

Barclays PLC

2010 Interim Results

5 August 2010



Chris Lucas
Group Finance Director



Highlights

- Income resilience
- Higher returns and higher profits
- Impairment charges in line with guidance
- Strong capital management
- Stable leverage and strengthened liquidity
- Gross new UK lending of £18bn



Group performance

Half year ended – June	2010 (£m)	2009 (£m)	Change %
Profit before tax	3,947	2,745	44
Less:			
Own credit (gain) / charge	(851)	893	
Gains on acquisitions and disposals	(133)	(21)	
Gains on debt buy-backs	–	(1,192)	
Adjusted profit before tax	2,963	2,425	22



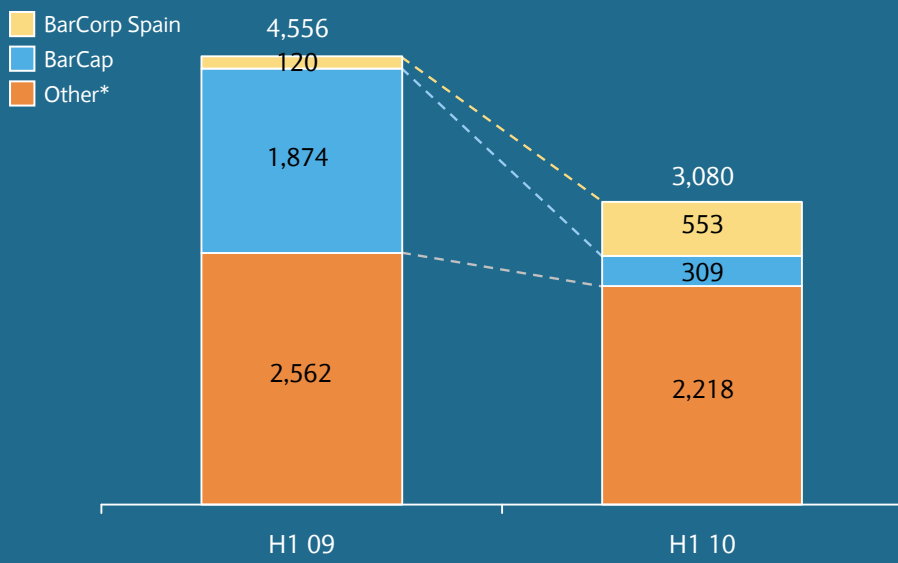
Financial summary

Half year ended – June	2010 (£m)	2009 (£m)	Change %
Income	16,581	15,318	8
Impairment charges	(3,080)	(4,556)	(32)
Net income	13,501	10,762	25



Impairment improvement

(£m)



* Includes GRB, BarCorp (ex Spain), Barclays Wealth, Investment Management, Absa and HOF



Financial summary

Half year ended – June	2010 (£m)	2009 (£m)	Change %
Income	16,581	15,318	8
Impairment charges	(3,080)	(4,556)	(32)
Net income	13,501	10,762	25
Operating expenses	(9,720)	(8,051)	21
Profit before tax	3,947	2,745	44
Cost : income ratio	59%	53%	nm
Cost : net income ratio	72%	75%	nm



Financial summary cont'd

Half year ended – June	2010	2009
Return on equity	9.8%	9.4%
Return on tangible equity	12.0%	13.0%
Return on risk weighted assets	1.5%	1.0%
Earnings per share	20.9p	16.4p
Dividend per share	2.0p	0.0p



Global Retail Banking

Half year ended – June	2010 (£m)	2009 (£m)	Change %
UK Retail Banking	504	313	61
Barclaycard	317	375	(15)
Western Europe Retail Banking	10	92	(89)
Barclays Africa	70	65	8
GRB profit before tax	901	845	7



UK Retail Banking

Half year ended – June	2010 (£m)	2009 (£m)	Change %
Total income	2,171	2,151	1
Impairment charges	(447)	(521)	(14)
Net income	1,724	1,630	6
Operating expenses	(1,322)	(1,319)	–
Profit before tax	504	313	61
Return on tangible equity	22%	16%	
Return on risk weighted assets	2.1%	1.4%	



Barclaycard

Half year ended – June	2010 (£m)	2009 (£m)	Change %
Total income	1,958	2,009	(3)
Impairment charges	(890)	(915)	(3)
Net income	1,068	1,094	(2)
Operating expenses	(764)	(724)	6
Profit before tax	317	375	(15)
Return on tangible equity	14%	22%	
Return on risk weighted assets	1.4%	1.9%	



Western Europe Retail Banking

Half year ended – June	2010 (£m)	2009 (£m)	Change %
Total income	602	682	(12)
Impairment charges	(133)	(148)	(10)
Net income	469	534	(12)
Operating expenses	(495)	(442)	12
Profit before tax	10	92	(89)
Return on tangible equity	15%	7%	
Return on risk weighted assets	1.5%	0.6%	



Barclays Africa

Half year ended – June	2010 (£m)	2009 (£m)	Change %
Total income	403	365	10
Impairment charges	(48)	(63)	(24)
Net income	355	302	18
Operating expenses	(285)	(254)	12
Profit before tax	70	65	8
Return on tangible equity	14%	2%	
Return on risk weighted assets	1.5%	0.4%	



Barclays Capital

PBT – Half year ended June	2010 (£m)	2009 (£m)	Change %
Barclays Capital	3,400	1,047	225
Own credit	(851)	893	
Barclays Capital excluding own credit	2,549	1,940	31

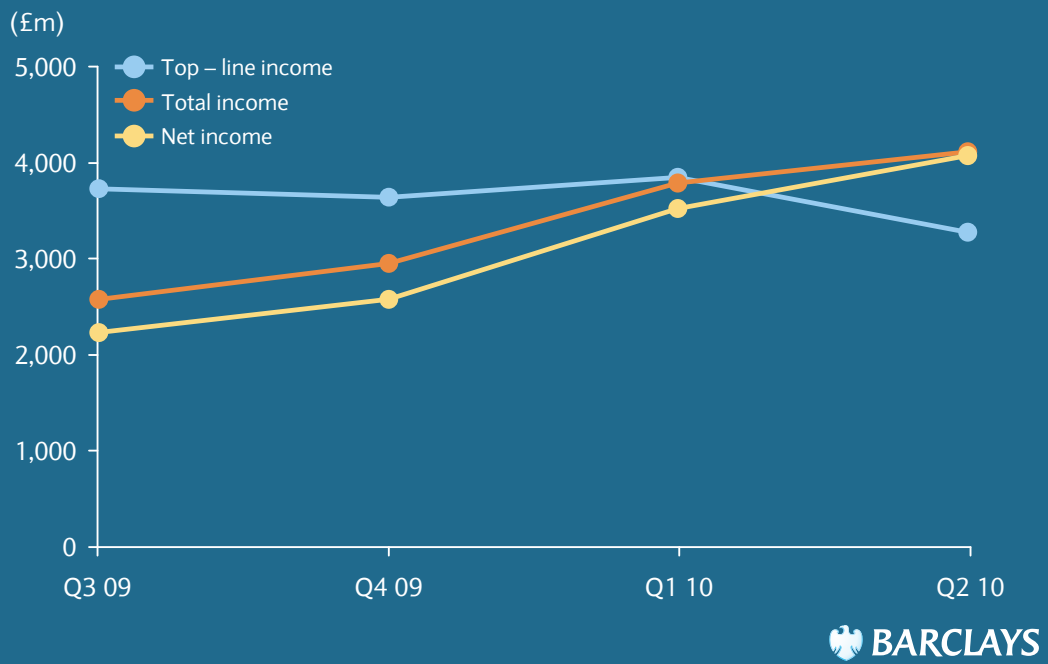


Barclays Capital income summary

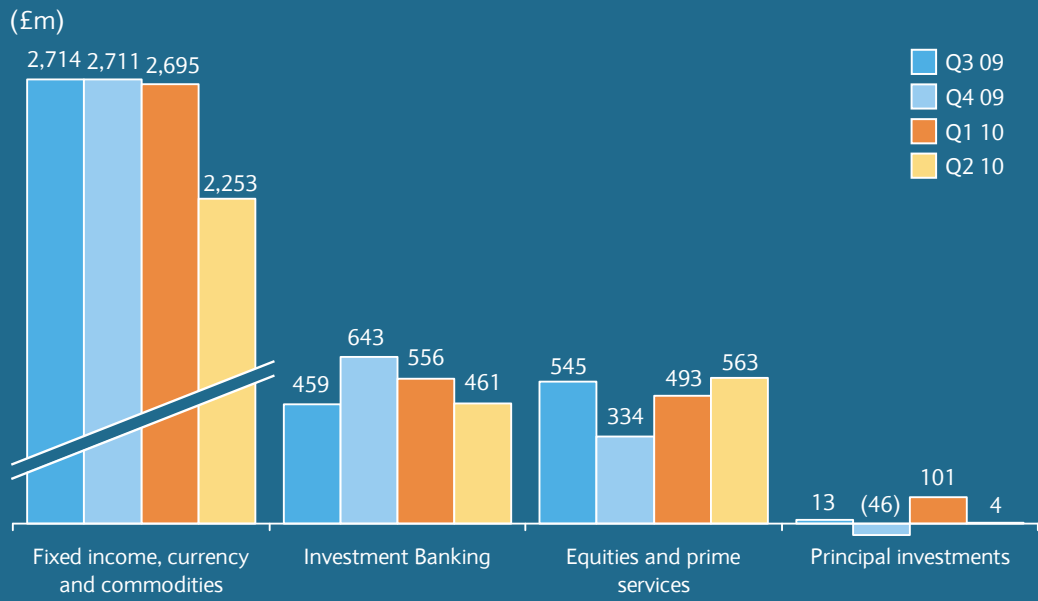
Half year ended – June	H1 10 (£m)	H2 09 (£m)	H1 09 (£m)	Change (%)
Top – line income	7,126	7,373	10,489	(32)
Income credit market losses	(65)	(910)	(3,507)	
Own credit	851	(927)	(893)	
Total income	7,912	5,536	6,089	30
Credit market impairment	(311)	(499)	(1,170)	
Impairment	2	(218)	(704)	
Net income	7,603	4,819	4,215	80



