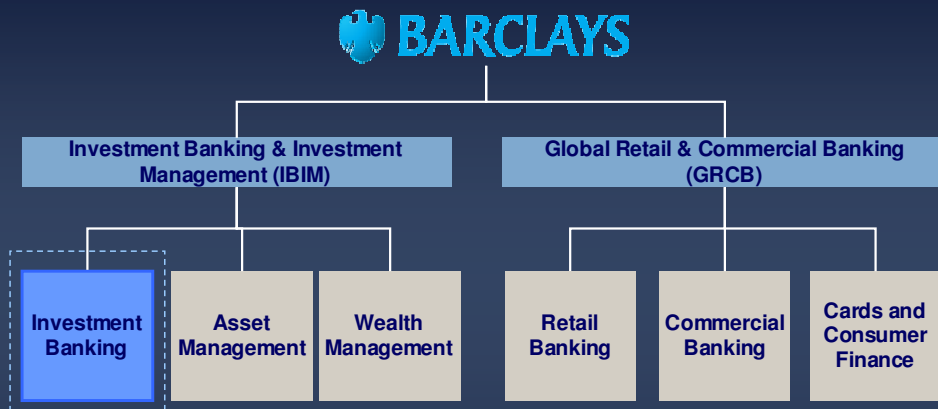




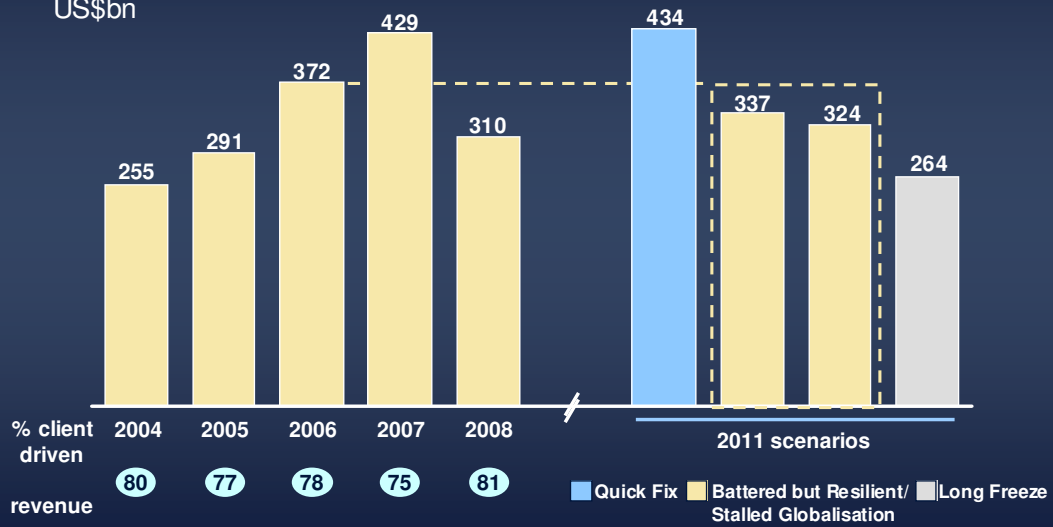
**Investor Seminar  
New York, June 17, 2009**

