul style="list-style-type: none"> Create, maintain and leverage a single, trusted, shareable version of customer data 	<ul style="list-style-type: none"> Real time alerts on lost an stolen, pay/no pay, and cheque bounces Notifications via SMS and email Seamless address changes between Retail and Barclaycard 	<ul style="list-style-type: none"> Referential integrity of 82 million customer records, using 150 customer attributes Reduced cheque bounce paper communications, replaced regular payment letters and a sizeable reduction in complaints
PingIt	<ul style="list-style-type: none"> Smartphone application allowing mobile initiated person to person, person to business and bank account to bank account payments 12 industry awards won, recognised by Apple as leading finance app 	<ul style="list-style-type: none"> 1.4 million downloads Extending Groupwide to incorporate innovative payment solutions, such as paying bills via QR codes 	<ul style="list-style-type: none"> 14% non-Barclays users - biggest digital acquisition channel for new to bank customers Extending the solution Groupwide , e.g. 20% PingIt corporate customers in the pipeline are new to Barclays

Barclays tax principles

We believe that tax planning, for clients and on our own account, must...

- Support genuine commercial activity
- Comply with generally accepted custom and practice, in addition to the law and the UK Code of Practice on Taxation of Banks
- Be of a type that the tax authorities would expect
- Only take place with customers and clients sophisticated enough to assess its risks
- Be consistent with, and be seen to be consistent with, our purpose and values

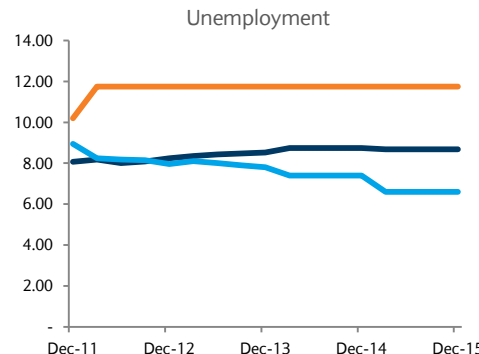
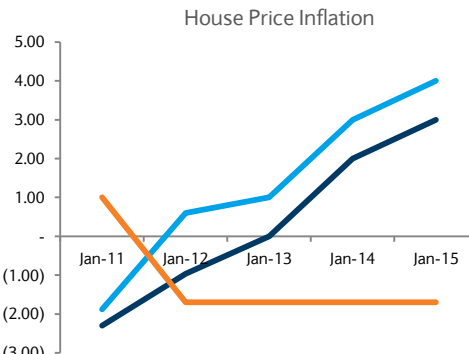
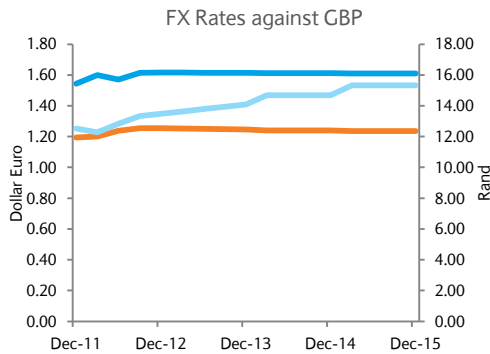
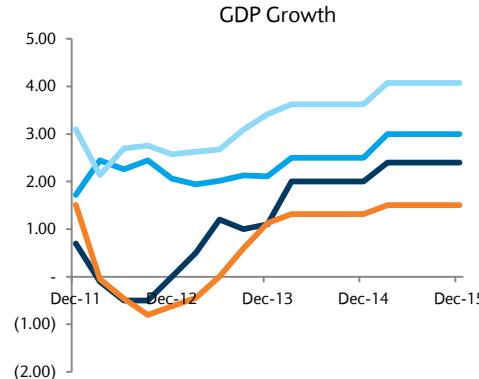
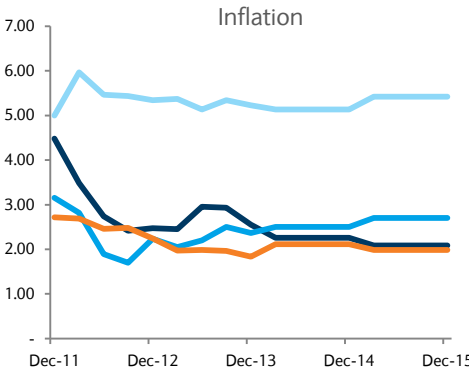
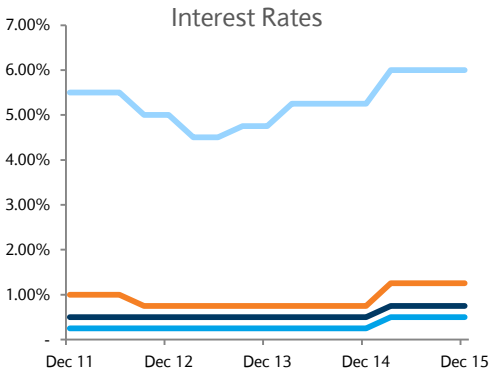
Should any of these principles be threatened, we will not proceed – regardless of the commercial implications

