
Presentation



Barclays PLC

2009 Interim Results
3rd August 2009



Chris Lucas

Group Finance Director

Group performance

Half year ended - June	2008 £m	2009 £m	% change
Income	11,843	16,253	37
Operating expenses	(6,753)	(8,747)	30
Impairment charges	(2,448)	(4,556)	86
Profit before tax	2,754	2,984	8
Cost:income ratio	57%	54%	
Earnings per share	27.0p	17.5p	
Return on equity	14.9%	10.1%	

GRCB: divisional performance

PBT- half year ended June	2008 £m	2009 £m	% change
UK Retail Banking	690	268	(61)
Barclays Commercial Bank	702	404	(42)
Barclaycard	388	391	1
GRCB - Western Europe	115	31	(73)
GRCB - Emerging Markets	52	(86)	-
GRCB - Absa	298	248	(17)
GRCB Total	2,245	1,256	(44)

IBIM: divisional performance

PBT- half year ended June	2008 £m	2009 £m	% change
Barclays Capital	524	1,047	100
Barclays Global Investors	265	276	4
Barclays Wealth	182	75	(59)
IBIM Total	971	1,398	44

Barclays Capital: income

Half year ended	June 2008 £bn	Dec 2008 £bn	June 2009 £bn	Change H109 v H108
Top-line income	4.8	5.1	10.5	119%
Credit market losses	(2.2)	(4.1)	(3.5)	
Own credit	0.8	0.8	(0.9)	
Reported income	3.4	1.8	6.1	79%
Credit market impairment	(1.1)	(0.7)	(1.2)	
Other impairment	(0.1)	(0.5)	(0.7)	
Net income	2.2	0.6	4.2	91%

BarCap: credit market exposures

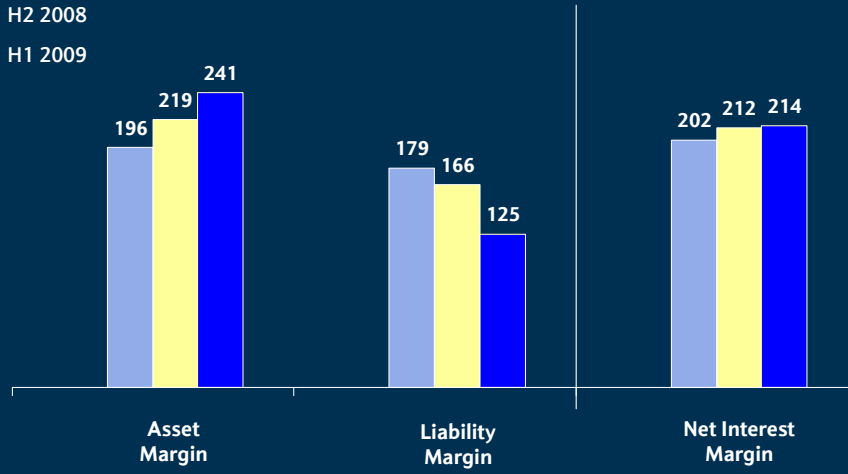
£bn	2009 movement			Exposure
	Net sales/ payments	Write-downs	FX/ Other	30 Jun 09
Commercial Mortgages	(0.6)	(1.5)	(0.9)	9.3
Monolines	-	(1.4)	0.3	7.3
Leveraged finance	(3.2)	(0.2)	(0.1)	6.9
US Residential Mortgages	(2.5)	(1.5)	(0.5)	6.3
Other	-	(0.1)	(0.4)	0.7
	(6.3)	(4.7)	(1.6)	

Divisional performance

PBT- half year ended June	2008 £m	2009 £m	% change
GRCB	2,245	1,256	(44)
IBIM	971	1,398	44
Head Office & Other Operations	(462)	330	-
Total	2,754	2,984	8

GRCB & Barclays Wealth: margins

- H1 2008 Interest margin (bps)
- H2 2008
- H1 2009



Balance sheet management

£bn	31 Dec 08	30 June 09	change
Total assets	2,053	1,545	(508)
Derivative assets	985	556	(429)
Loans & advances	510	465	(45)
Other assets	558	524	(34)

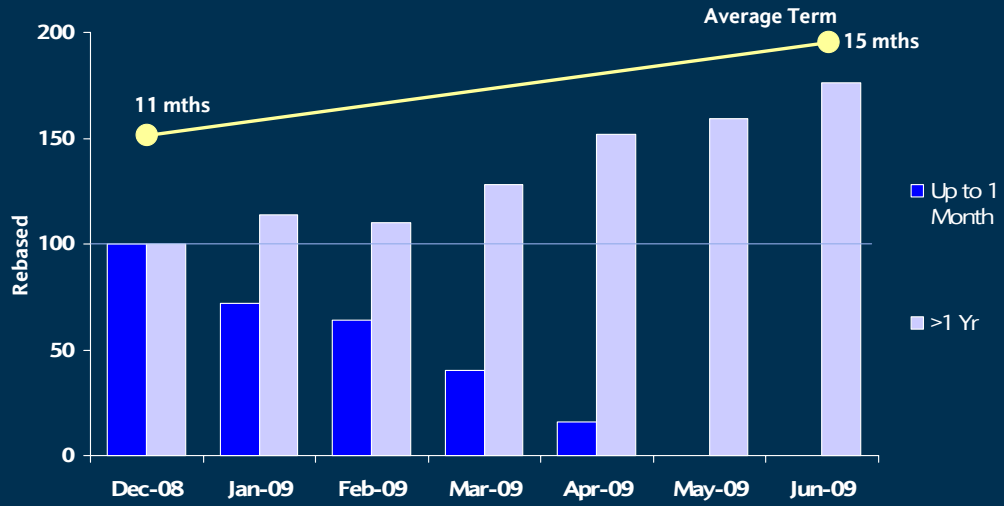
Adjusted gross leverage

£bn	31 Dec 08	30 June 09
Total assets	2,053	1,545
Derivative gross-up	(917)	(507)
AUM on balance sheet	(69)	(66)
Settlement balances	(30)	(35)
Goodwill & Intangible assets	(10)	(10)
Adjusted tangible assets	1,027	927
Tier 1 capital	37	43
Adjusted gross leverage	28x	22x
Proforma for BGI sale		20x

