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Presentation 2009





# Barclays PLC

**2009 Results**  
**16<sup>th</sup> February 2010**



**Chris Lucas**

Group Finance Director

## Summary

- Profit before tax of £5.3bn before BGI gain
- Underlying profit more than trebled
- Strong income growth of 34%
- Core Tier 1 capital ratio strengthened to 10.0%
- Adjusted gross leverage reduced from 28x to 20x
- Liquidity pool trebled

## Group performance

Year ended	2009 £m	2008 £m	% change
Profit before tax*	11,642	6,077	92
Less:			
Gain on acquisitions and disposals	(6,579)	(2,747)	
Own credit charge/(gain)	1,820	(1,663)	
Gains on debt buy-backs	(1,249)	(24)	
Underlying profit before tax*	5,634	1,643	243

\* Figures include BGI results to date of sale

## Financial summary

Year ended	2009 £m	2008 £m	% change
Income	30,986	23,115	34
Operating expenses	(17,852)	(14,366)	24
Impairment charges	(8,071)	(5,419)	49
Retained earnings	9,637	3,243	197
Cost : income ratio	58%	62%	
Earnings per share*	86.2p	59.3p	
Return on equity*	23.8%	16.5%	
Dividend per share	2.5p	11.5p	

\* Includes BGI gain

## GRCB performance

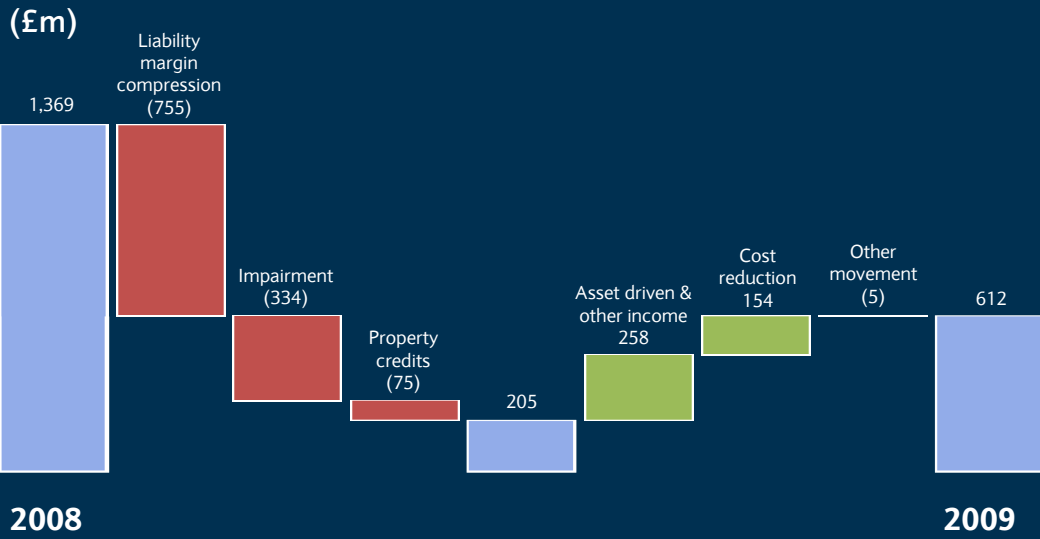
Year ended	2009 £m	2008 £m	% change
Income	16,097	15,093	7
Profit before tax	2,504	4,367	(43)
Impairment	5,413	2,922	(85)
Cost : income ratio	52%	53%	



## GRCB: divisional performance

PBT- Year ended	2009 £m	2008 £m	% change
UK Retail Banking	612	1,369	(55)
Barclays Commercial Bank	749	1,266	(41)
Barclaycard	761	789	(4)
GRCB - Western Europe	130	250	(48)
GRCB - Emerging Markets	(254)	141	-
GRCB - Absa	506	552	(8)

## UK Retail Banking: profit before tax



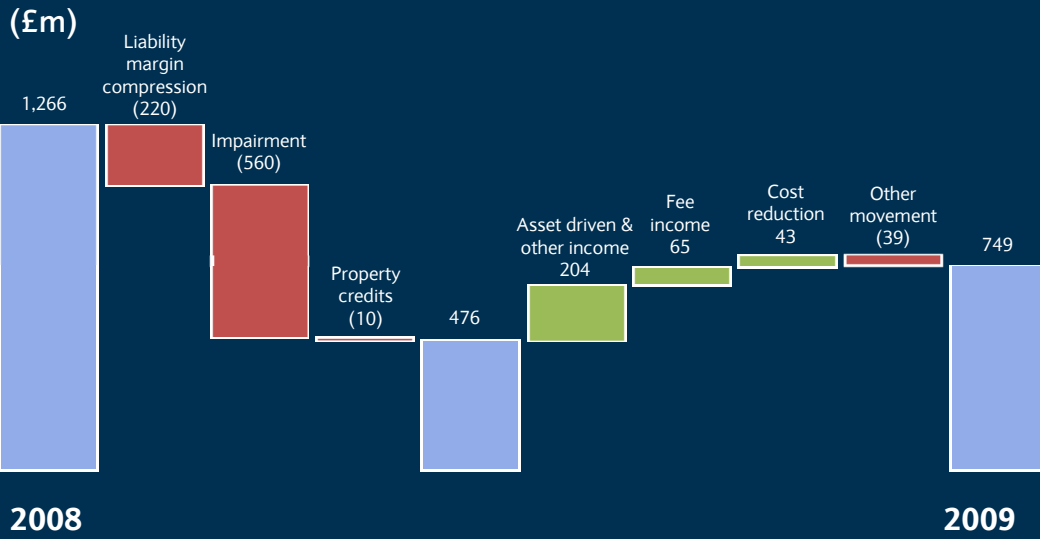
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## Barclays Commercial Bank: profit before tax



## GRCB: divisional performance

PBT- Year ended	2009 £m	2008 £m	% change
UK Retail Banking	612	1,369	(55)
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GRCB - Absa	506	552	(8)

## GRCB: divisional performance

PBT- Year ended	2009 £m	2008 £m	% change
<b>Barclaycard</b>			
Total income	4,042	3,219	26
Operating expenses	(1,494)	(1,422)	5
Impairment charges	(1,798)	(1,097)	64
Profit before tax	761	789	(4)

## GRCB: divisional performance

PBT- Year ended	2009 £m	2008 £m	% change
UK Retail Banking	612	1,369	(55)
Barclays Commercial Bank	749	1,266	(41)
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GRCB - Western Europe	130	250	(48)
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GRCB - Absa	506	552	(8)



## GRCB: divisional performance

PBT- Year ended	2009 £m	2008 £m	% change
<b>GRCB - Western Europe</b>			
Total income	1,723	1,455	18
Operating expenses	(1,113)	(960)	16
Impairment charges	(667)	(297)	125
Profit before tax	130	250	(48)

## GRCB: divisional performance

PBT- Year ended	2009 £m	2008 £m	% change
UK Retail Banking	612	1,369	(55)
Barclays Commercial Bank	749	1,266	(41)
Barclaycard	761	789	(4)
GRCB - Western Europe	130	250	(48)
GRCB - Emerging Markets	(254)	141	-
GRCB - Absa	506	552	(8)