Barclays Capital income summary cont'd



Barclays Capital analysis of top-line income



Barclays Capital momentum

League tables*	H1 10		H1 09		Change
	Rank	Share	Rank	Share	Rank
Global Debt	1	8.2	2	8.6	↑
US Debt	2	12.1	4	11.9	↑
All International Bonds	1	8.7	1	9.4	↔
Global Foreign Exchange	3	11.1	3	10.5	↔
Americas M&A completed	2	21.7	9	10.6	↑
Global M&A completed	4	14.5	19	4.2	↑
US IPOs	5	8.7	6	7.1	↑

- Best Global Flow House – Euromoney, July 2010
- Risk Magazine Corporate Survey – #1 across all categories, April 2010
- Best Bank for Overall Credit – Credit Magazine Awards, July 2010

* Source: Thomson Reuters/Dealogic/Euromoney



Barclays Capital income and cost analysis

Half year ended – June	2010 (£m)	2009 (£m)	Change %
Net income	7,603	4,215	80
Operating expenses	(4,213)	(3,176)	33
Profit before tax	3,400	1,047	225
Return on tangible equity	21%	7%	
Return on risk weighted assets	2.2%	0.6%	

	H1 10	FY 09
Cost : income	53%	57%
Cost : net income	55%	73%
Compensation : income ratio	37%	38%



Barclays Corporate

Half year ended – June	UK & Ireland (£m)	Cont. Europe (£m)	New Markets (£m)	2010 (£m)	2009 (£m)	Change %
Income	1,122	147	132	1,401	1,638	(14)
Impairment	(280)	(586)	(83)	(949)	(718)	32
Operating expenses	(463)	(85)	(281)	(829)	(768)	8
Profit before tax	379	(524)	(232)	(377)	152	nm



Barclays Corporate cont'd

Half year ended – June	UK & Ireland	Cont. Europe	New Markets	2010	2009	Change %
Loans and advances (£bn)	52.8	10.4	3.6	66.8	74.8	(11)
Loans and advances at fair value (£bn)				14.4	12.0	20
Customer accounts (£bn)	61.6	4.4	2.4	68.4	57.8	18
Loan to deposit ratio				119%	150%	nm
Return on tangible equity				(13%)	4%	nm
Return on risk weighted assets				(1.2%)	0.3%	nm



Barclays Wealth

Half year ended – June	2010 (£m)	2009 (£m)	Change %
Total income	757	623	22
Impairment charges	(27)	(21)	29
Net income	730	602	21
Operating expenses	(635)	(528)	20
Profit before tax	95	75	27
Return on tangible equity	16%	7%	nm
Return on risk weighted assets	1.4%	1.1%	nm

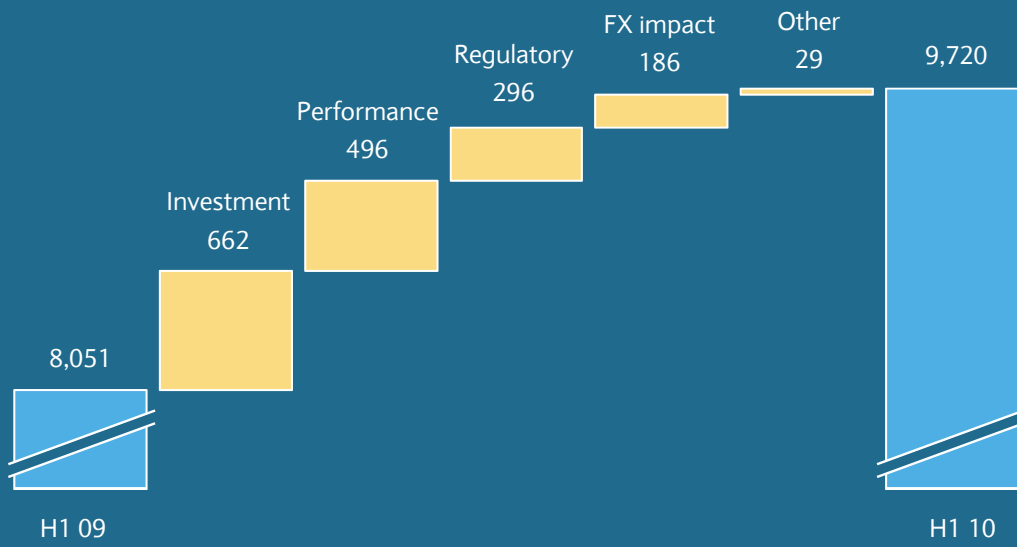


Absa

Half year ended – June	2010 (£m)	2009 (£m)	Change %
Total income	1,379	1,210	14
Impairment charges	(282)	(295)	(4)
Net income	1,097	915	20
Operating expenses	(784)	(657)	19
Profit before tax	318	259	23
Return on risk weighted assets	1.9%	1.9%	nm

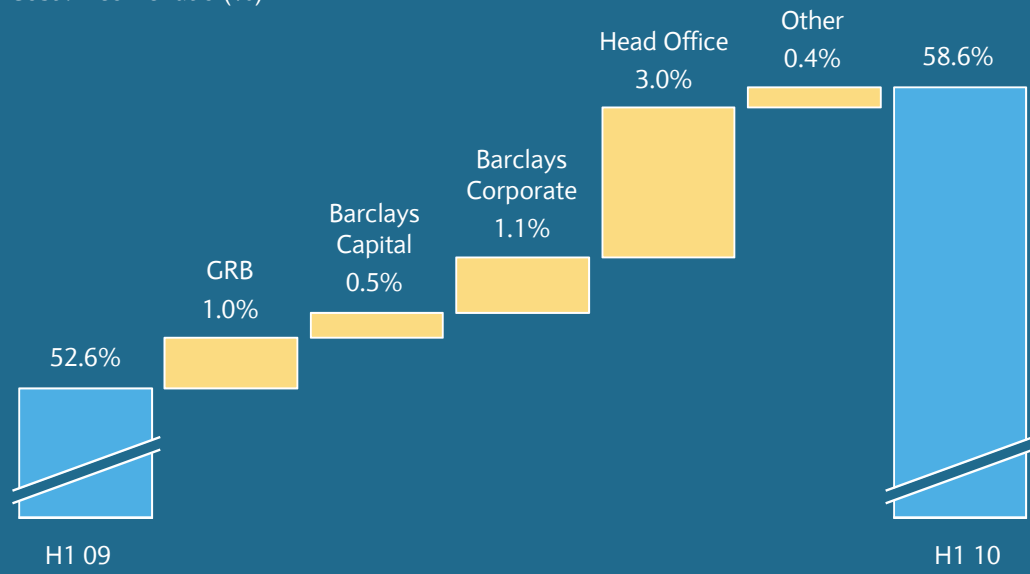
Operating expenses

Cost bridge (£m)



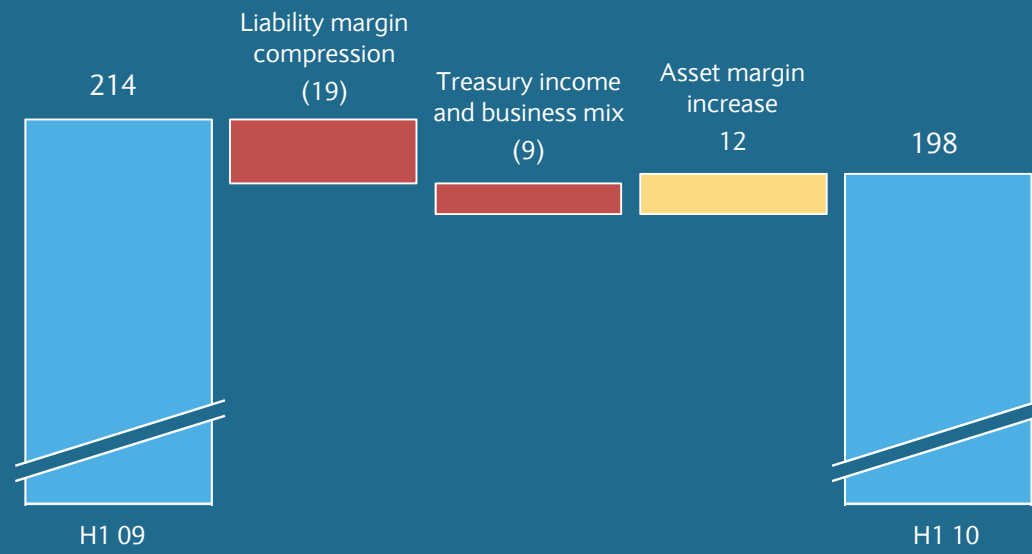
Operating expenses

Cost : income ratio (%)