Liquidity

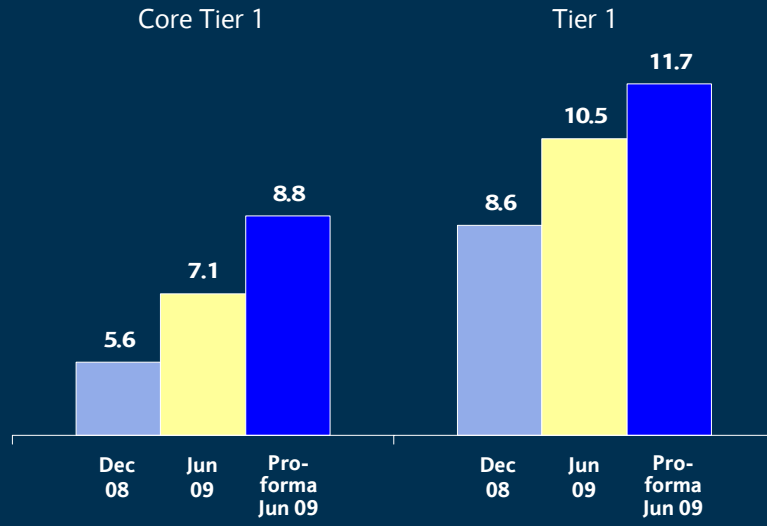
- Increased balance of secured vs unsecured liabilities
- Extended maturity of unsecured liabilities
- £5bn unguaranteed benchmark issuance
- Cash & liquid assets increased from £36bn to £88bn

Barclays Capital : unsecured liabilities



Capital ratios

(%)





Summary

- £3bn profit
- Strong capital ratios
- Reduced balance sheet and leverage
- Strong liquidity
- Benefiting from the Universal Banking Model



Robert Le Blanc

Risk Director

Topics

- Economic Environment
- Overall Impairment Review
- Portfolio Reviews
- Market Risk
- Trends and Outlook

Changing economic conditions

Consensus views for 2009

	<u>UK</u>			<u>US</u>		
	Q4 08 View	Current View		Q4 08 View	Current View	
GDP to decline	2%	4%	↓	1-2%	2.5 - 3%	↓
Unemployment	8%	8.5%	↑	8-9%	10%	↑
House Prices to fall	12-15%	11-12%	↓	10-12%	13%	↓

H1 09 Impairment review

09 Planning Assumptions:

- 1. Economic conditions
- 2. Steady FX
- 3. Constant balance sheet

LLR: 130 to 150 bps
↓

**£3.4bn to £3.9bn
Impairment**



**H1 09 Outcome:
£3.9bn Impairment**

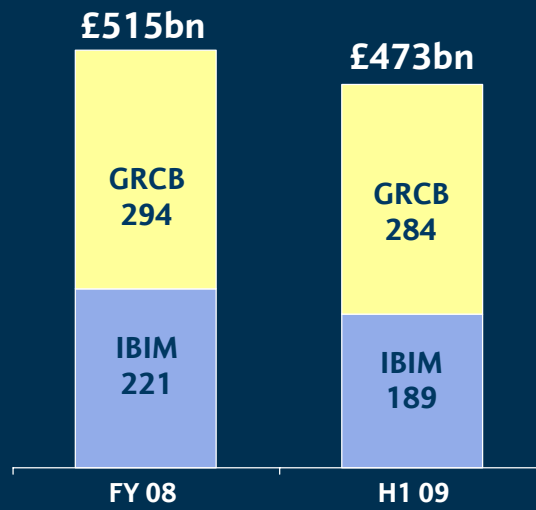
£3.7bn

£516bn

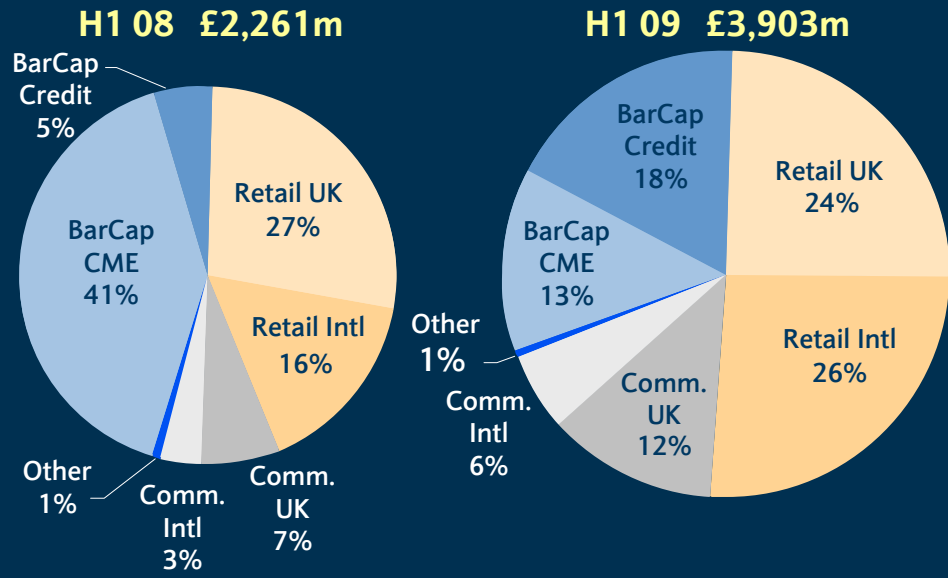
Comparable LLR
144 bps

(Reported LLR 165 bps)