# Barclays Group



# Challenging market environment...

Global Investment Banking net revenues  
(excluding writedowns)  
US\$bn

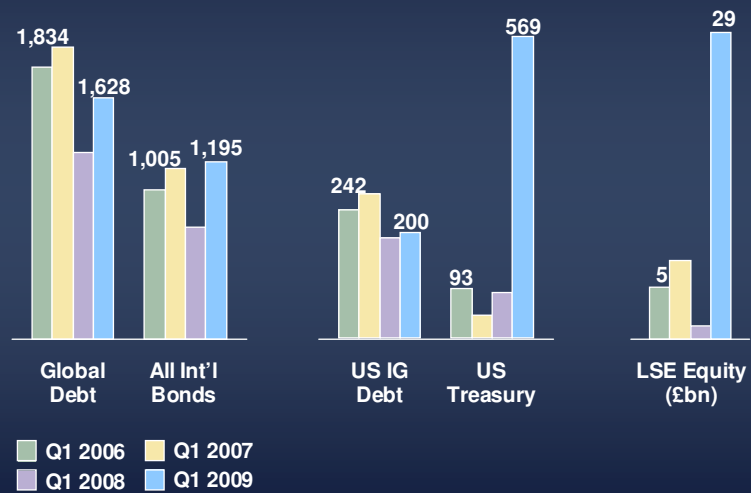


Source: McKinsey

## ...but underlying growth has returned

### Issuance Proceeds

US\$bn



Source: Thomson Reuters; US Treasury; LSE

## 2008 consolidation redefined the sector...

### *Industry Consolidation*

Bear Stearns/WAMU	→	JPMorgan Chase
Lehman Brothers	→	Barclays
Merrill Lynch/Countrywide	→	Bank of America
HBOS	→	Lloyds TSB
Wachovia	→	Wells Fargo

### *Industry Restructuring*

Freddie Mac and Fannie Mae	→	Nationalised by US Government
Goldman Sachs and Morgan Stanley	→	Bank Holding Companies
AIG, RBS, Lloyds / HBOS, Citi, UBS	→	Significant Gov't shareholding

### *Industry Retrenchment*

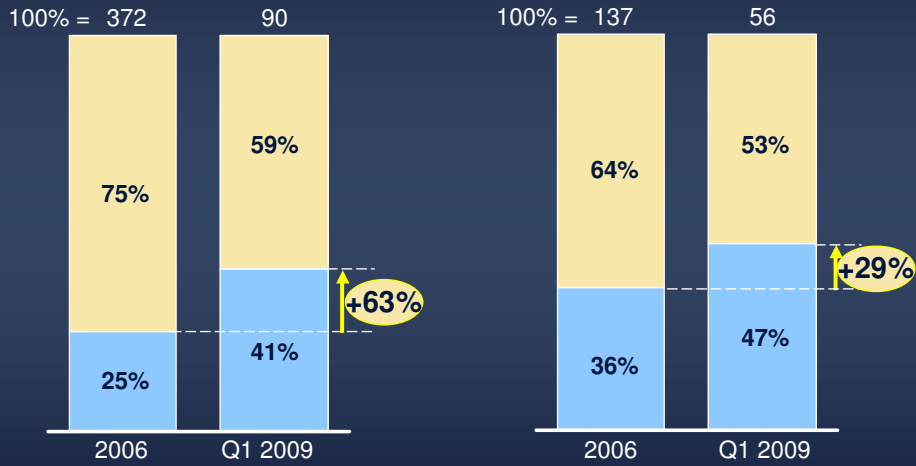
Several large universal banks pulled back from international markets