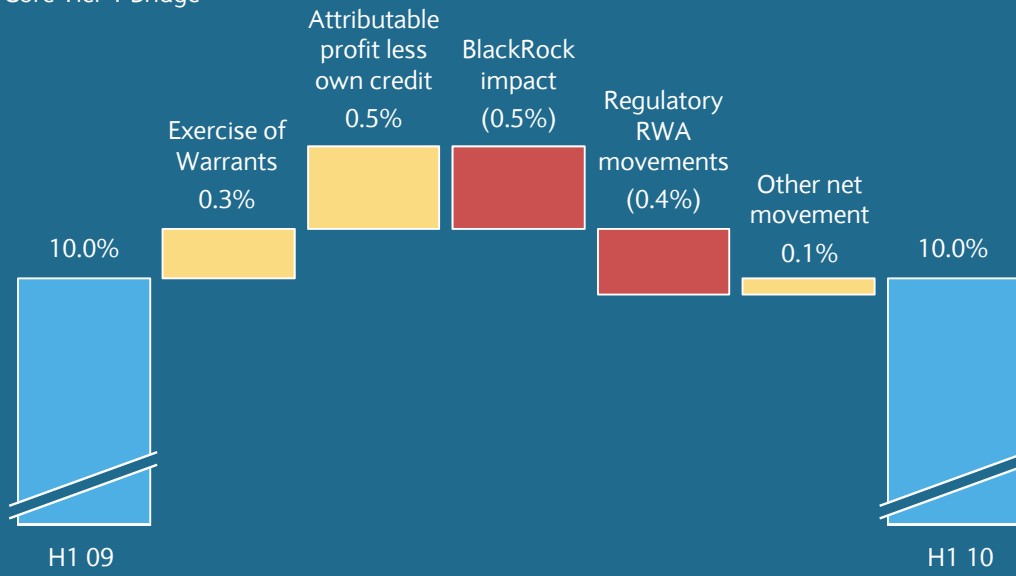
Margin in retail, corporate and wealth management

Annualised NIM (bps)



Capital management

Core Tier 1 Bridge



Adjusted gross leverage

£bn	30 Jun 10	31 Dec 09
Total assets	1,587	1,379
Derivative gross-up	(461)	(374)
AUM on balance sheet	(2)	(2)
Settlement balances and cash collateral	(53)	(26)
Goodwill and intangible assets	(9)	(9)
Adjusted tangible assets	1,063	968
Tier 1 capital	52.0	49.6
Adjusted gross leverage	20x	20x
Group liquidity pool	160	127



Funding position

- Loan to deposit ratio improved from 130% to 124%
- Strong name recognition evidenced in credit spreads versus peers
- Wholesale term debt maturing in 2010 of £15bn, fully refinanced in the first half
- Wholesale term contractual maturities of £22bn in 2011 and £18bn in 2012



Summary

- Strong customer relationships
- Higher returns and higher profits
- Strong levels of capital and liquidity
- Well positioned in current operating environment



Appendix

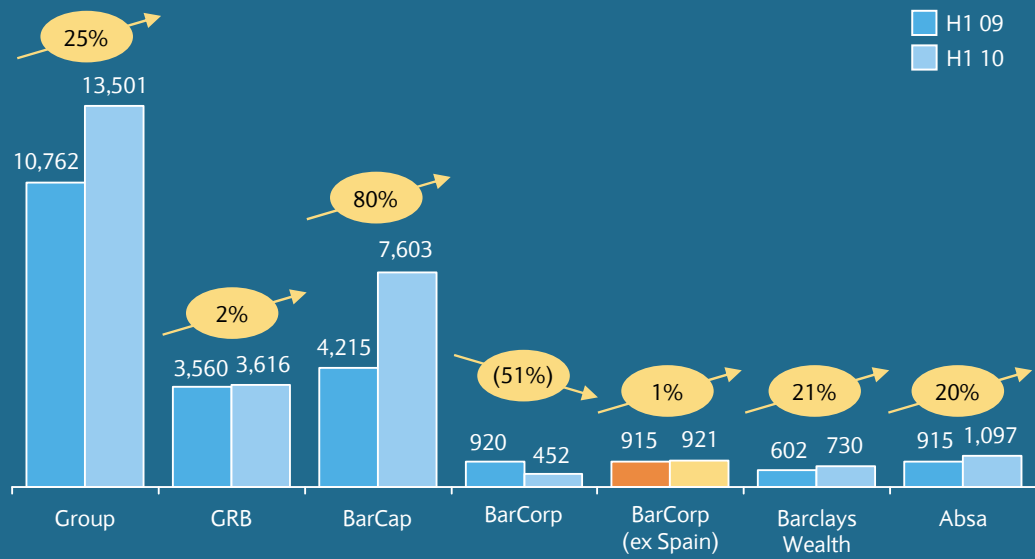
2010 Interim Results

5 August 2010



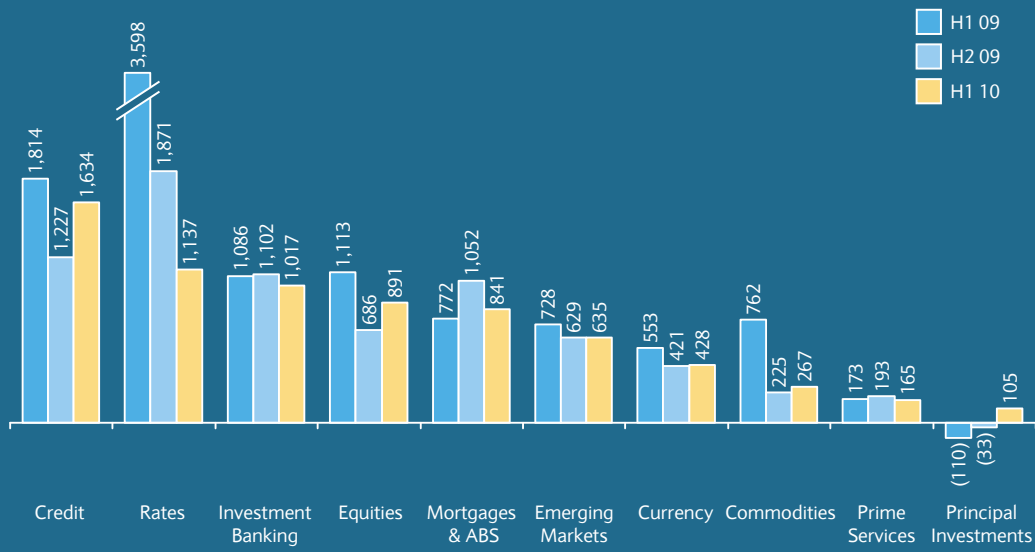
Net income analysis

(£m)



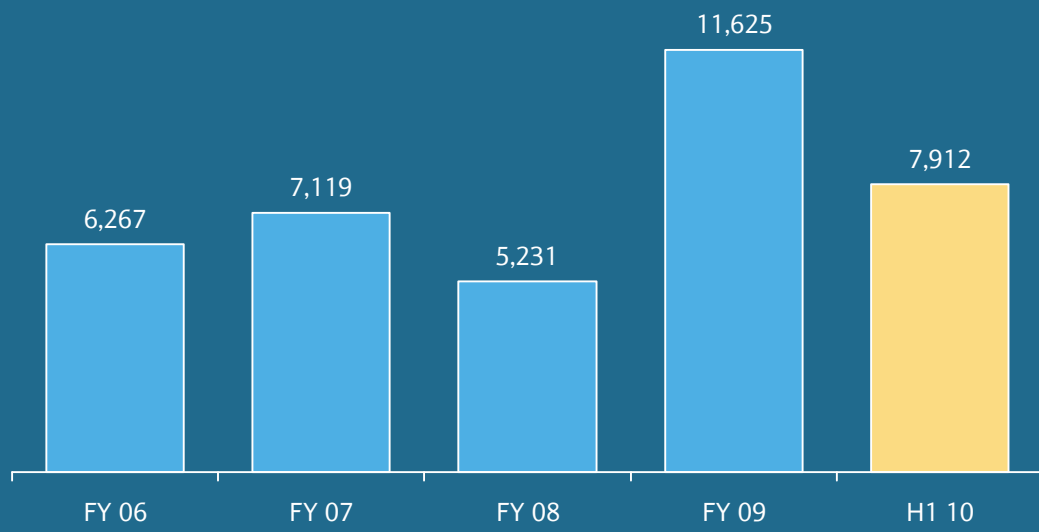
Barclays Capital diversification of income

(£m)



Barclays Capital total income

(£m)



Barclays Capital quarterly income summary

	Q2 10 (£m)	Q1 10 (£m)	Q4 09 (£m)	Q3 09 (£m)	Q2 09 (£m)	Q1 09 (£m)
Top – line income	3,281	3,845	3,642	3,731	5,275	5,214
Credit market losses	(115)	50	(166)	(744)	(1,648)	(1,859)
Own credit	953	(102)	(522)	(405)	(1,172)	279
Total income	4,119	3,793	2,954	2,582	2,455	3,634
Credit market impairment	(120)	(191)	(245)	(254)	(416)	(754)
Other impairment	79	(77)	(126)	(92)	(390)	(314)
Net income	4,078	3,525	2,583	2,236	1,649	2,566