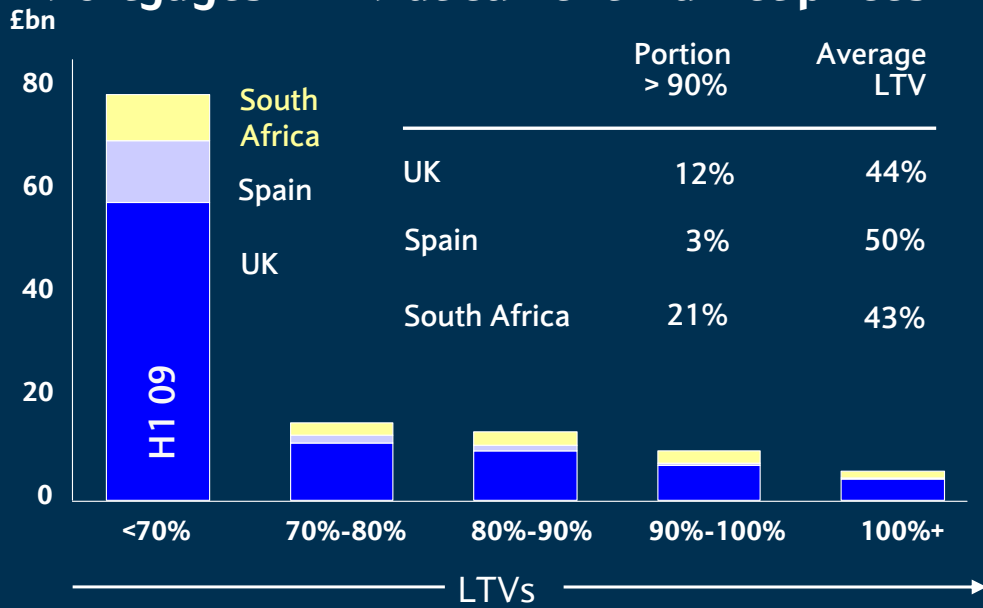
GRCB and IBIM loans and advances



Total loan impairment charge

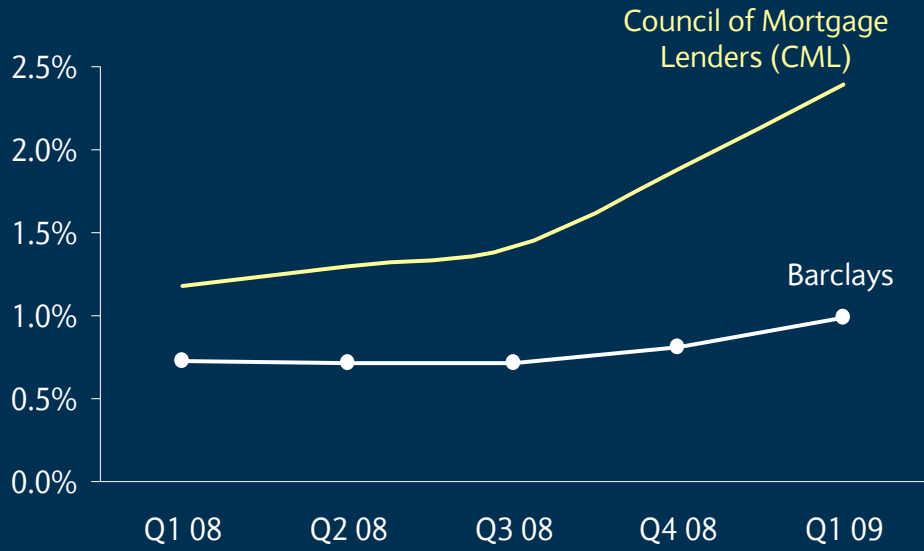


Mortgages – LTV at current market prices



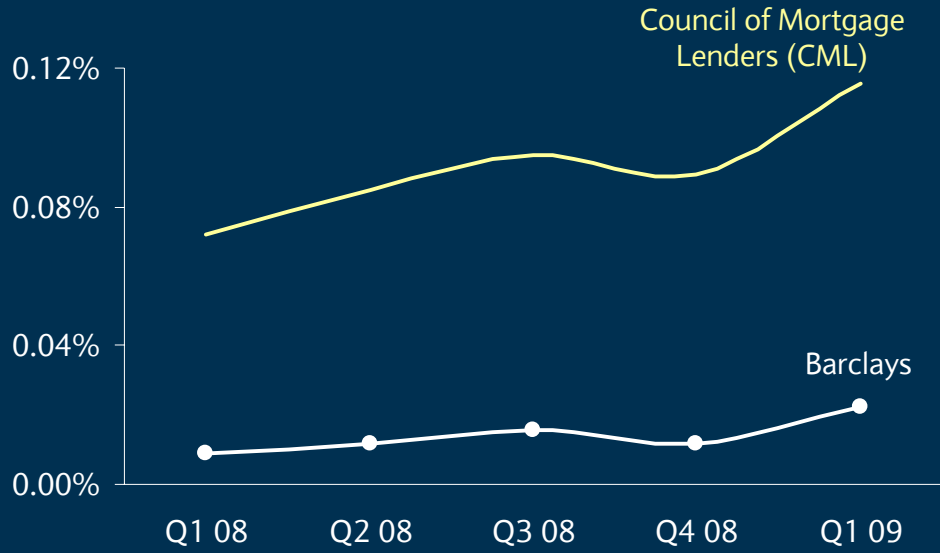
UK mortgages – Arrears rate

Percentage of loans >3 months in arrears



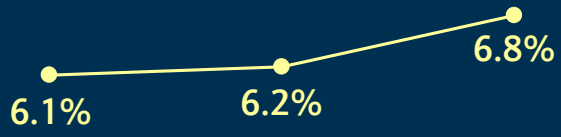
UK mortgages – Repossession

Percentage of properties taken into possession



UK cards

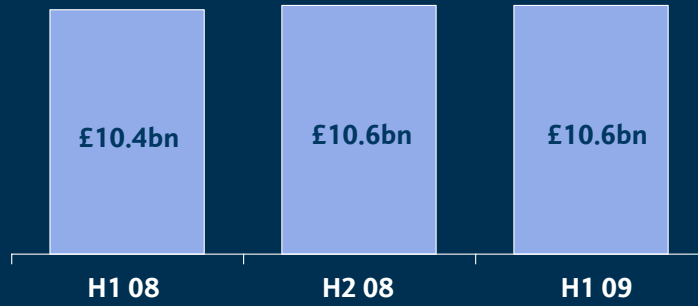
Annual
Net Charge Off



>90 Day