## ...and changed the competitive environment

Capital Markets and Investment Banking  
revenues of 5 Global players, US\$bn

Fixed Income, Currencies, and Commodities  
revenues of 5 Global players, US\$bn



■ 5 Global players are BarCap, GS, JPM, DB, and CS



Source: McKinsey

## Regulatory changes will influence the model

### New Regulatory Environment

Capital

Liquidity

Transparency

### Business Impact

- Focus on returns
- Lower leverage
- Premium on client-driven business

- Access to diverse funding

- Increased disclosure
- Stress tests
- New market mechanisms



## New priorities will drive growth

### Strategic relationships

- Re-equitisation
- Risk management
- Governments





## Well-executed client focused models will win market share

### Global Client Solutions

Capital raising

Risk management

Advisory



### Disciplined Execution

Client Focus

Built to last

Culture: One Firm

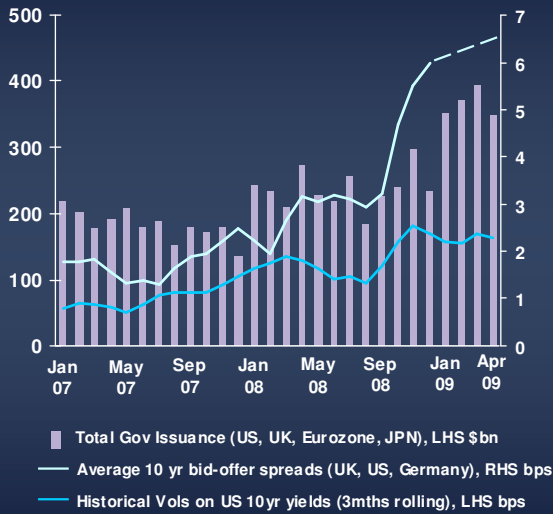




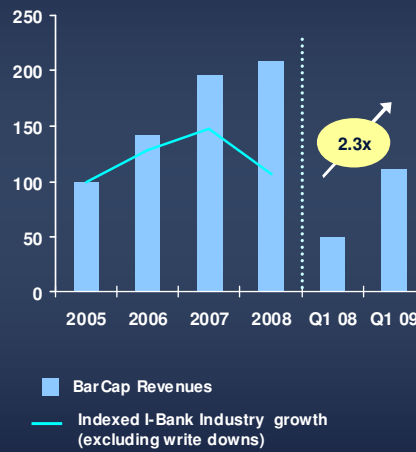
**Jerry del Missier**

# New priorities driving growth

Gov 10 yr Issuance, spread, & volatility

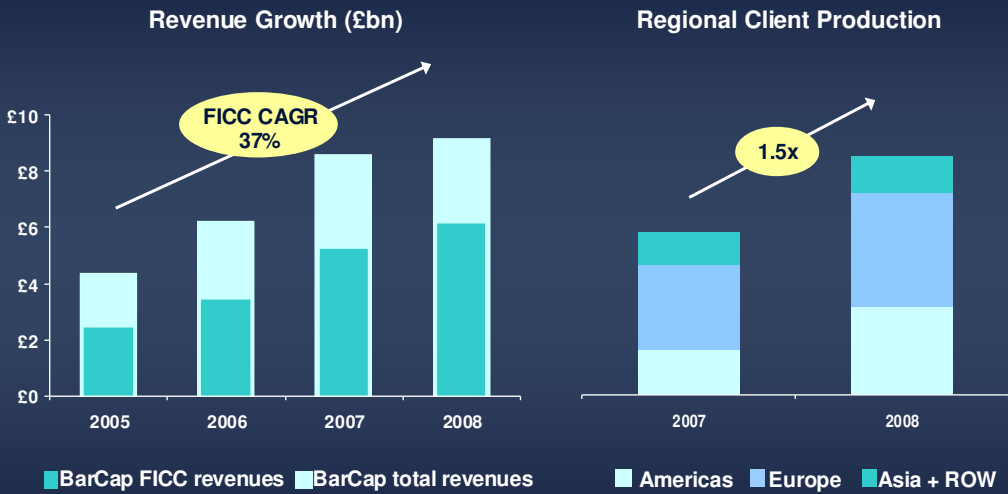


Indexed Revenue Growth- I-Bank sector & BarCap



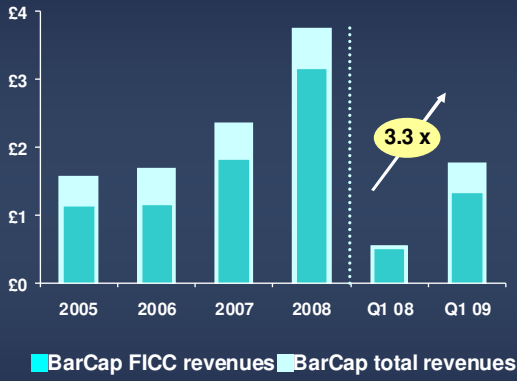
Source: National Debt Agencies, Tradeweb, Barclays Capital Live  
 Revenue throughout is underlying and excluding credit market write downs and own credit  
 Source (I-Banking Industry Growth): McKinsey