## GRCB: divisional performance

PBT- Year ended	2009 £m	2008 £m	% change
<b>GRCB - Emerging Markets</b>			
Total income	1,045	994	5
Operating expenses	(852)	(688)	24
Impairment charges	(471)	(165)	185
Profit before tax	(254)	141	-

## GRCB: divisional performance

PBT- Year ended	2009 £m	2008 £m	% change
UK Retail Banking	612	1,369	(55)
Barclays Commercial Bank	749	1,266	(41)
Barclaycard	761	789	(4)
GRCB - Western Europe	130	250	(48)
GRCB - Emerging Markets	(254)	141	-
GRCB - Absa	506	552	(8)

## GRCB: divisional performance

PBT- Year ended	2009 £m	2008 £m	% change
GRCB - Absa			
Total income	2,549	2,198	16
Operating expenses	(1,469)	(1,305)	13
Impairment charges	(567)	(347)	63
Profit before tax	506	552	(8)

## IBIM: divisional performance

PBT- Year ended	2009 £m	2008 £m	% change
Barclays Capital	2,464	1,302	89
Barclays Global Investors	7,079	595	
Barclays Wealth	145	671	

## Barclays Capital: income summary

Year ended	2009 £bn	2008 £bn	% change
Top-line income	17.9	9.9	81
Credit market losses	(4.4)	(6.3)	
Own credit	(1.8)	1.7	
Total income	11.6	5.2	122
Credit market impairment	(1.7)	(1.8)	
Other impairment	(0.9)	(0.7)	
Net income	9.0	2.8	222

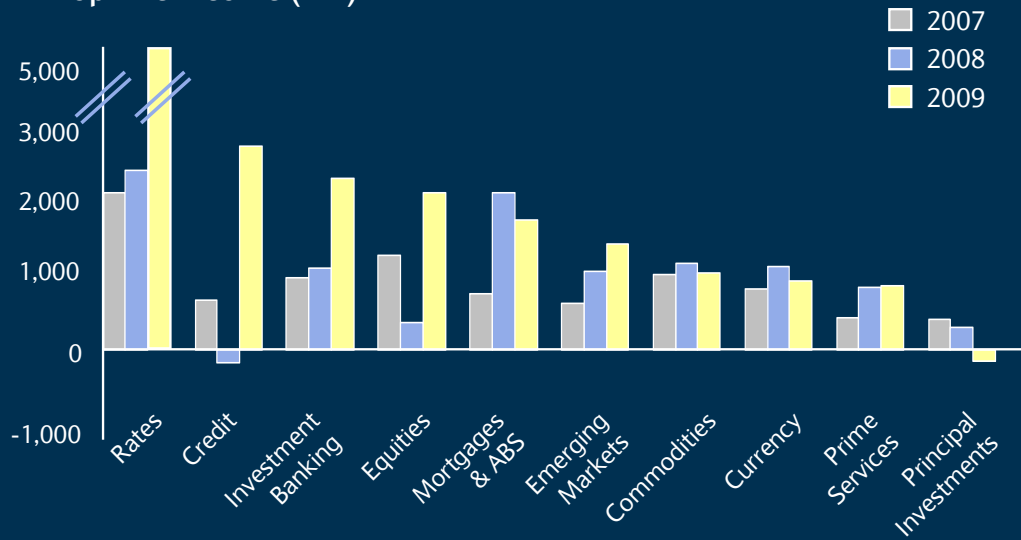
## Barclays Capital: analysis of top-line income

Top-line income – Year ended	2009 £bn	2008 £bn	% change
Fixed income, currency and commodities	13.0	7.4	76
Equities and prime services	2.8	1.2	147
Investment banking	2.2	1.0	108
Principal investments	(0.1)	0.3	-
	<b>17.9</b>	<b>9.9</b>	<b>81</b>



## Barclays Capital: diversification of income

Top-line Income (£m)



## Barclays Capital: credit market exposures

£bn	Exposure	2009 movement			Exposure
	31 Dec 09	Net sales/ payments	Write- downs	FX/ Other	31 Dec 08
US residential mortgages	3.3	(5.1)	(1.8)	(0.6)	10.8
Commercial mortgages and property	8.2	(0.6)	(2.5)	(1.0)	12.3
Leveraged finance	5.5	(3.1)	(0.4)	-	9.0
Monolines	2.2	(2.8)	(1.3)	(2.1)	8.4
Other	0.5	(0.1)	(1.3)	(0.5)	1.2
	<b>19.7</b>	<b>(11.7)</b>	<b>(6.1)</b>	<b>(4.2)</b>	<b>41.7</b>
Loan to Protium	7.9				
	<b>27.6</b>				

## Barclays Capital: cost base

Year ended	2009 £m	2008 £m
Operating Expenses	(6,592)	(3,774)
Cost : total income	57%	72%
Compensation : total income	38%	44%
Cost : net income ratio	73%	134%

## IBIM: divisional performance

<b>PBT- Year ended</b>	<b>2009 £m</b>	<b>2008 £m</b>	<b>% change</b>
Barclays Capital	2,464	1,302	89
Barclays Global Investors			
Profit before tax pre gain	748	595	26%
Gain on sale	6,331	-	
Barclays Wealth	145	671	

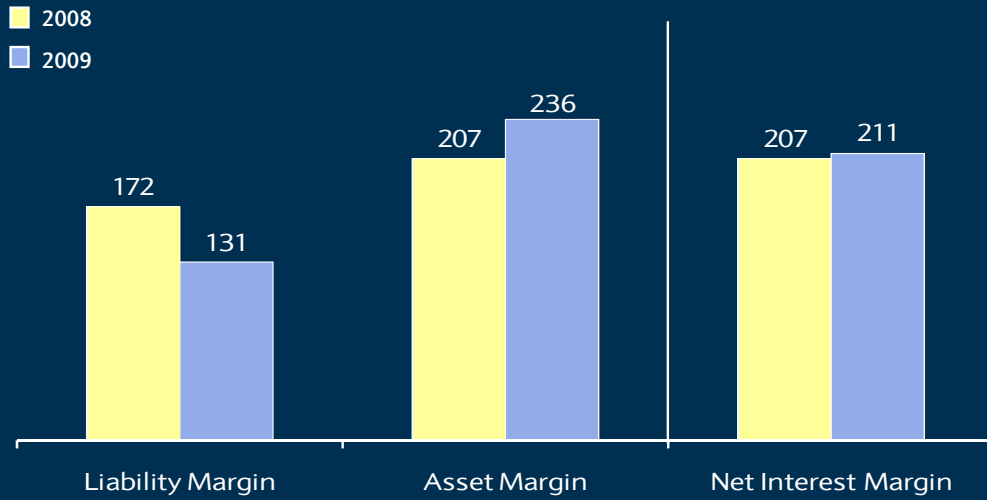
## IBIM: divisional performance

PBT- Year ended	2009 £m	2008 £m	% change
Barclays Capital	2,464	1,302	89
Barclays Global Investors	7,079	595	
Barclays Wealth			
Profit before tax pre gain	145	241	
Gain on sale and profits of life business	-	430	