Delinquency

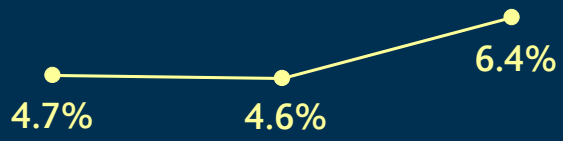


Balances



UK unsecured consumer loans

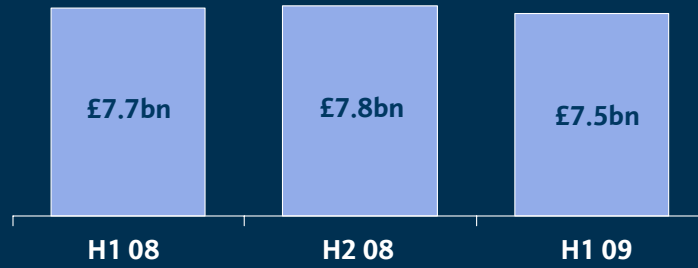
**Annual
Net Charge Off**



**>90 Day
Delinquency**



Balances

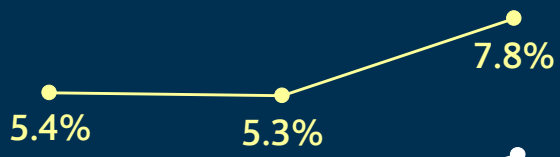


UK commercial bank impairment

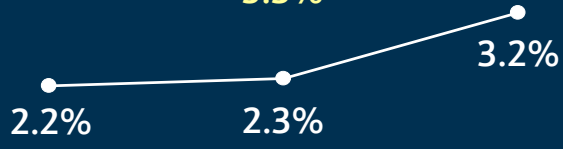
	Larger Business	Asset & Sales Finance	Sponsor Leveraged
	Medium Business	Property-based Lending	
Loan Loss Rate	0%-1.5%	1.5% - 3%	>3%
Loan Balances	£43.4bn	£18.0bn	£1.8bn
PCRLs	£1,083m	£1,020m	£124m