Our tax professionals will be subject to clear standards to ensure that they uphold these principles

- All tax planning must be subject to the robust review and approval process outlined in our Tax Risk Framework
- We will maintain transparent disclosure in our relationship with the tax authorities, recognising that early resolution of risks is in everyone's best interest
- We will routinely seek feedback from the tax authorities on the quality of our relationship with them
- Any litigation necessary to resolve a difference of opinion will be handled professionally, efficiently and in a way that is consistent with our values
- We will reward employees based on a balanced scorecard approach to measuring performance, which includes an assessment of behaviour and appropriate consideration of tax risk over the long-term

Economic assumptions

Plan financials and RWAs based on the following assumptions and current market rates



— UK — US — EURO — ZAR



Footnotes

Slide	#	Footnote
25,44,45,59,60,61	a	RWA figures subject to FX, credit spreads and procyclicality
11,44,45,46,48,50,52,54,56,58	1	Head Office income expense of £(0.1)bn, PBT of £(1.1)bn and RWAs of £6bn are not reflected in these figures RWAs are shown B3 pro forma to include estimated CRD IV add-ons totalling £81bn
14	2	Source: Dealogic, 2012
16	3	Proforma B3 RWAs include the impact of changes to accounting standards which came into effect on 1 January 2013
16	4	FY 2012 RoE on Basel 2.5 basis
17,48	5	Legacy businesses include Europe legacy run-off, Iveco, Russia, Indonesia, India and Pakistan Retail
19	5	Achieved strong external customer recognition: Moneyfacts: Best Card Provider 2012 – BT and standard rate; Forrester Voice of the Customer, US; JD Power, US up 19 points year-on-year and achieved highest ever cluster CSAT
20	7	Source: J. P. Morgan “Global Banking: Wealth Management” report (23 January, 2013)
24	8	Including UK bank levy; excluding PPI, goodwill and swaps redress
28	9	Excluding benefits from reduced funding costs
44	10	Includes £44bn relating to FICC legacy assets
45	11	CMEs generate £5.5bn of additional RWA equivalents under B2.5 at December 2012. Change in treatment under B3 is reflected in CRD IV add-on of £44bn
46	12	Source: Dealogic, 2010-2012
48	13	Analysis based on BoE/BBA Major British Bank returns. Barclays Group share of loans to industry and commerce, and Barclays Group share of deposits from non-financial corporations
50	14	Source: Bank of England
54	15	Net Funding defined as Customer Liabilities less Customer Assets
56	16	Source: Bankscope, Central Bank Data, IMP WEO April 2010/Oliver Wyman analysis, 2012
58	17	Distribution points defined as branches, sales centres, sales points and clubs
63	18	CTA refers to different one time costs such as restructuring and capital expenditure

Legal disclaimers

Important Notice

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Forward-looking Statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to certain of the Barclays Group (the “Group”)’s plans and its current goals and expectations relating to its future financial condition and performance. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as “may”, “will”, “seek”, “continue”, “aim”, “anticipate”, “target”, “projected”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe” or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Group’s future financial position, income growth, assets, impairment charges, business strategy, capital ratios, leverage, payment of dividends, projected levels of growth in the banking and financial markets, projected costs, estimates of capital expenditures and plans and objectives for future operations and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, UK domestic, Eurozone and global macroeconomic and business conditions, the effects of continued volatility in credit markets, market related risks such as changes in interest rates and foreign exchange rates, effects of changes in valuation of credit market exposures, changes in valuation of issued notes, the policies and actions of governmental and regulatory authorities (including requirements regarding capital and Group structures and the potential for one or more countries exiting the Eurozone), changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards (“IFRS”) applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of current and future legal proceedings, the success of future acquisitions and other strategic transactions and the impact of competition, a number of which factors being beyond the Group’s control. As a result, the Group’s actual future results may differ materially from the plans, goals, and expectations set forth in the Group’s forward-looking statements.

Any forward-looking statements made herein speak only as of the date they are made. Except as required by the UK Financial Services Authority, the London Stock Exchange plc (the “LSE”) or applicable law, Barclays expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Barclays expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Barclays has made or may make in documents it has published or may publish via the Regulatory News Service of the LSE and/or has filed or may file with the US Securities and Exchange Commission.