## Head Office

PBT- Year ended	2009 £m	2008 £m	% change
<b>Head Office Functions &amp; Other Operations</b>			
Net interest (loss) / income	(507)	182	-
Other income	1,186	26	-
Operating expenses	(570)	(451)	26
Impairment charges	(16)	(30)	(47)
Loss before tax	(550)	(858)	(36)

## Margins in retail, commercial and private banking businesses



## Balance sheet

<b>£bn</b>	<b>31 Dec 09</b>	<b>31 Dec 08</b>	<b>change</b>
Total assets	1,379	2,053	(674)
Derivative assets	417	985	(568)
Loans & advances	461	510	(49)
Other assets	501	558	(57)
Group liquidity pool	127	43	84

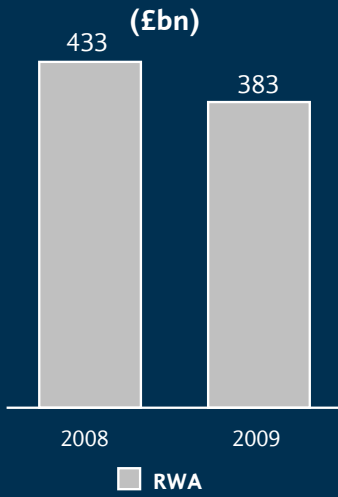


## Adjusted gross leverage

<b>£bn</b>	<b>31 Dec 09</b>	<b>31 Dec 08</b>
Total assets	1,379	2,053
Derivative gross-up	(374)	(917)
AUM on balance sheet	(1)	(69)
Settlement balances	(26)	(30)
Goodwill & Intangible assets	(9)	(10)
Adjusted tangible assets	969	1,027
Tier 1 capital	49	37
Adjusted gross leverage	20x	28x

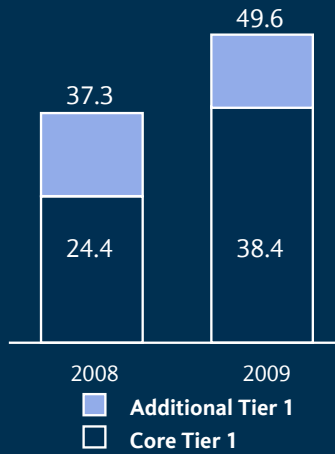
# Strengthening capital

Risk Weighted Assets

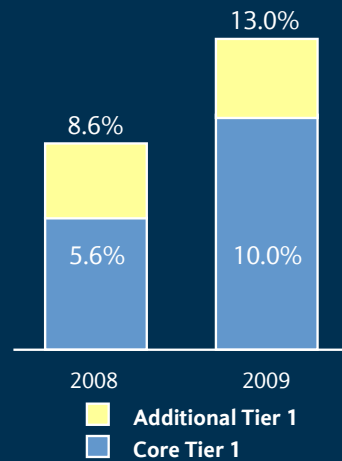


Core Tier 1 / Tier 1

Capital (£bn)



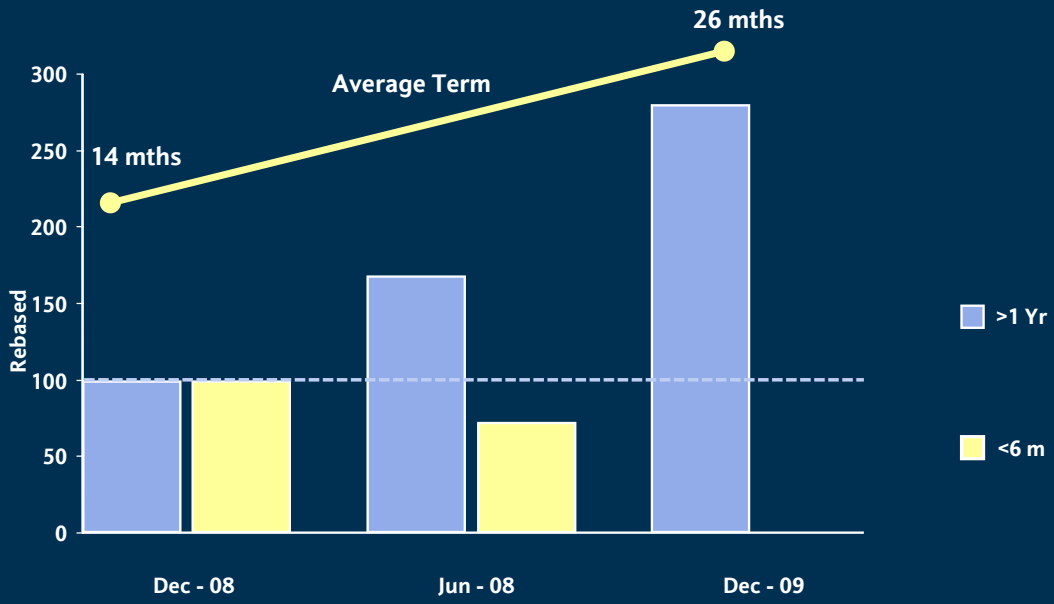
Capital Ratios (%)



## Liquidity

- Group liquidity trebled to £127bn
- Loan to deposit ratio improved from 138% to 130%
- Loan to deposit and long term funding ratio improved from 93% to 81%
- £17bn of senior debt issued in public markets

## Barclays Capital : unsecured liabilities



## Summary

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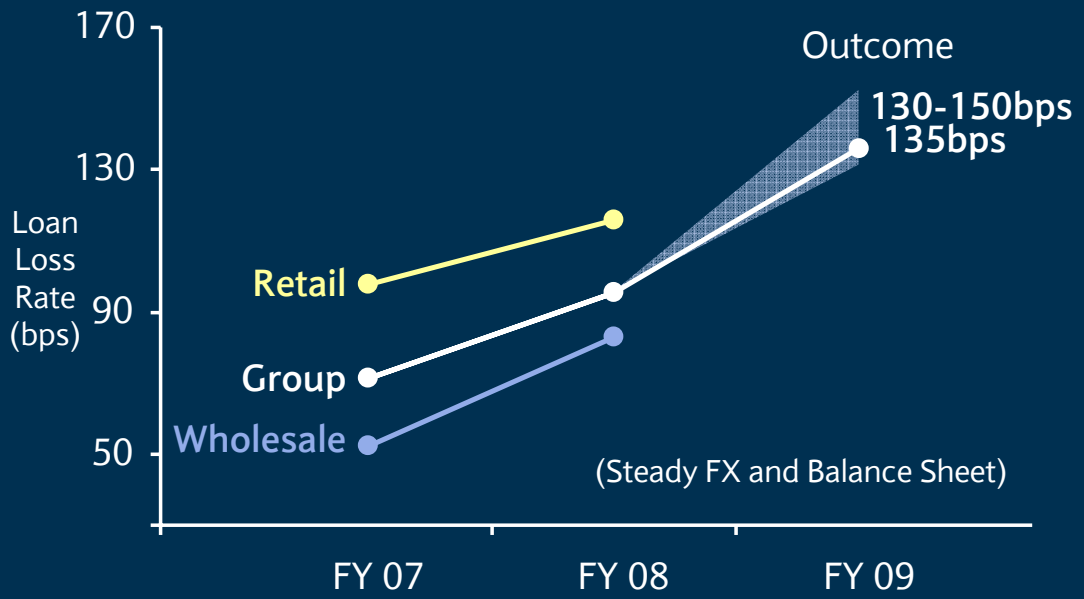
## Robert Le Blanc