US cards

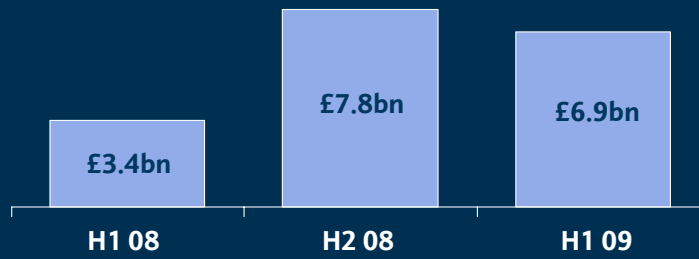
Annual
Net Charge Off



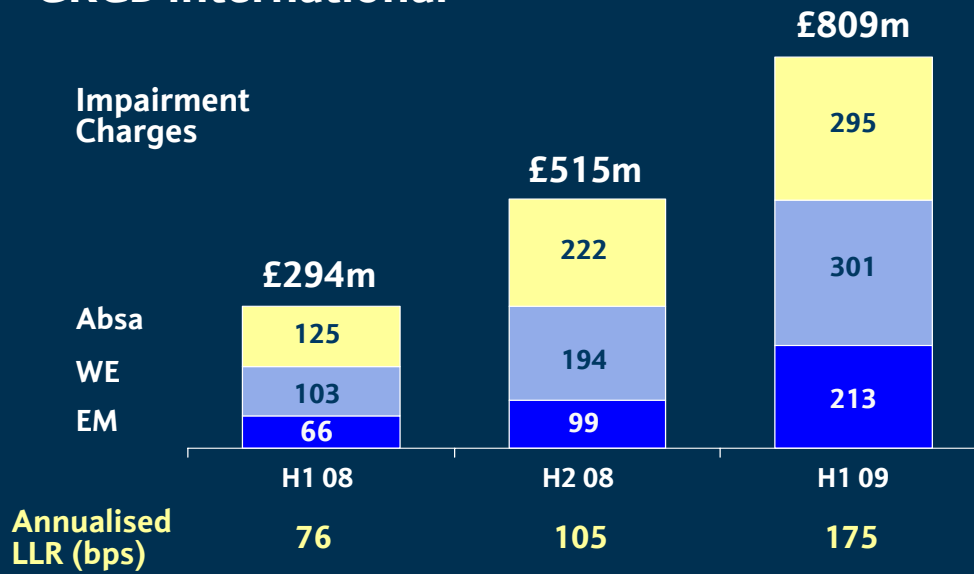
>90 Day
Delinquency



Balances



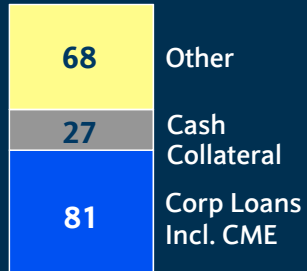
GRCB international



LLR based on loans to customers excluding banks

BarCap loans and impairment

**BarCap
£176bn**

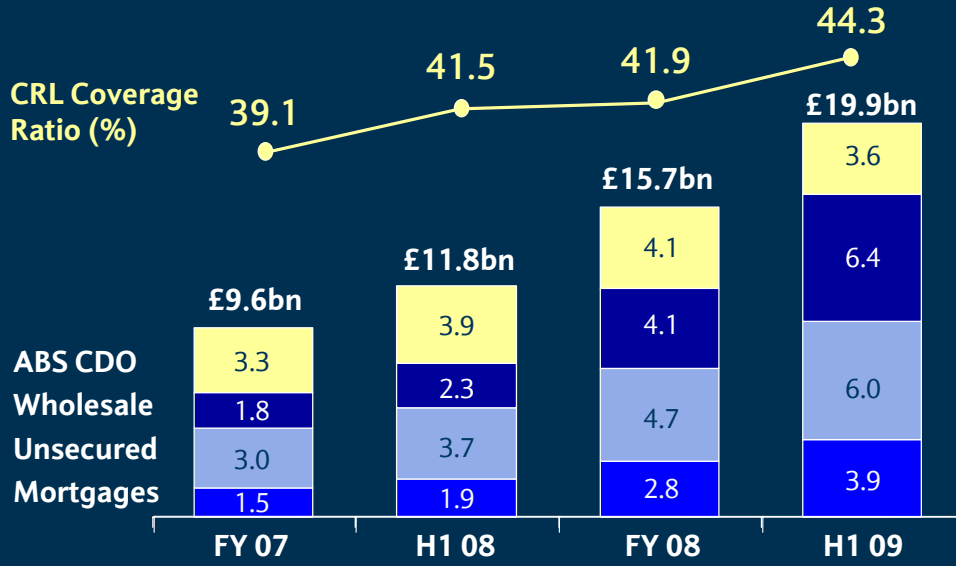


H1 09

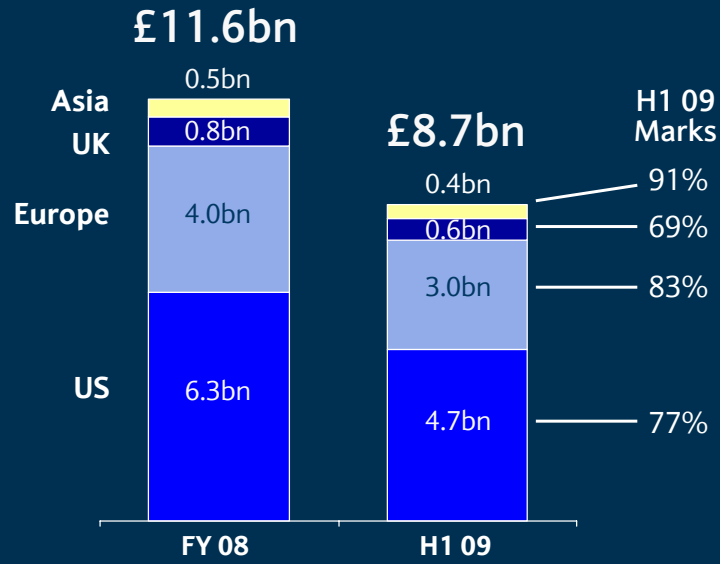
Impairment			
£m	H1 08	H2 08	H1 09
CME (excl. AFS)	986	532	706
Loans and other	54	365	525
Total (excl. AFS)	1,040	897	1,231
AFS	186	300	643
Total Charge	1,226	1,197	1,874