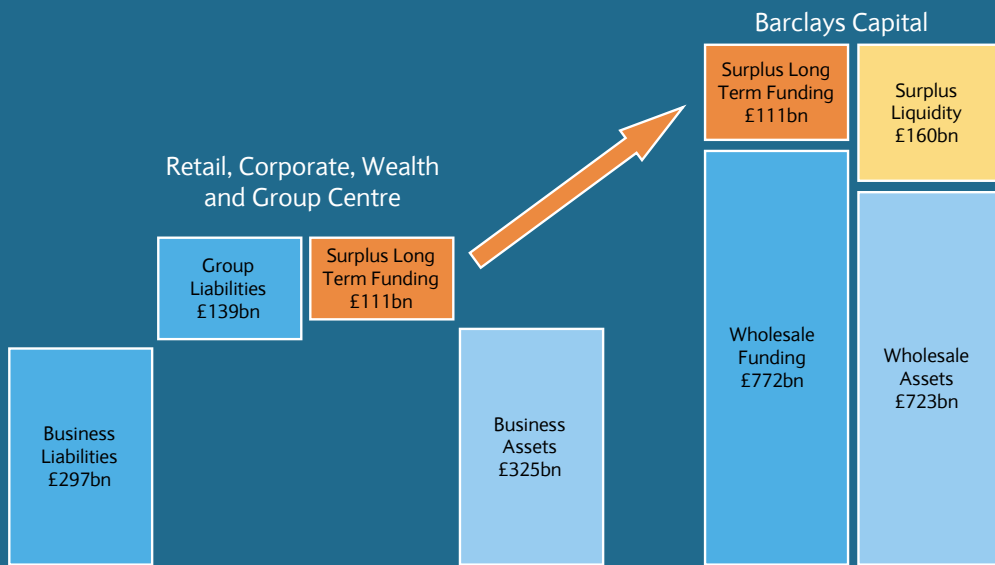
Group summary

Profit before tax

Half year ended – June	2010 (£m)	2009 (£m)	Change %
UK Retail Banking	504	313	61
Barclaycard	317	375	(15)
Western Europe Retail Banking	10	92	(89)
Barclays Africa	70	65	8
Barclays Capital	3,400	1,047	225
Barclays Corporate	(377)	152	nm
Barclays Wealth	95	75	27
Investment Management	31	37	(16)
Absa	318	259	23
Head Office Functions	(421)	330	nm



Group funding structure



Robert Le Blanc
Chief Risk Officer

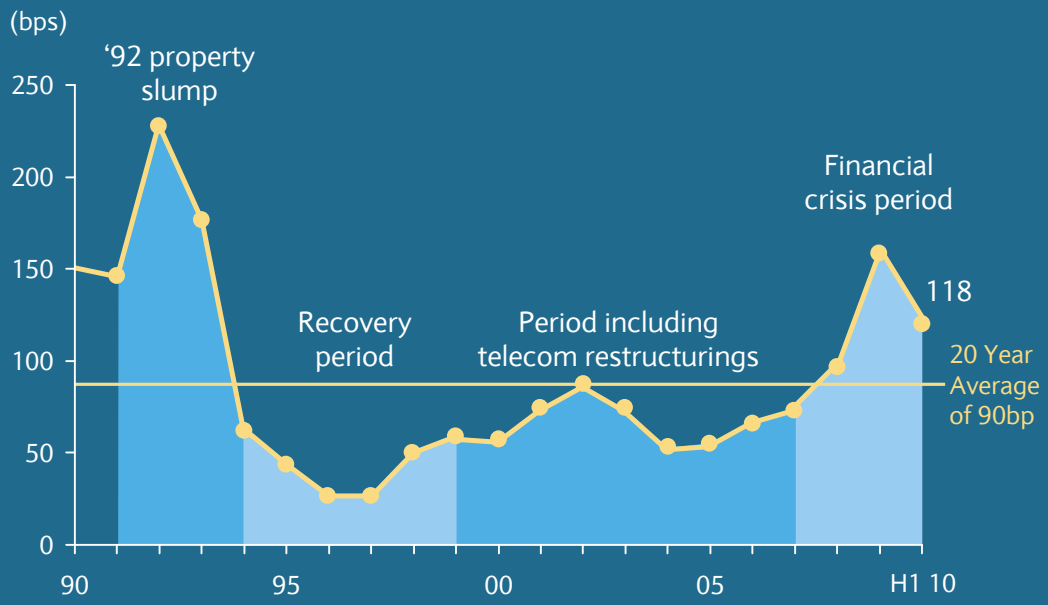


Topics

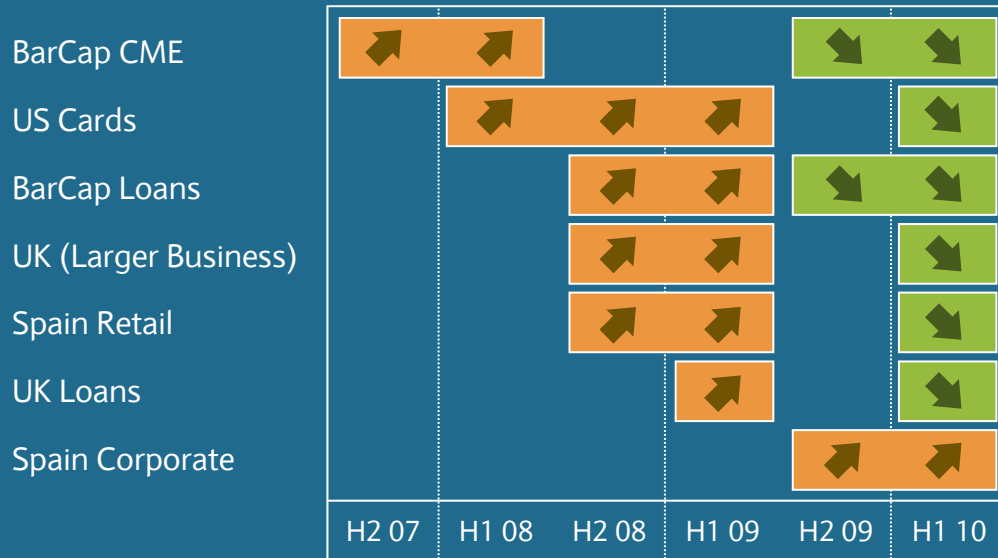
- Overall impairment trends
- Wholesale credit
- Retail credit
- Select Eurozone exposure
- Trends in market risk
- Outlook



Outlook: Loan loss rate begins to normalise



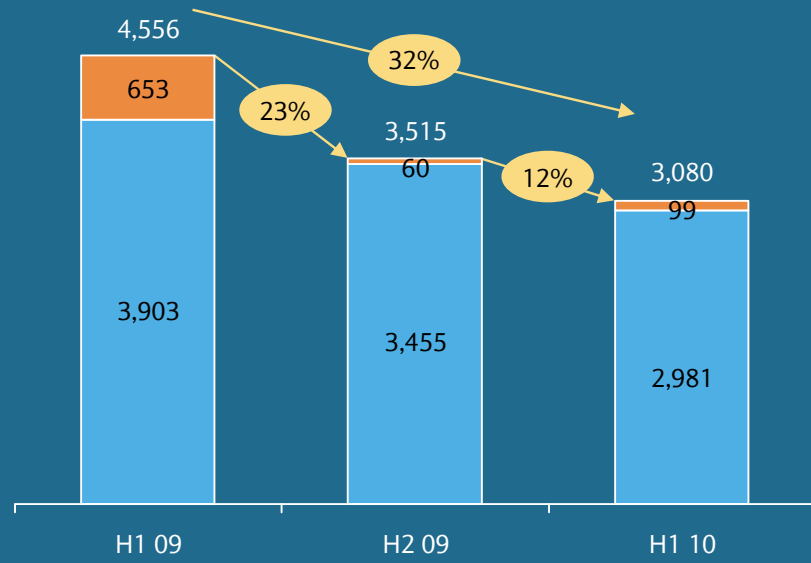
Impairment trends: Different phasing over time



Total impairment: Reduced by 32% from H1 09

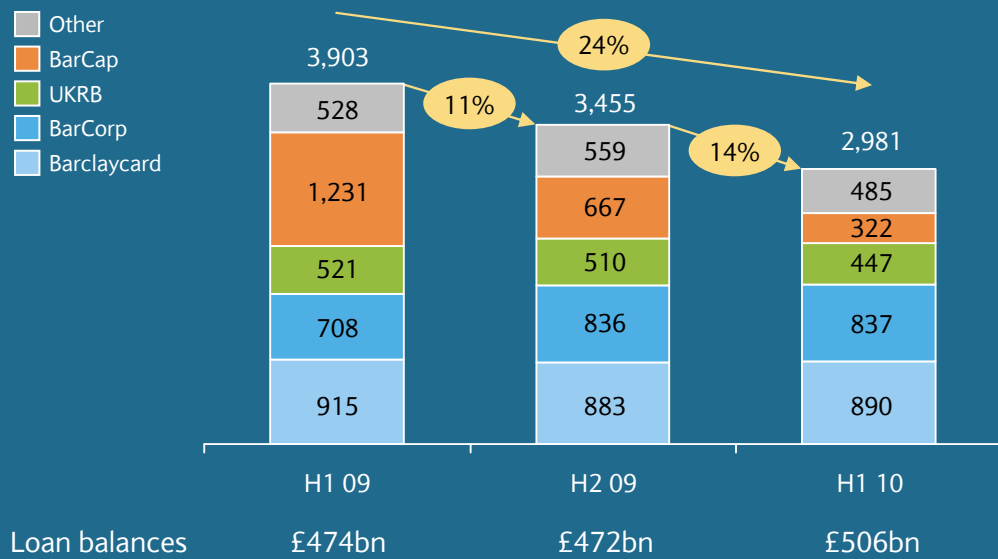
(£m)

- AFS / Reverse repos
- Impairment on loans



Impairment on total loans and advances: 12 month decline of 24% in loan impairment

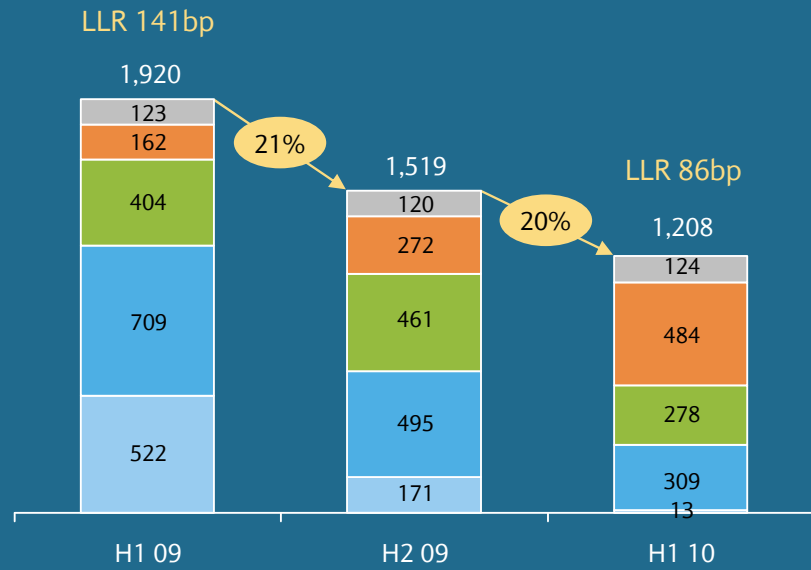
(£m)