Chief Risk Officer

## Topics

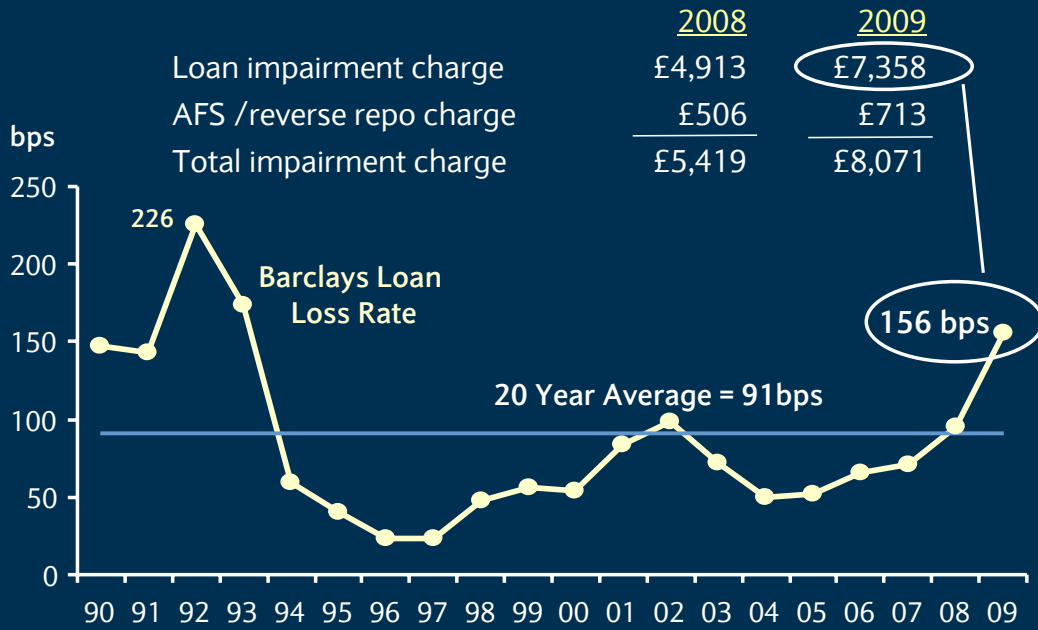
- Impairment Review
- Portfolio Trends
- Market Risk
- Themes and Outlook for 2010