Watch List £bn	23.4	42.5	43.8
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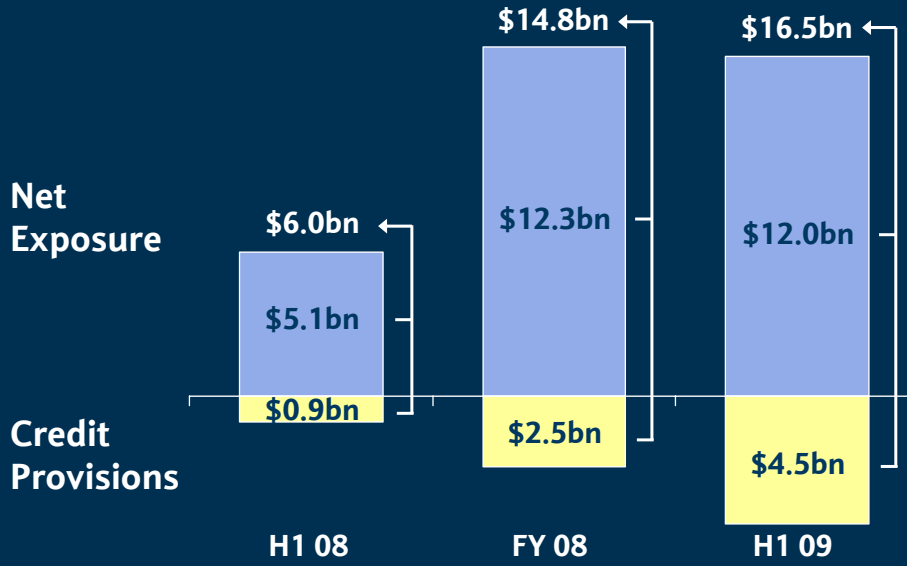
Group credit risk loans and coverage ratio