# Barclays Capital has built a world class FICC business

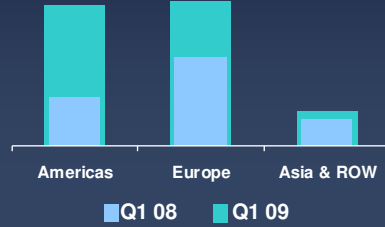


# Lehman positions us for significant US led growth

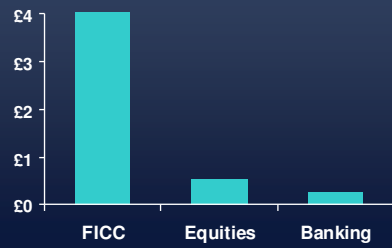
US Revenue Growth (£bn)



Regional Client Production, Q1 09

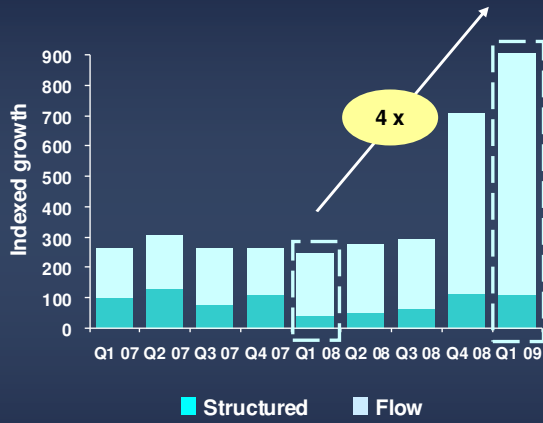


Product Revenue, Q1 09 (£bn)



# The deal transformed our credit franchise...

BarCap Credit Client Production



Corporate bond trading market share	
BarCap Q1 2008	4%
BarCap Q1 2009	14%



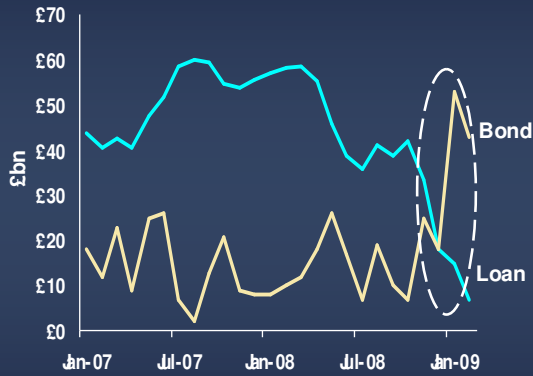
#1 Overall debt house 2009 - Euromoney



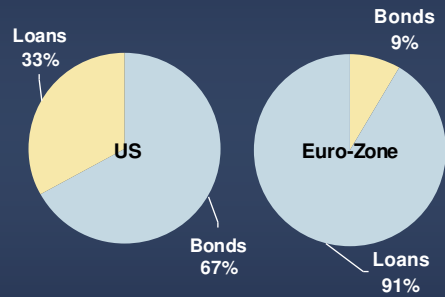
Source: Federal Reserve Primary Dealer statistics for Corp Bonds > 1 year maturity

## ...positioning us well for European growth

European Bond and Loan Issuance

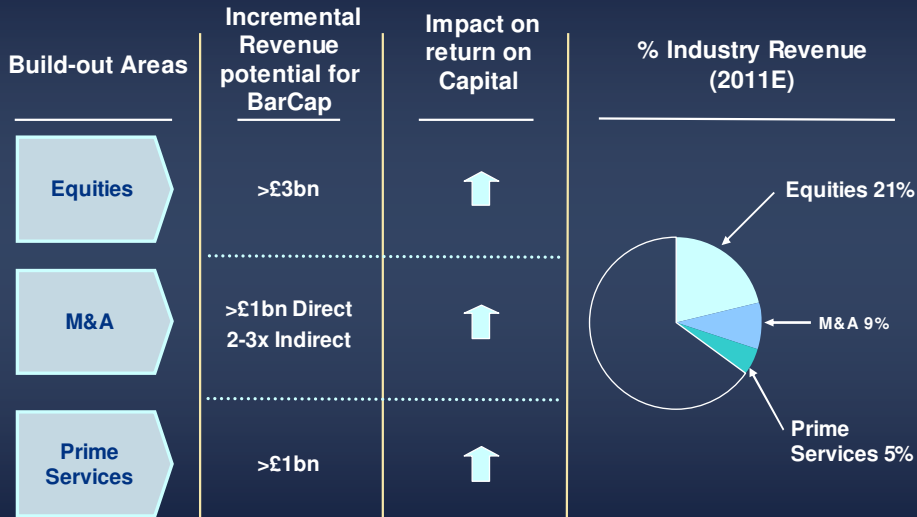


Corporate Bonds and Bank Loans Outstanding of Non-financial Corporations



Source: S&P LCD, Barclays Capital  
Source: ECB, Eurostat, Federal Reserve, Barclays Capital