## 2009 Impairment Planning

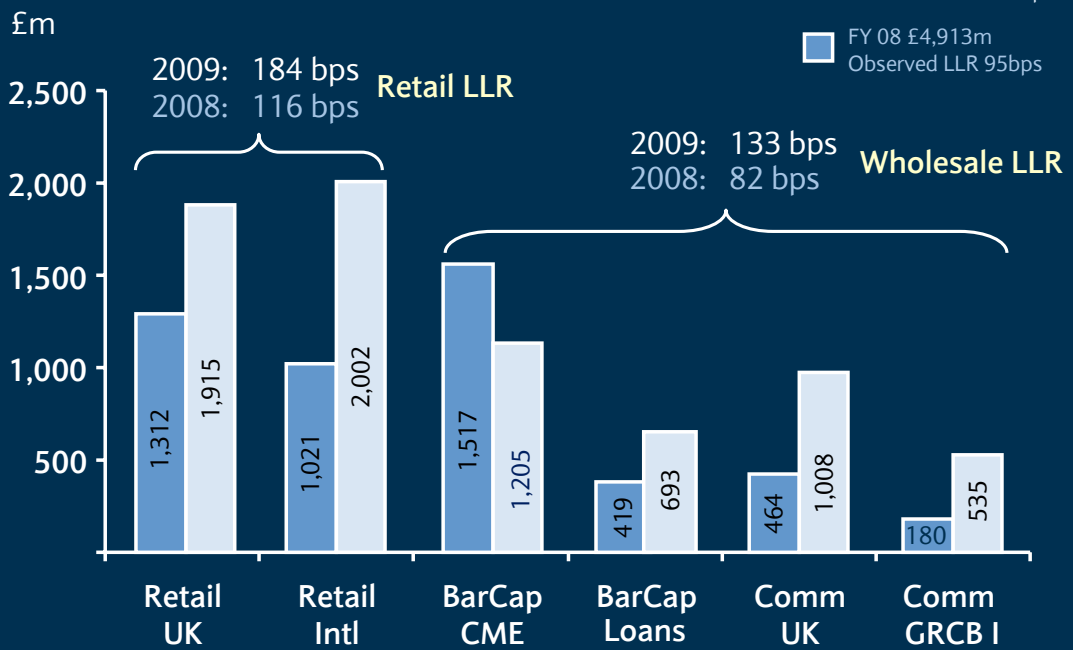




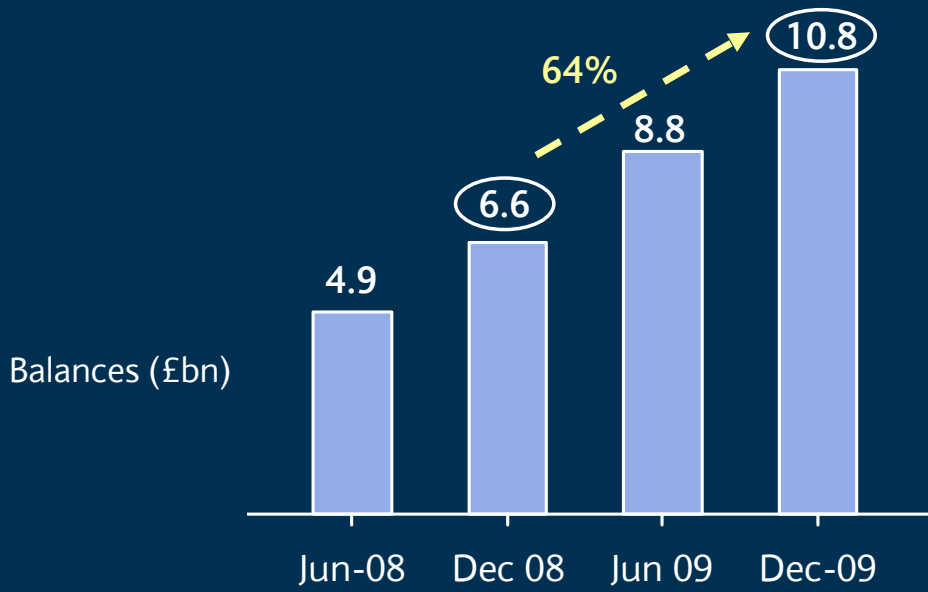
## Impairment Trend



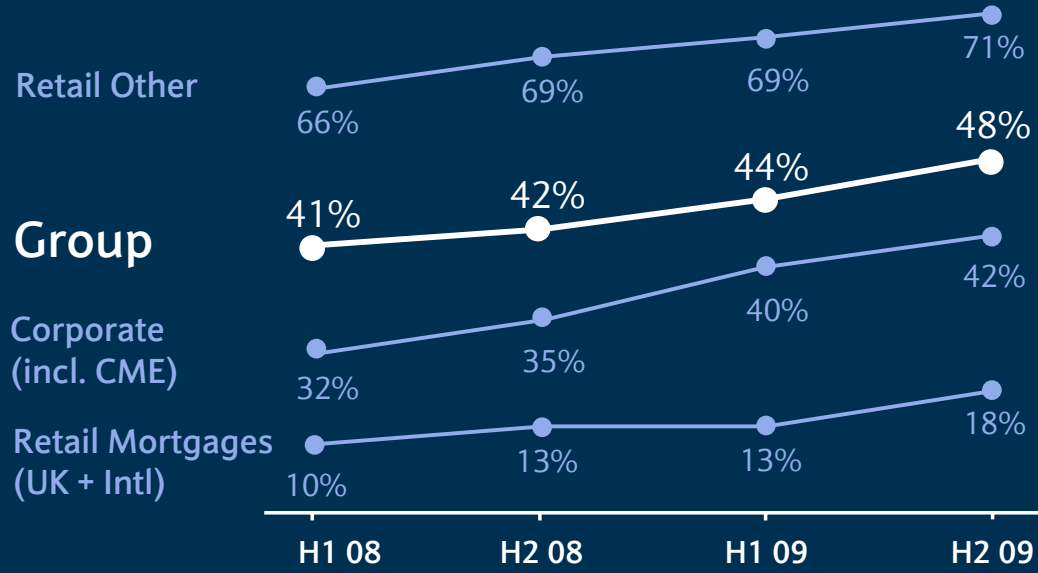
## 2009 Loan Impairment Charge



## Group Impairment Allowances

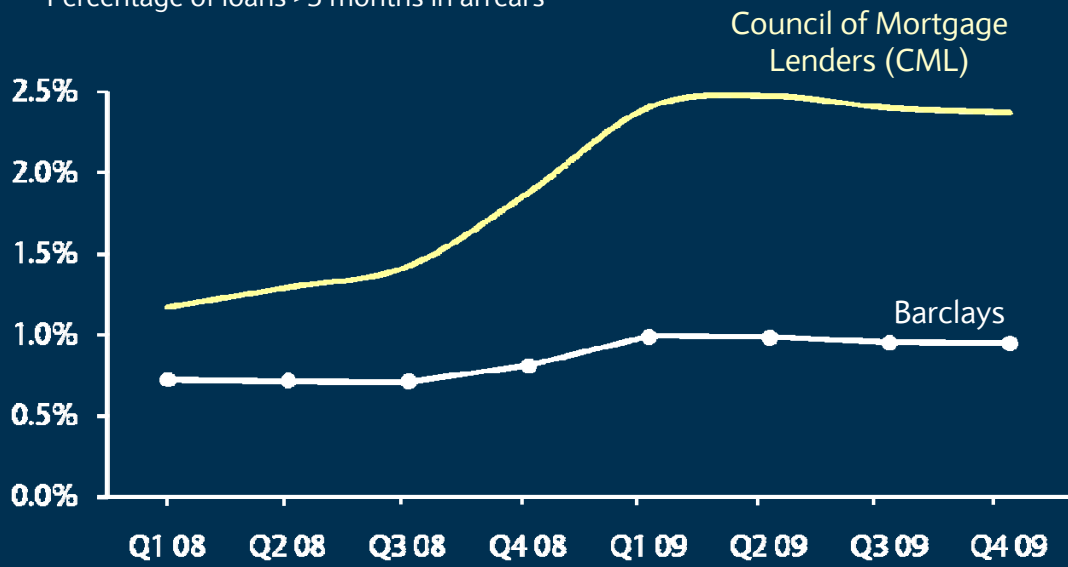


## Impaired Asset Coverage Ratios

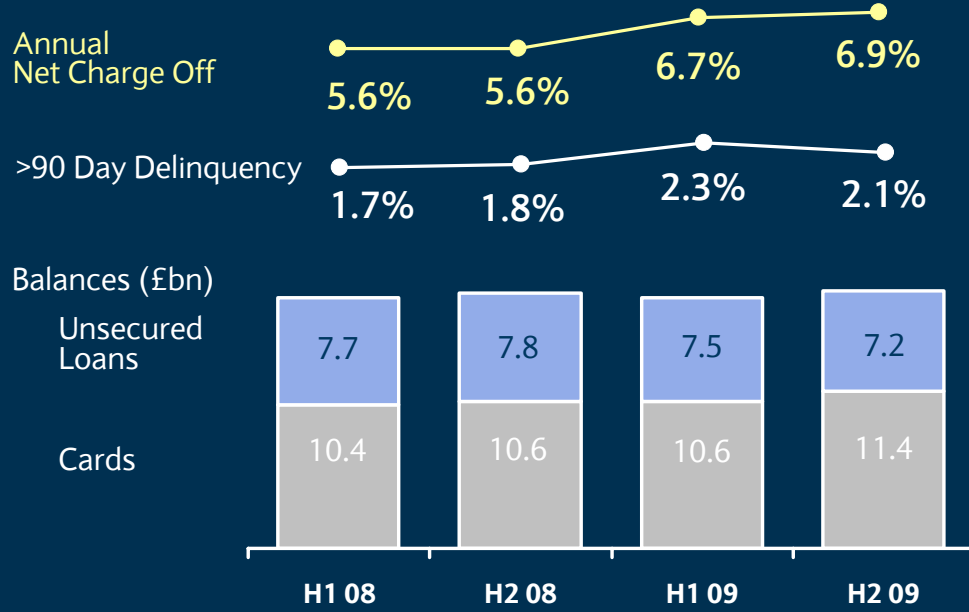


## UK Mortgages – Arrears rate

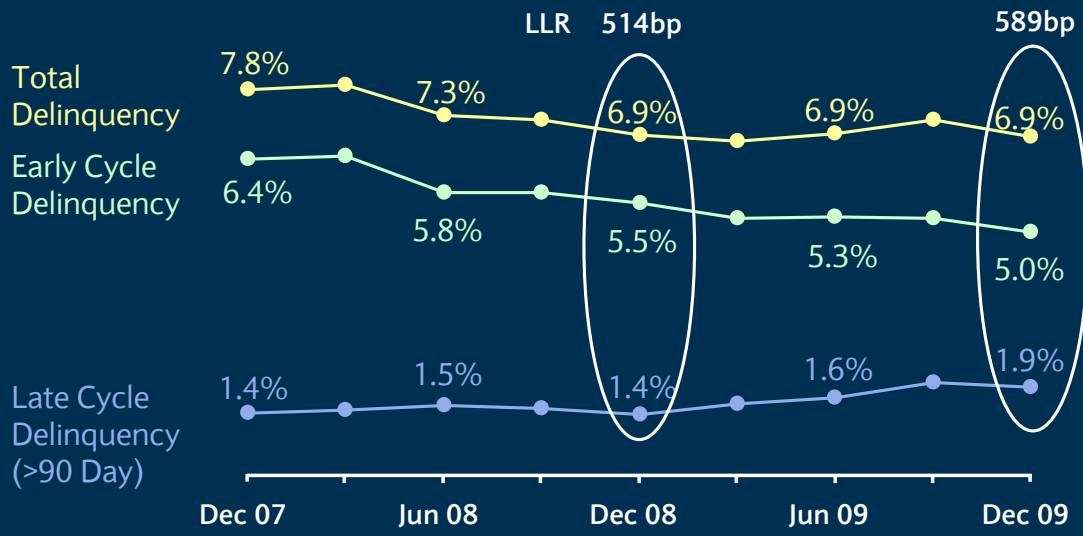
Percentage of loans >3 months in arrears