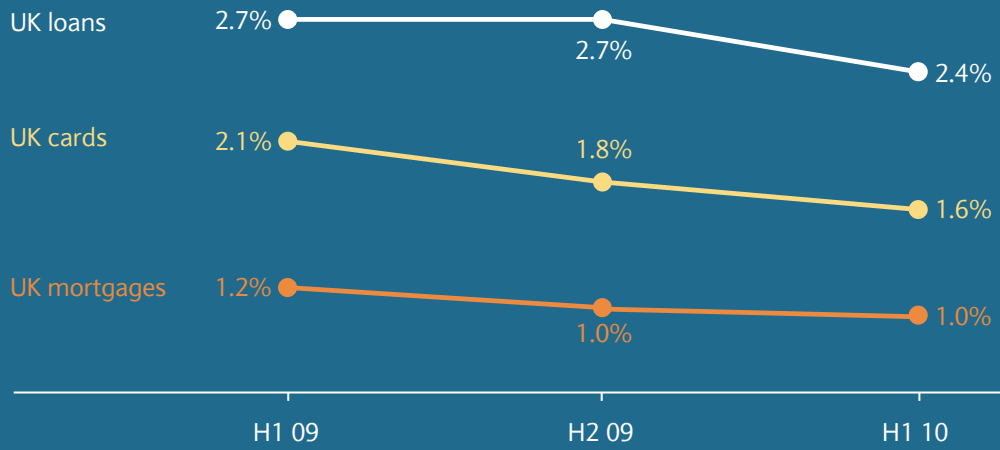
Wholesale impairment: 37% reduction from H1 09

(£m)

- Other
- BarCorp Intl
- BarCorp UK
- BarCap CME
- BarCap Loans



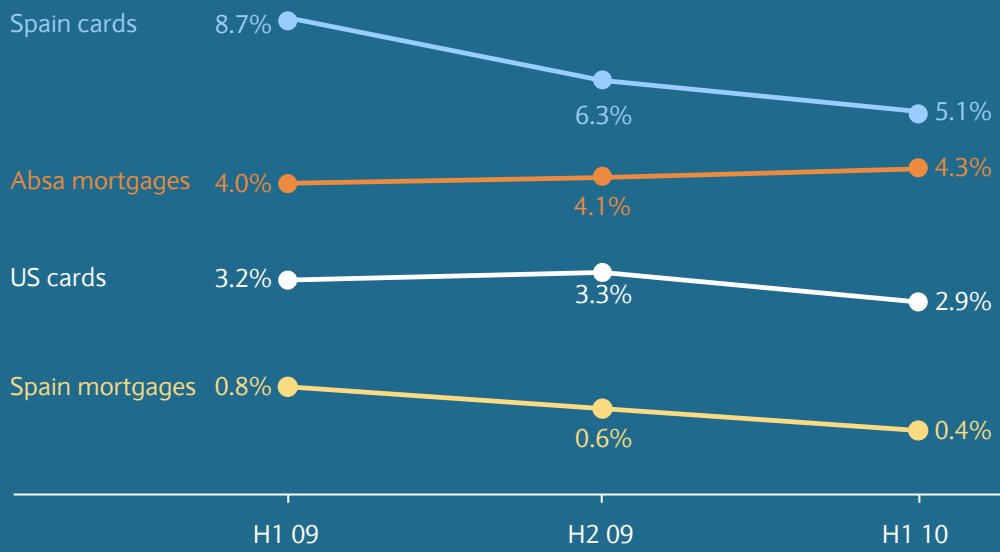
Retail delinquency rates: UK Portfolios



>90 days in arrears to charge off; not to scale



Retail delinquency rates: International Portfolios



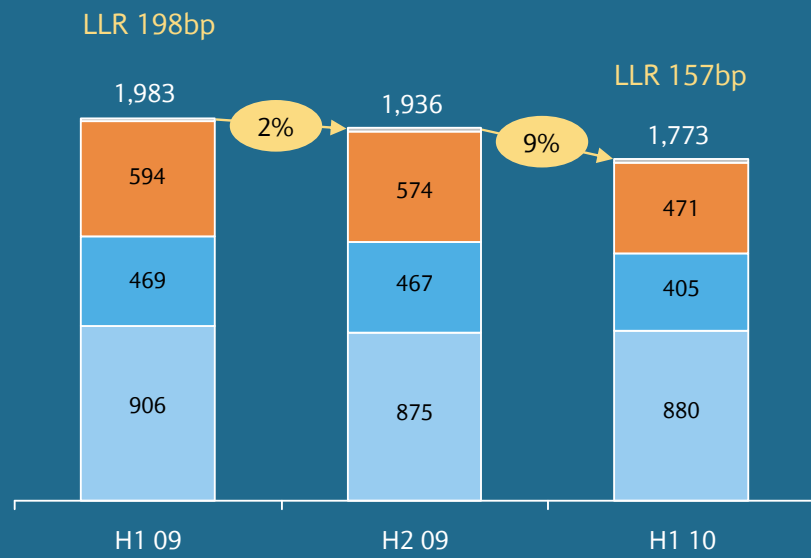
>90 days in arrears to charge off; not to scale



Retail impairment: 11% reduction from H1 09

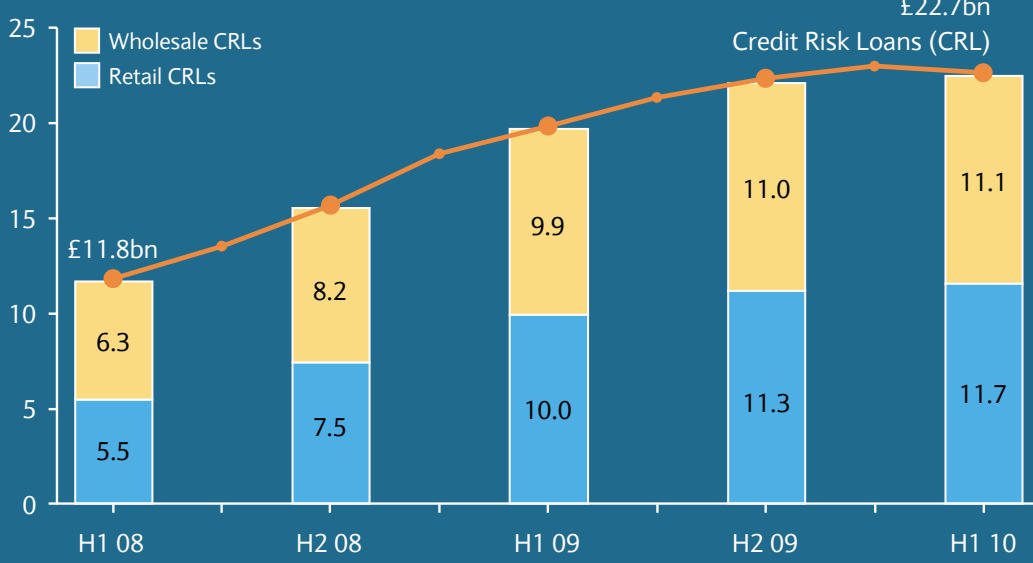
(£m)