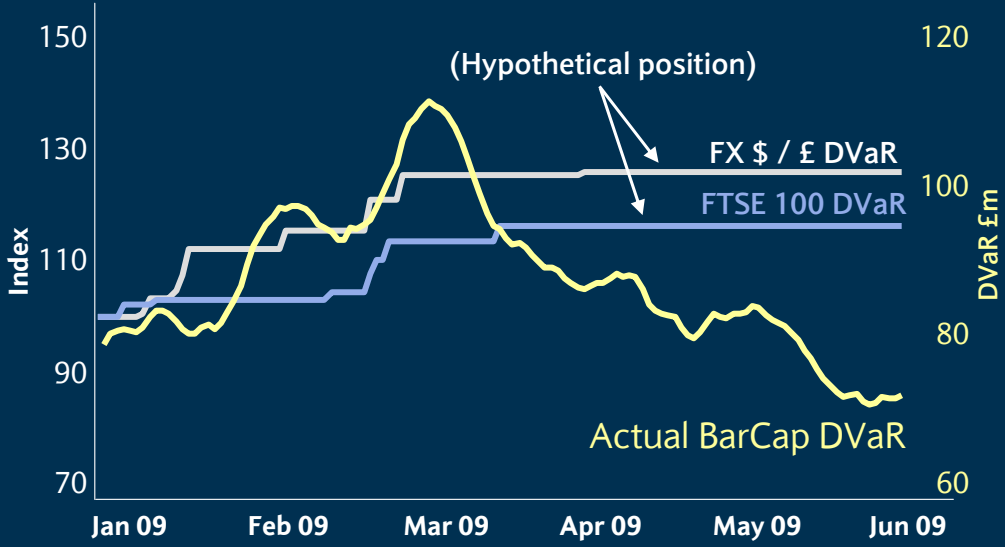
Credit market: Commercial mortgages



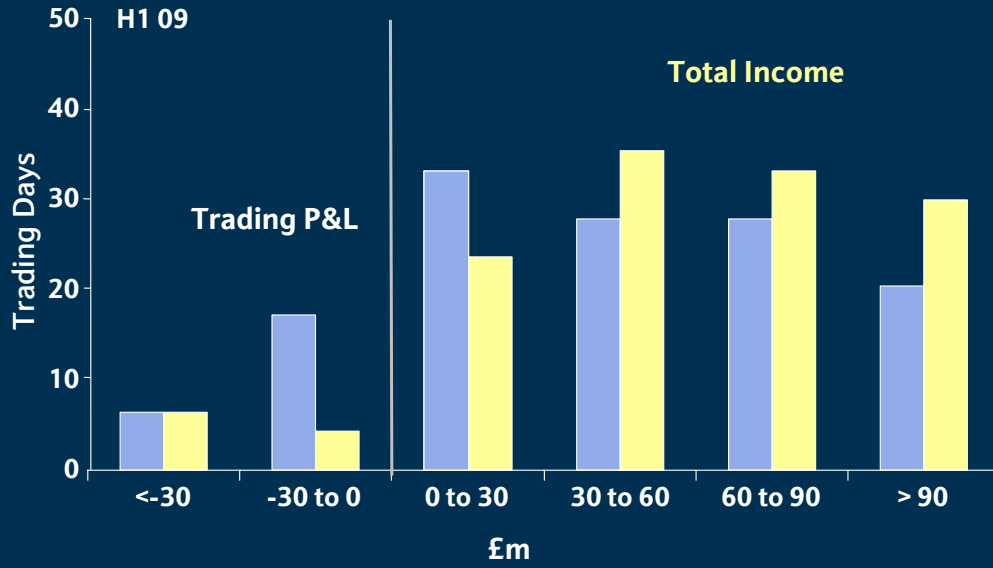
Monoline exposures & credit provisions



Market risk – DVaR trends



Market risk – P&L distribution





Trends and Outlook

- Retail credit trends
- Wholesale credit trends
- Impairment outlook



John Varley

Group Chief Executive

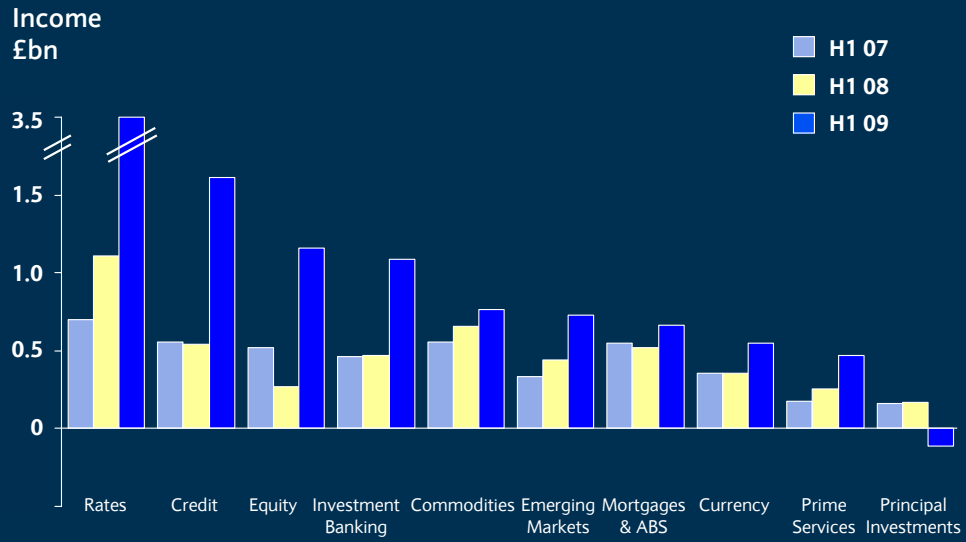
2009: Objectives

- Staying close to customers and clients
 - Income
- Managing our risks
 - Capital
- Maintaining strategic momentum
 - Shape of the Barclays Group

2009: Returns before growth

- RWAs and RoRWAs
- Balance sheet size and leverage
- Growing customer liabilities
- Positive 'jaws'
- Strong capital ratios

Barclays Capital: top-line income up 119%





Barclays Capital: recent client activity

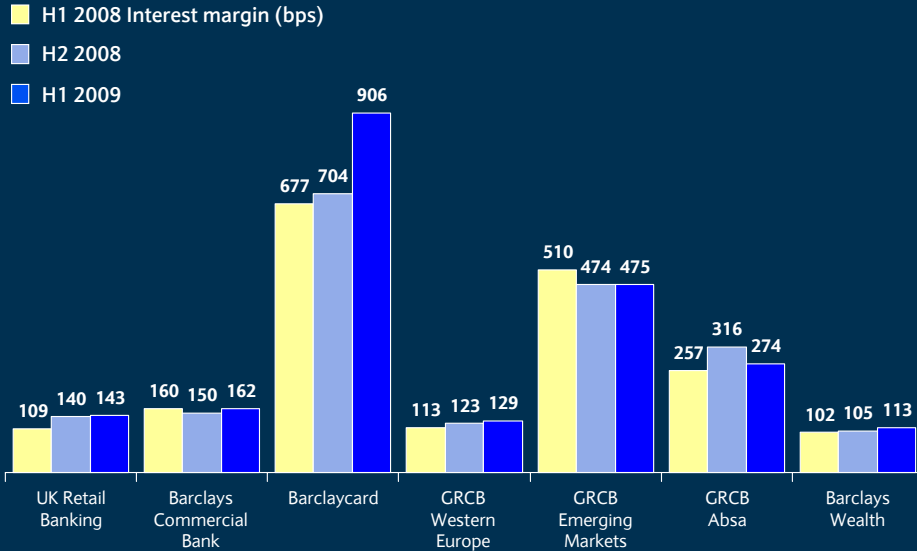
- Her Majesty's Government
- The Kingdom of Spain
- The Republic of France
- The Republic of South Africa
- Roche
- Pfizer
- Sainsbury's
- British Telecom
- Vodafone
- Novartis
- Centrica
- EDF Energy
- London Stock Exchange
- John Lewis
- Network Rail
- Sumitomo Mitsui Banking Corporation
- Premier Oil
- Harvard University
- General Electric
- Verizon
- ConocoPhillips
- EMC

Goals

- Output goal: unchanged
- Input goal: increased scorecard
- Key tests
 - Top quartile TSR
 - $\text{RoE} \geq \text{CoE}$