## UK Unsecured (Cards + Loans)



## UK Cards Delinquency Trends

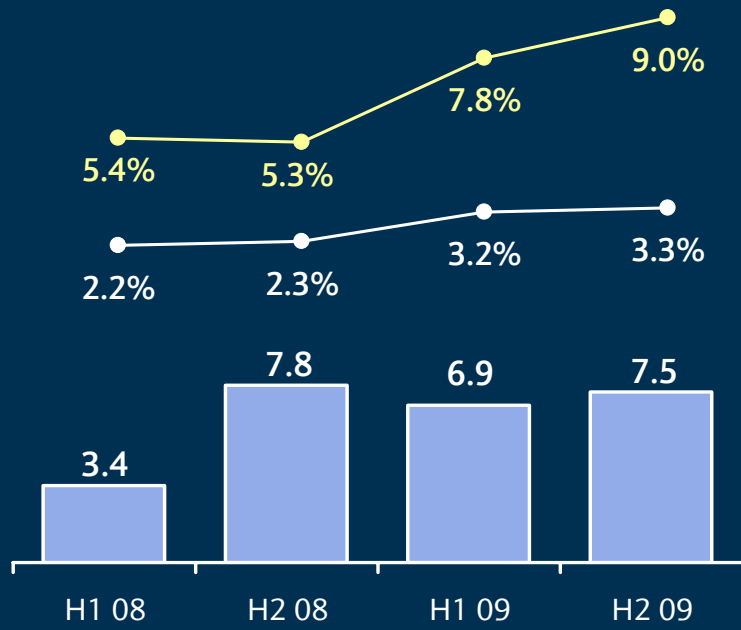


## US Cards

Annual  
Net Charge Off

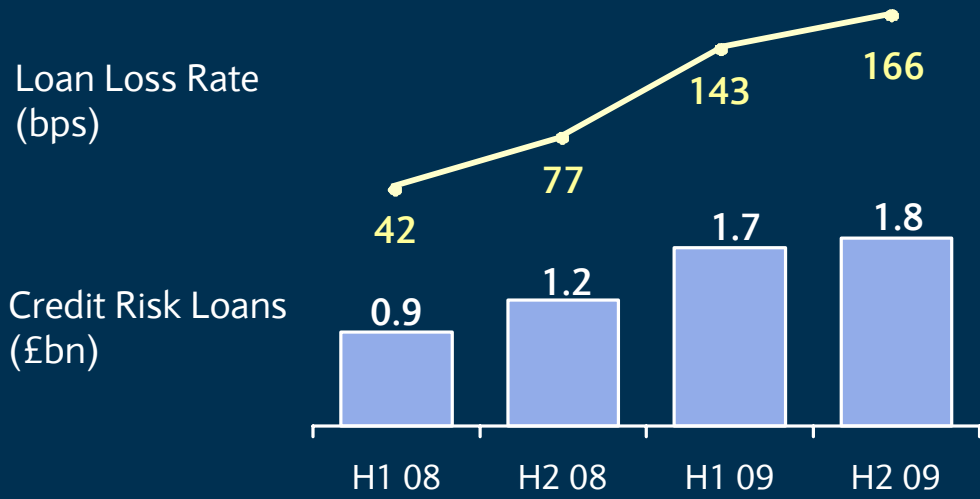
>90 Day  
Delinquency

Balances (£bn)





## UK Commercial Bank Loan Impairment

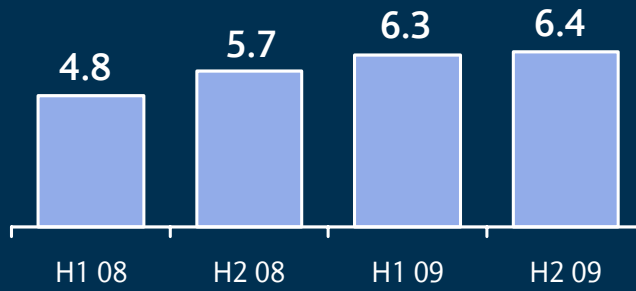


## Barclays Capital Loan Impairment

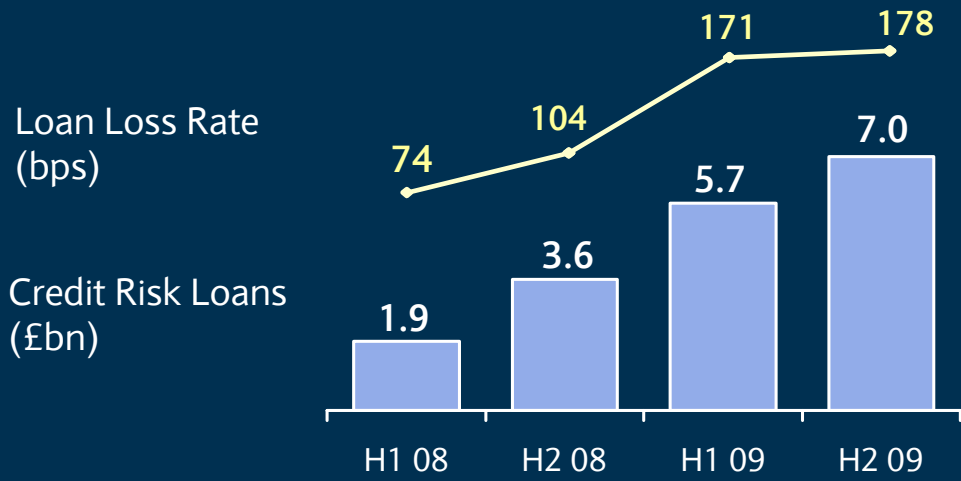
Loan Loss Rate  
(bps)



Credit Risk Loans  
(£bn)