- Other
- International
- UKRB
- Barclaycard

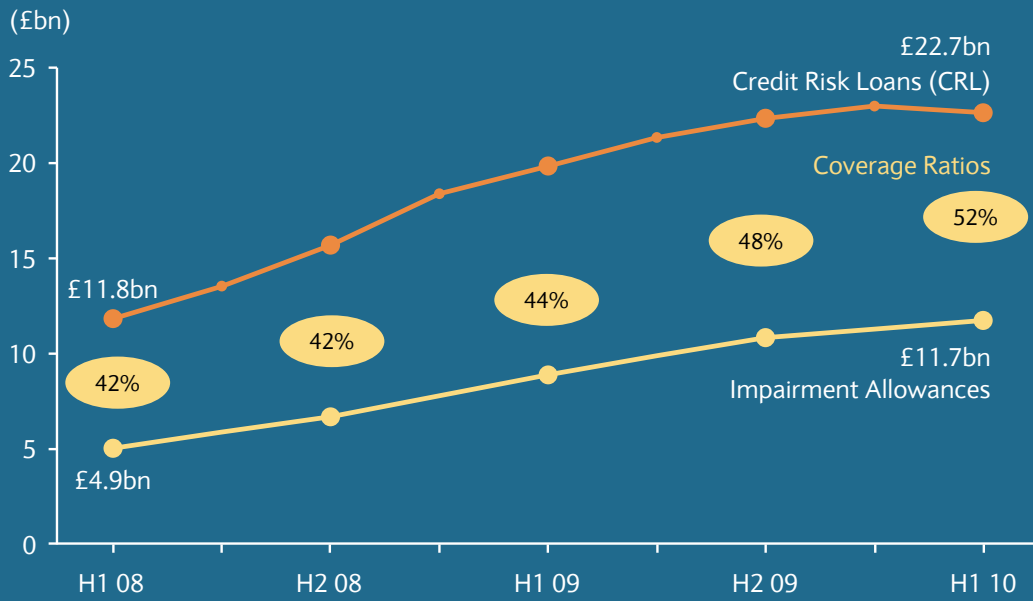


Impaired asset coverage ratio: Consistent with position in cycle

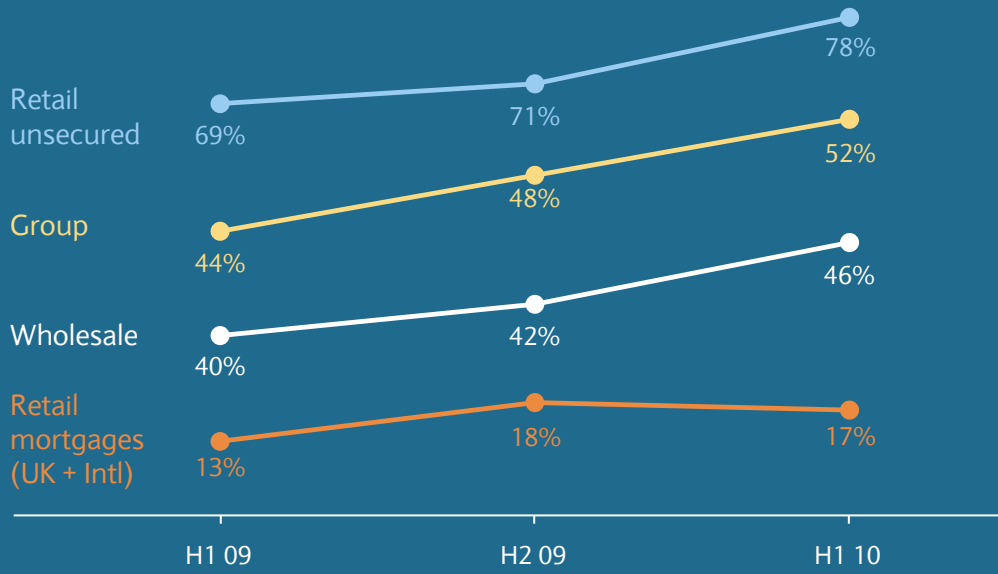
(£bn)



Impaired asset coverage ratio: Consistent with position in cycle



Impaired asset coverage ratios: Consistent with business type



Select Eurozone countries: Loans and advances

30 Jun 10 (£bn)	Spain	Italy	Portugal	Ireland	Total
Sovereign fair value	6.4	8.6	1.2	0.3	16.5
Retail	18.3	14.5	5.2	0.1	38.1
Wholesale	8.0	3.3	2.4	3.3	17.0
Total	26.3	17.8	7.6	3.4	55.1

- Retail primarily mortgages
- Spain and Italy are largest lending portfolios
- Spain is mainly mortgages
- Spain wholesale mainly in BarCorp



Spain: Part of a diversified portfolio

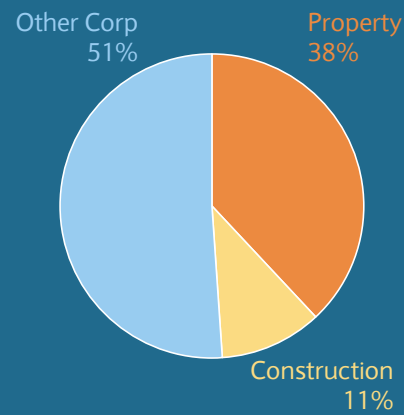
Gross loans and advances (£bn)			
Group		Spain	
United Kingdom	227	Mortgages	14.6
Other EU	105	Governments	0.1
United States	81	BarCorp	6.9
Africa	53	Other Corp	1.0
ROW	40	Other retail	3.7
Total	506	Total	26.3



BarCorp Spain: Impairment driven by declining property values

- Prolonged recession
- Commercial property values lower
- Weaker refinancing

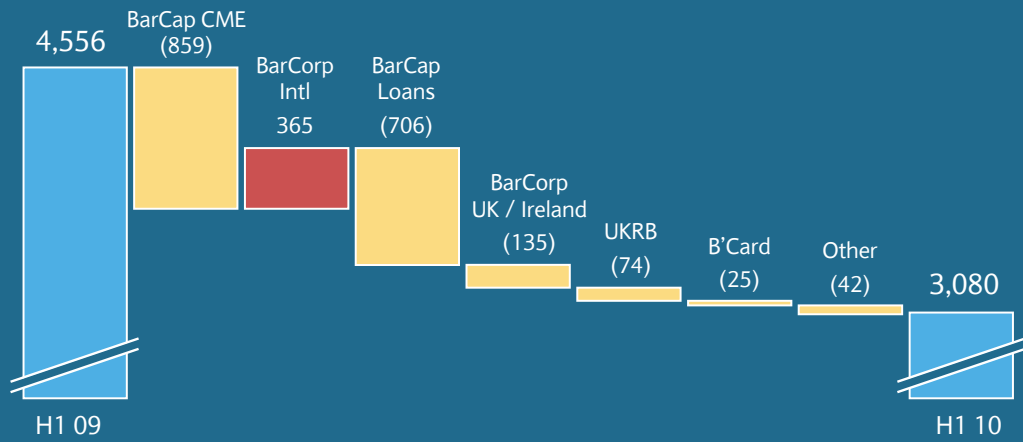
(£m)	H1 10	H2 09
Impairment charge	553	149
CRLs	1,910	1,320
Coverage	41%	30%



Gross Loans & Advances
= £6.9bn



Impairment summary: 32% reduction from H1 09

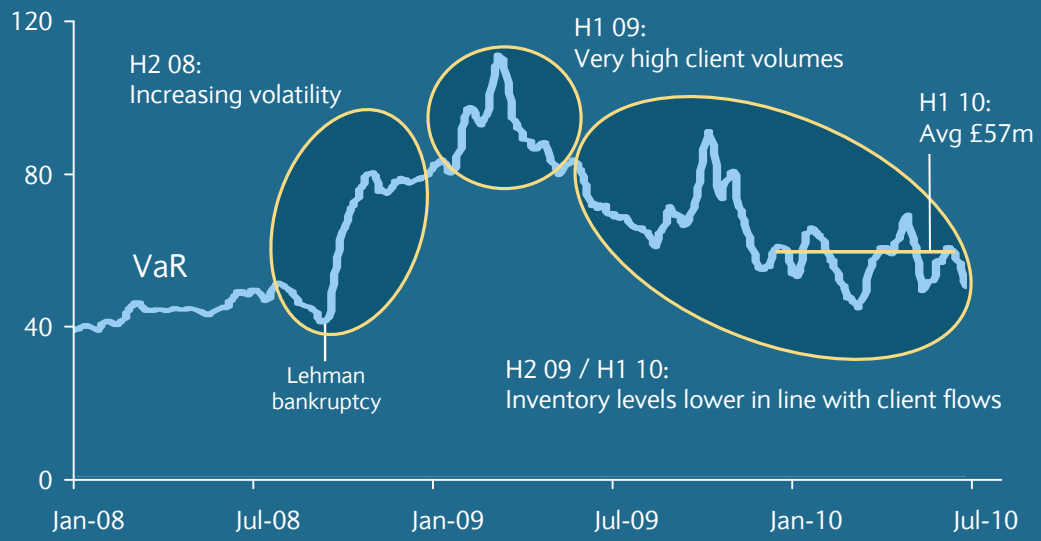


- Rapid wholesale improvement
- Retail improvement
- Significant BarCap reduction
- BarCorp Spain increase