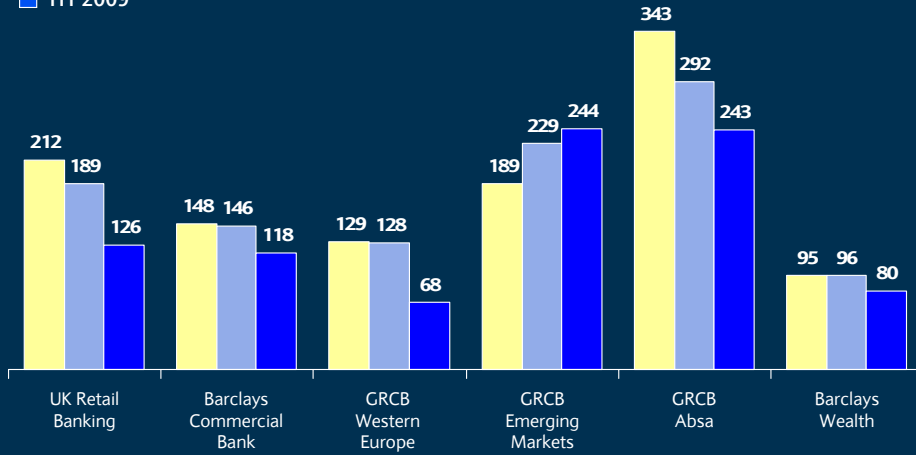
Appendices

Divisional margins - assets



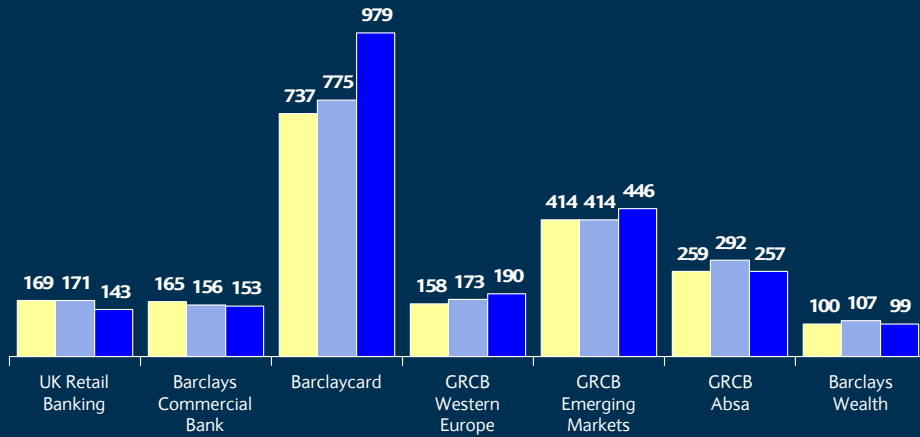
Divisional margins - liabilities

- H1 2008 Interest margin (bps)
- H2 2008
- H1 2009



Divisional net interest margins

- H1 2008 Interest margin (bps)
- H2 2008
- H1 2009



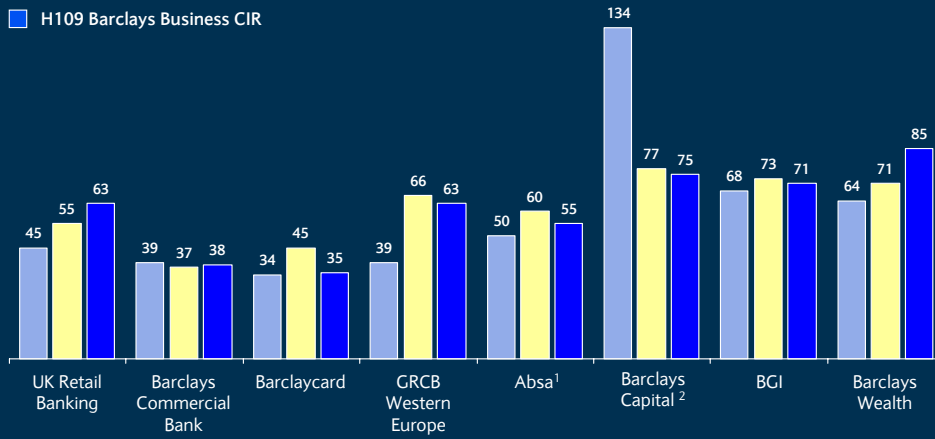
Mortgage asset quality

LTV band	UK		Spain		South Africa	
	H2 08	H1 09	H2 08	H1 09	H2 08	H1 09
<=75%	78	71	87	84	61	57
>75% & <=80%	6	6	5	5	8	7
>80% & <=85%	6	6	4	4	7	7
>85% & <=90%	5	5	2	3	8	7
>90% & <=95%	3	4	1	2	7	8
>95%	3	8	2	2	11	14
MTM LTV %	40	44	48	50	41	43
Avg. LTV on New Mortgages	47	46	63	55	58	54

Productivity benchmarking

(%)

- FY08 Peer Group Top Quartile CIR
- H108 Barclays Business CIR
- H109 Barclays Business CIR

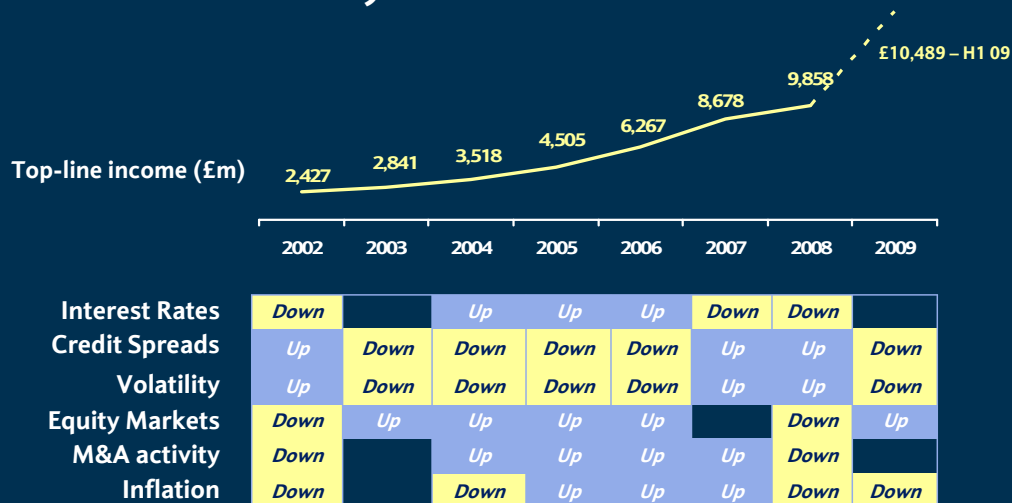


1 Absa standalone

2 Cost:net income



Barclays Capital: model continues to deliver across cycles



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, 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 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 integration of the Lehman Brothers North American businesses into the Group's business and the quantification of the benefits resulting from such acquisition, the proposed disposal of Barclays Global Investors and the impact on the Group, the outcome of pending and future litigation, the success of future acquisitions and other strategic transactions and the impact of competition – a number of which factors are 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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