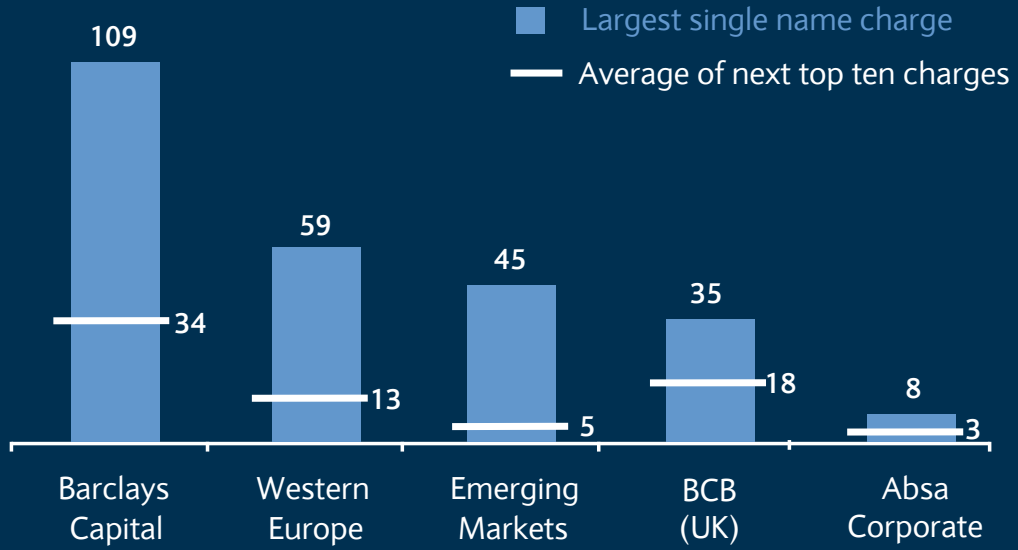


## GRCB International Loan Impairment

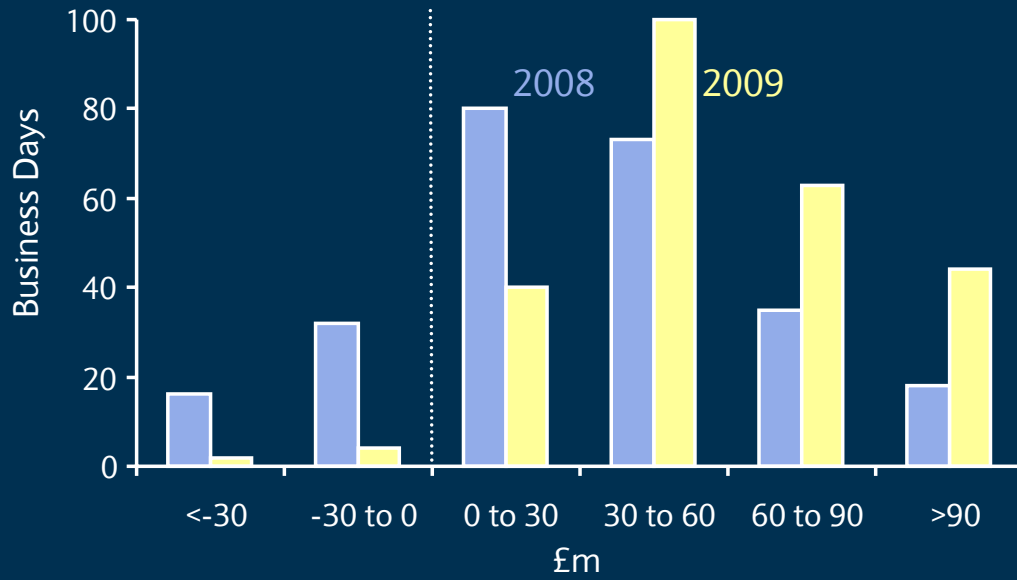


## Single-Name Corporate Losses in 2009

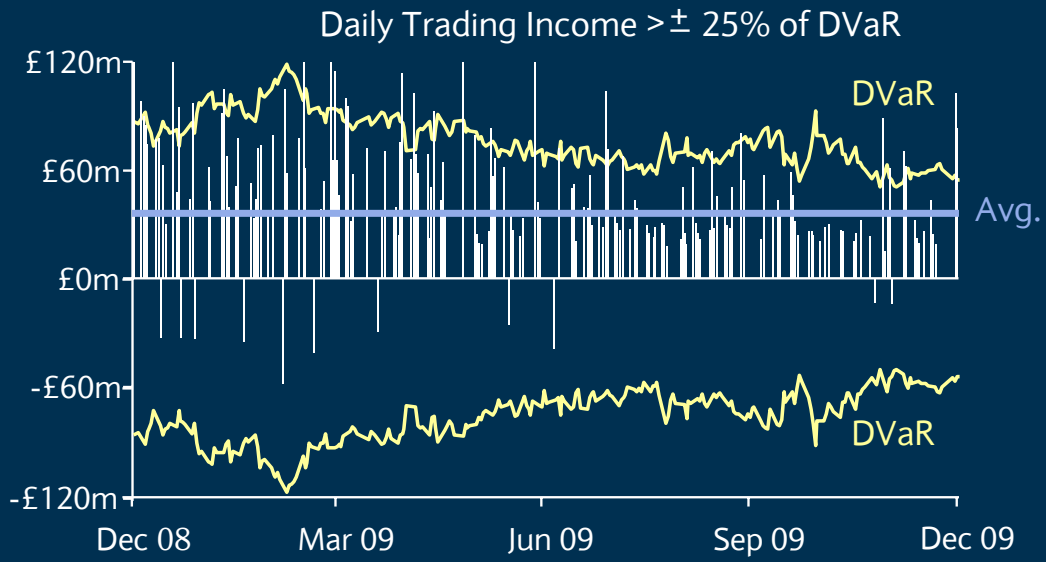
Impairment Charge (£m)



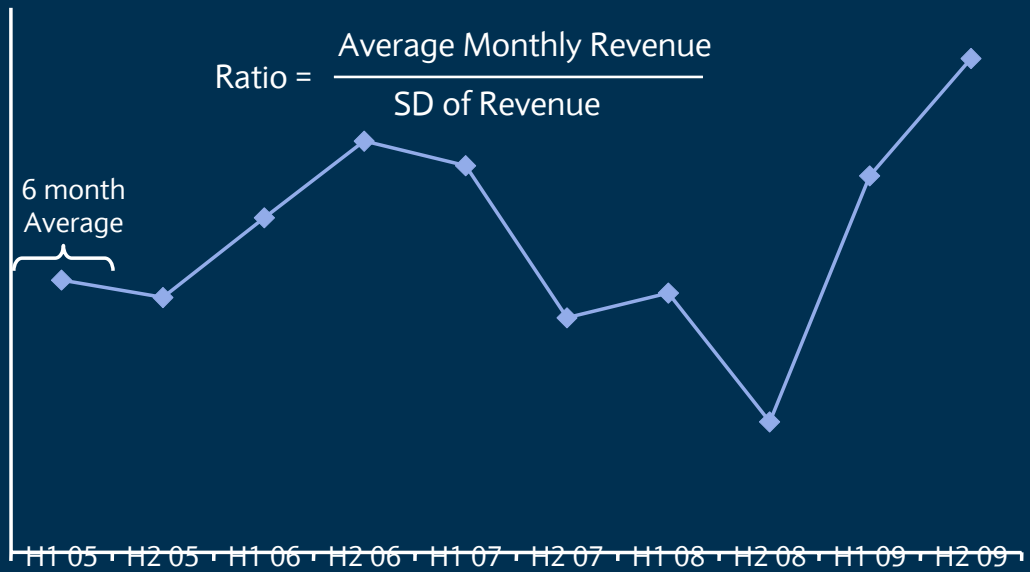
## BarCap: Distribution of Daily Revenue