Barclays Capital market risk: Actively managed to lower risk levels

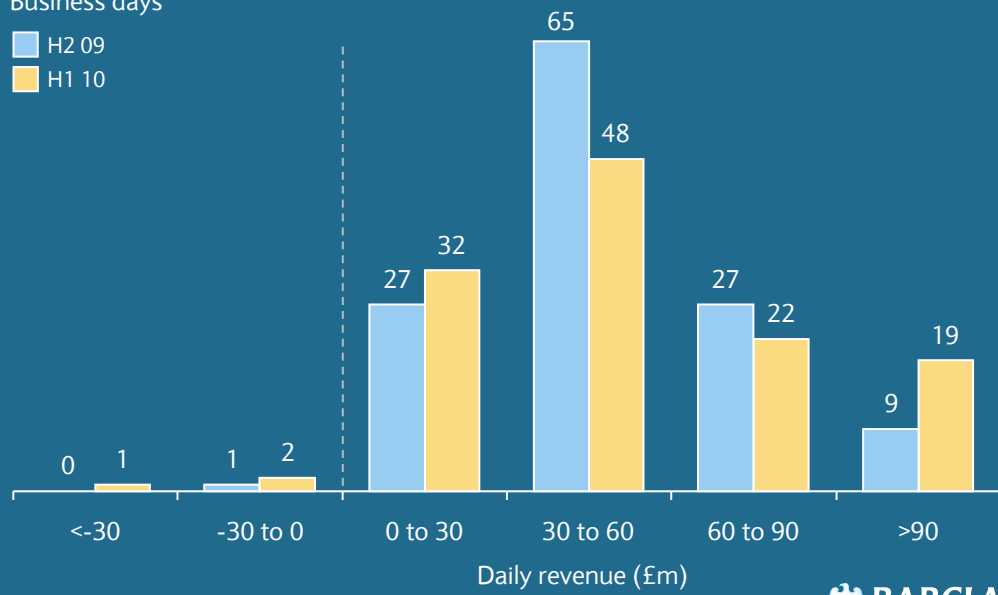
(£m) DVaR



Barclays Capital market risk: Positive distribution of daily trading revenue

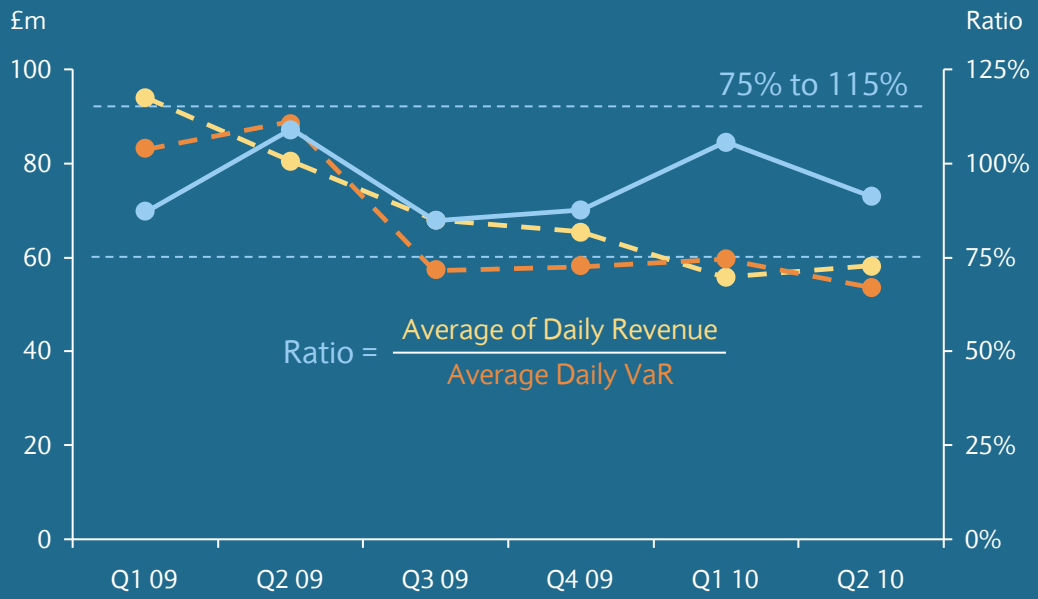
Business days

■ H2 09
■ H1 10



 **BARCLAYS**

Barclays Capital market risk: Strong risk-adjusted revenue performance

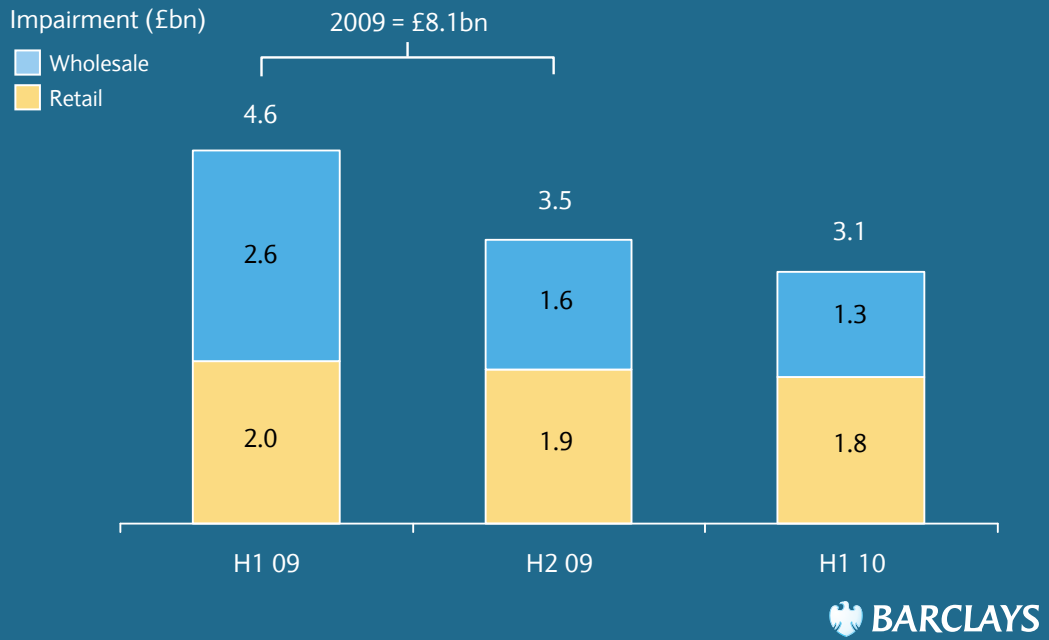


Review of conditions

- Economies:
 - Continued slow growth
 - Low interest rates, persistent unemployment
 - Spain economy remains weak
 - Other asset values broadly stable
- Credit:
 - CRL balances are stabilising
 - Severity risk on recovery books
 - Late cycle default risk for corporates
 - Refinancing risk (e.g. commercial property)



Impairment outlook: Different wholesale and retail trends



Risk Outlook

- Market risk:
 - Risk levels to continue tracking client activity
- Impairment:
 - Retail: continued reductions
 - Wholesale: slowing rate of reduction
 - Recovery risk against non performing assets
 - Maintain 2010 year end guidance



Appendix

2010 Interim Results

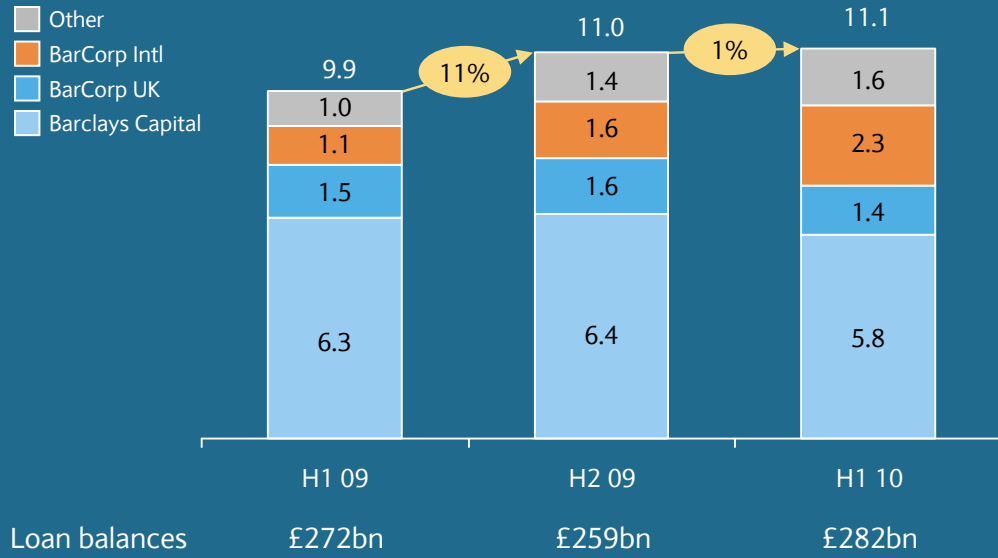
5 August 2010



Wholesale Credit Risk Loans:

(£bn)

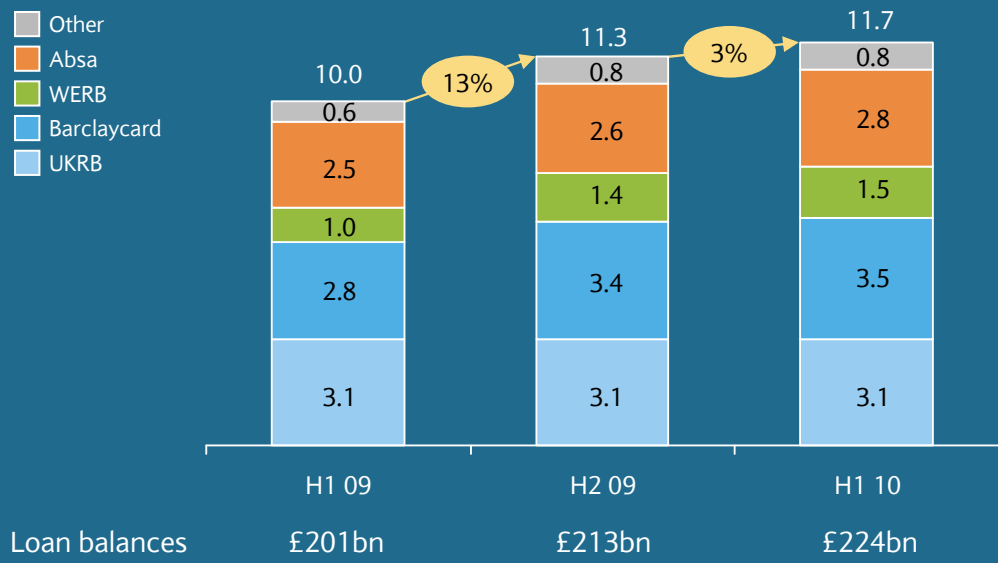
- Other
- BarCorp Intl
- BarCorp UK
- Barclays Capital



Retail Credit Risk Loans:

(£bn)

- Other
- Absa
- WERB
- Barclaycard
- UKRB



John Varley
Group Chief Executive



2010 Scorecard

- Balance sheet size and leverage
- RWAs and returns
- Core Tier 1 capital
- Return on equity
- Funding and liquidity
- Jaws
- Dividends