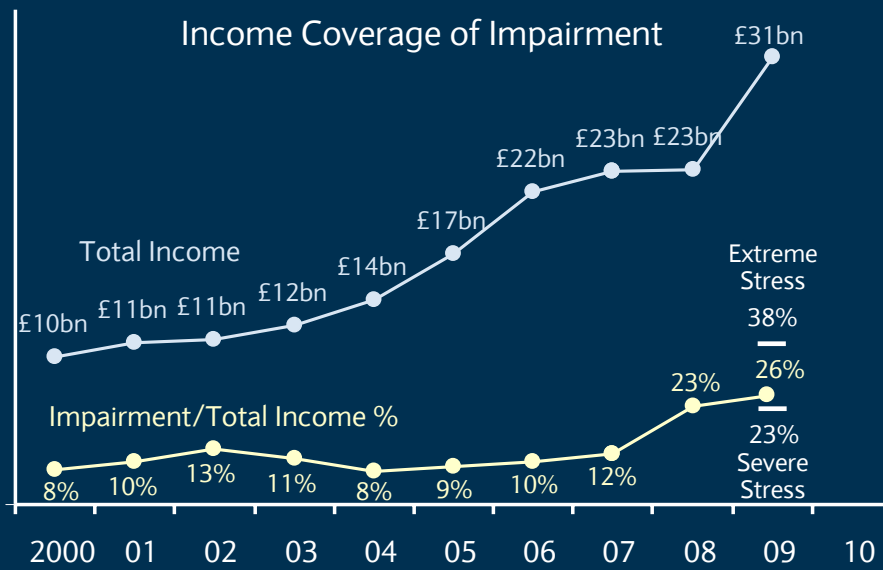
## BarCap: DVaR during 2009



## BarCap: Risk-adjusted revenue performance



# Barclays Group: Risk-adjusted performance





## Planning Assumptions for 2010

Consensus view:

- Moderate economic growth
- Interest Rates to remain low
- More stable house prices
- Unemployment to remain high

## Impairment Outlook for 2010

- Retail credit trends continue to gradually improve
- Wholesale trends stabilise and improve later in year
- CME and AFS impairment reduced
- Single-name loss difficult to predict



# John Varley

Group Chief Executive

## 2009 Scorecard

- Strategic momentum
- Capital and liquidity
- Returns before growth
- RWAs and RoRWAs
- Balance sheet size and leverage
- Gathering deposits
- Positive 'jaws'



## 2009 Lending Commitment

- £11 billion commitment
- £35 billion gross new lending
- Half to households; half to businesses
- Supported more business start-ups

## Key objectives: 2009 and 2010

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



## Staying close to customers and clients

- Global Retail Banking
- Absa
- Corporate and Investment Banking
  - Barclays Corporate
  - Barclays Capital
- Barclays Wealth



## Global Retail Banking goals

- Profit growth
- Improved loan to deposit ratio
- Depth, not breadth
- Generation of net equity





## Staying close to customers and clients

- Global Retail Banking
- Absa
- Corporate and Investment Banking
  - Barclays Corporate
  - Barclays Capital
- Barclays Wealth

## Managing our risks

- 2010 loan losses
- Stress testing
- Regulatory reforms

## Maintaining strategic momentum

- Top 3 position for Barclays Capital
- Sustained profits in international retail and local business
- Barclaycard international growth
- Barclays Corporate international growth
- Barclays Wealth growth plan
- Group shape

## Remuneration: Objectives

- FSA and FSB compliance
- Capital ratio enhancement
- Implementation of strategy

## Remuneration: Architecture

- Increased deferral by 70%
- 100% deferral for Group and Barclays Capital ExCos
- No dilution
- Clawback
- Risk-adjustment

## Remuneration: Outcomes

- 2009 discretionary compensation
- Policy for UK bank payroll tax
- Attract and retain best people
- Managing business investment, capital ratios, dividends and pay

## Dividends

- Resumption in 2009
- Conservative profile
- Progressive policy

# Goals


## Input goals

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- Economic profit
- Balance sheet size and leverage
- RWAs and RoRWAs
- Core Tier 1 capital
- RoE
- Funding and liquidity
- Jaws
- Dividends

## Output goal

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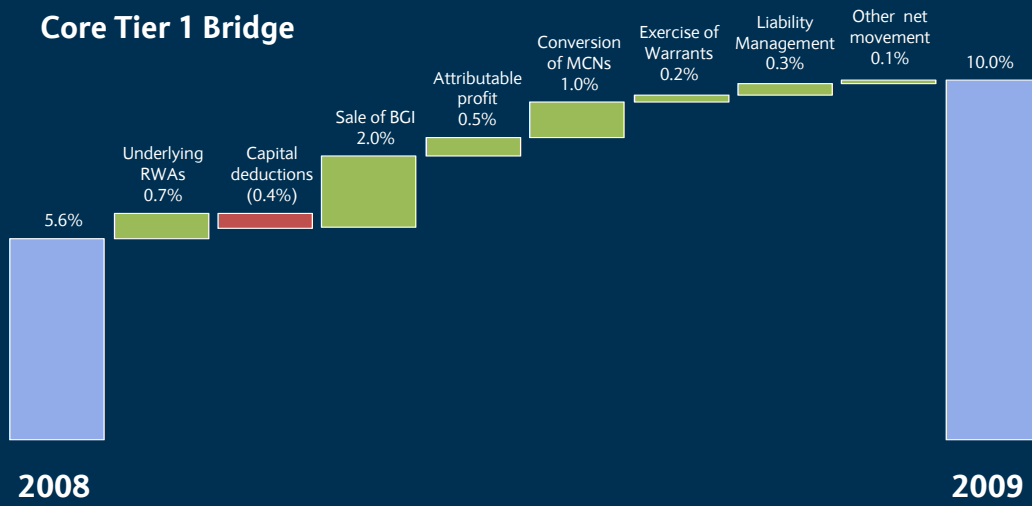
**Top quartile Total Shareholder Return**



## Appendices

# Capital management

## Core Tier 1 Bridge



## Remuneration

- Total Group 2009 discretionary cash payments : £1.5bn
- Additional long term awards of £1.2bn vesting over 3 years and subject to clawback
- 73% of new long term awards in equity
- 5,000 employees received long term awards

2009 (£000s)	Average total discretionary award per employee	Average total compensation per employee	Average total income generated per employee
Group excluding BCI	19	54	196
Barclays Capital	95	191	515

### 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 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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