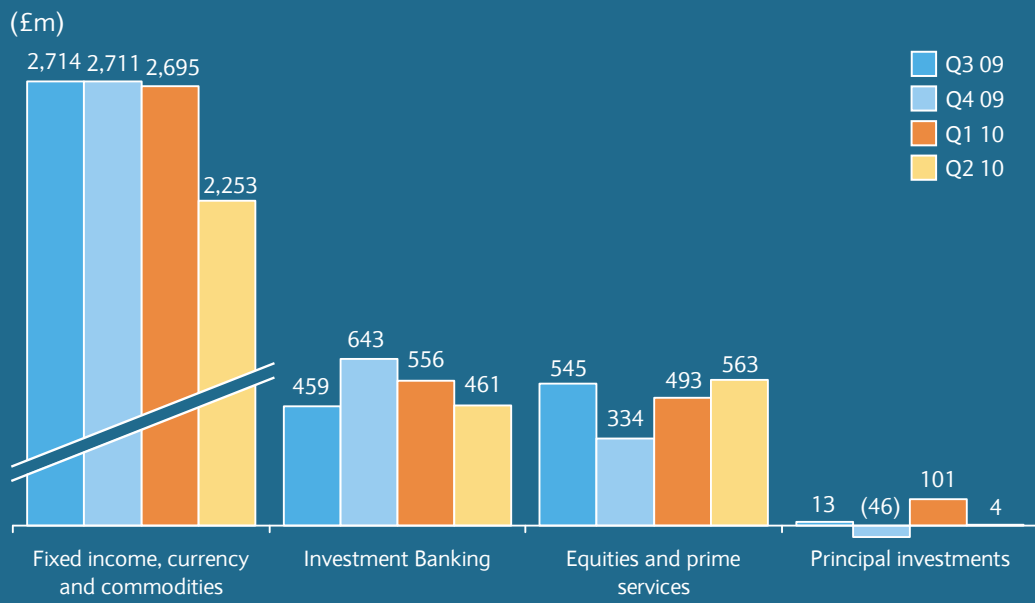


Key objectives

- Staying close to customers and clients
- Managing our risks
- Maintaining strategic momentum



Barclays Capital analysis of top-line income



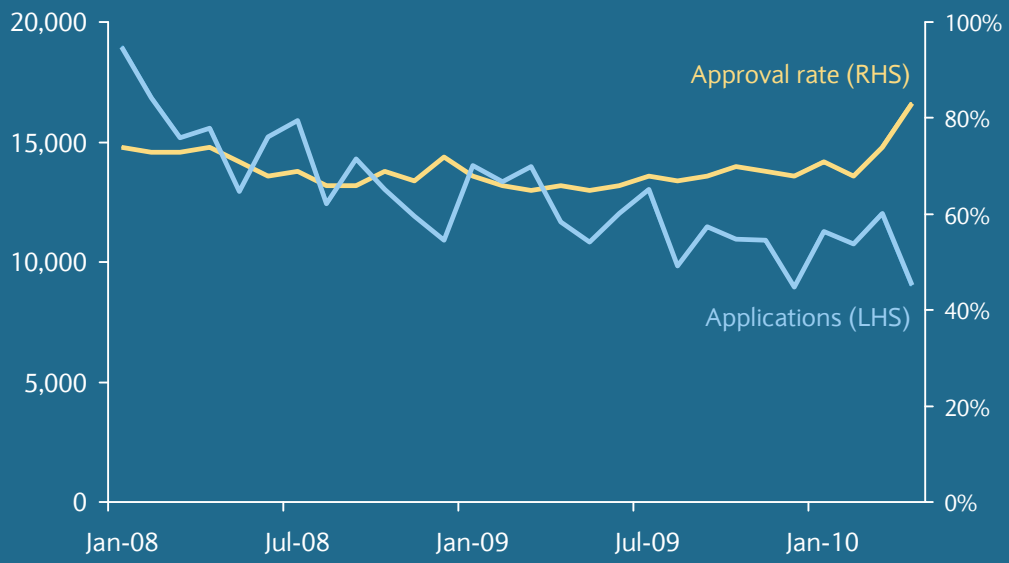
Key objectives

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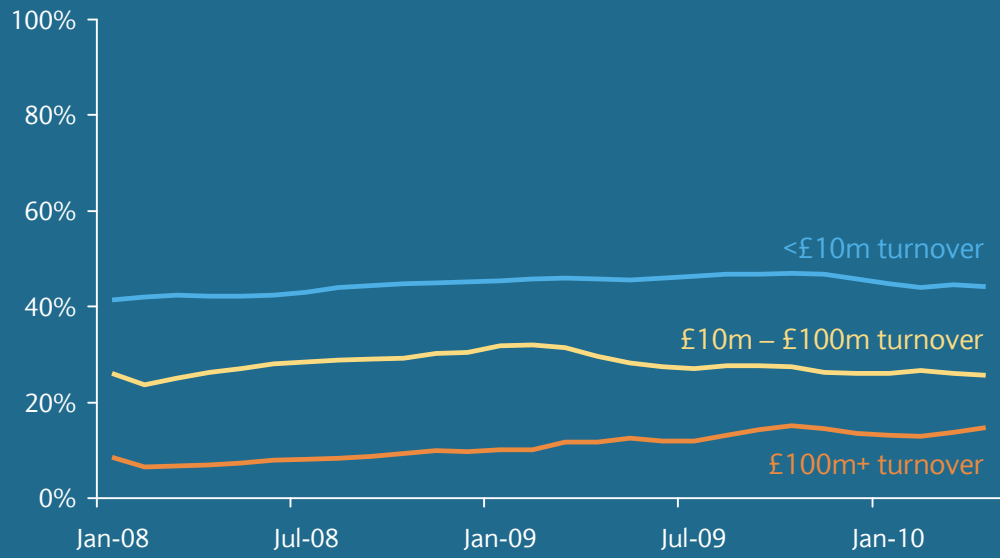
UK Lending: Trends in applications and approval rates

Barclays term loans



UK Lending: Trends in overdraft utilisation

Utilisation (overdraft) by Client Sales Turnover band

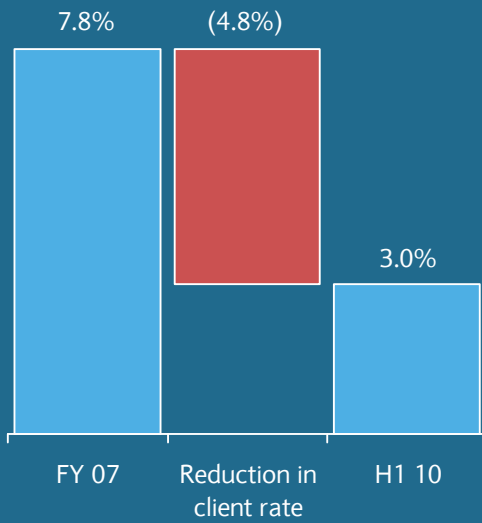


3 month rolling average

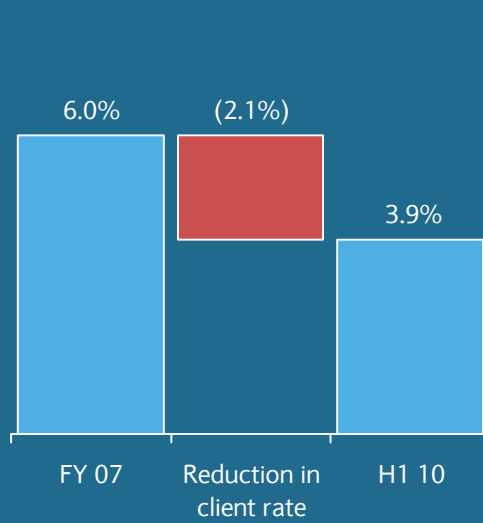


UK Lending: Price of credit

SME Commercial Mortgage*
(% of assets)



Residential Mortgage*
(% of assets)



* First Year

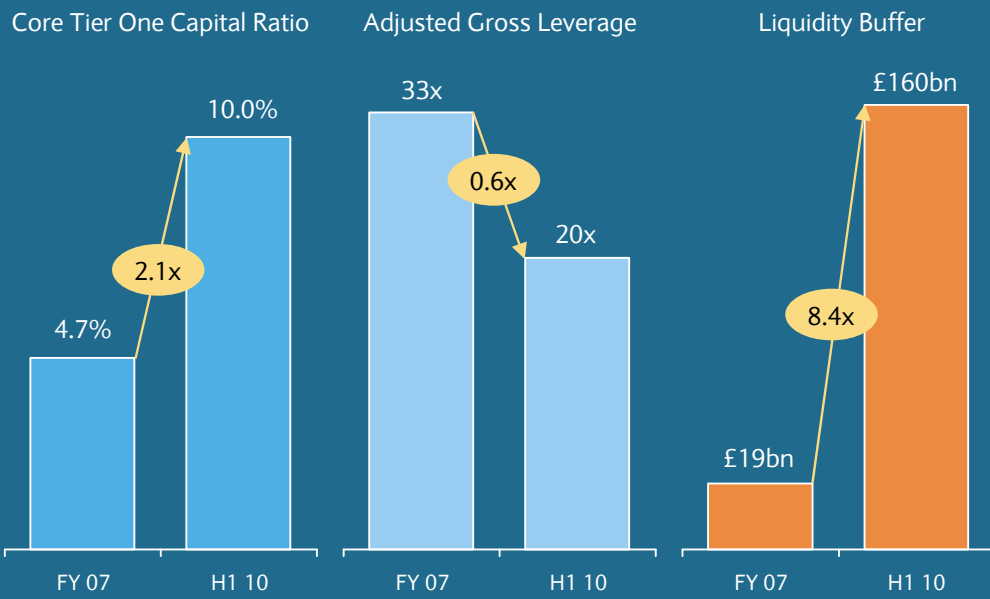


Key objectives

- Staying close to customers and clients
- **Managing our risks**
- Maintaining strategic momentum



Barclays of today versus 2007



Key objectives

- Staying close to customers and clients
- Managing our risks
- Maintaining strategic momentum



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 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", "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, liquidity, 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 and global economic and business conditions, the effects of continued volatility in credit markets, market related risks such as changes in interest rates and 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, changes in legislation, the further development of standards and interpretations under IFRS applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation, the success of future acquisitions and other strategic transactions and the impact of competition – a number of such 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.

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