# Opportunity to build Equities, M&A and equity Prime Services

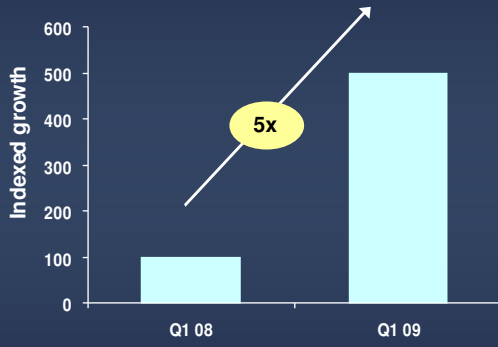


Source: McKinsey

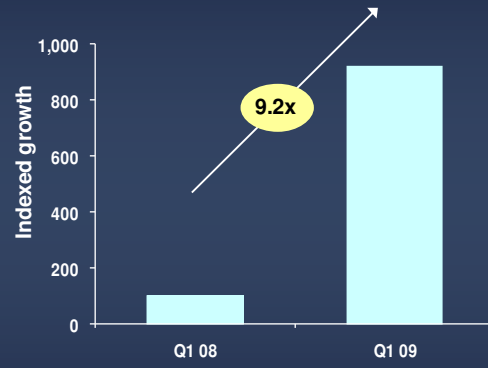


## Strong platform in US is key to success

US Equities Revenues



US Investment banking fee income



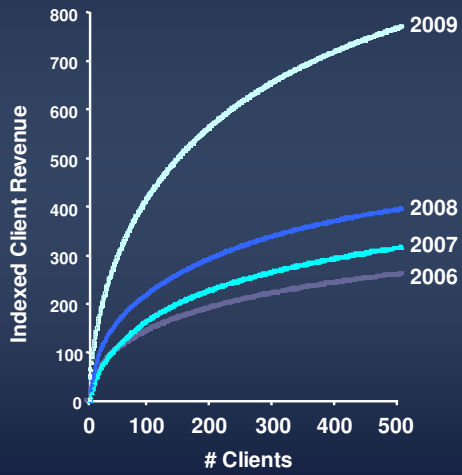
## **Target Top 3 position over the next 3 years in Europe and Asia**

- **Leading with content**
- **Build/leverage scalable global Infrastructure**
- **Hire 'A' players**
- **Leverage strong Barclays Capital franchise**

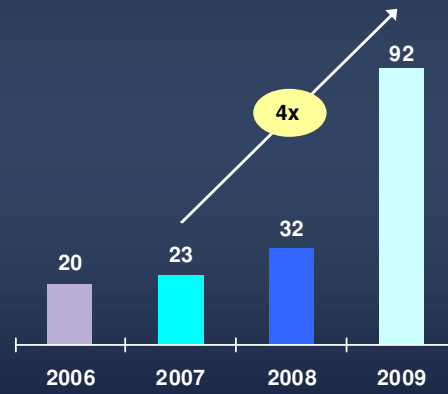


## Client focused execution in a controlled and scalable manner

Client Revenue Top 500 Clients –  
2006 May YTD to 2009 May YTD



Clients with Production > £10m –  
2006 May YTD to 2009 May YTD



# Financial and Risk Management is at the core of what we do

	Approach	Implementation
Centrally Set Limits	<ul style="list-style-type: none"> <li>• Firm wide Appetite</li> </ul>	<ul style="list-style-type: none"> <li>• Market &amp; Credit Risk</li> <li>• Liquidity</li> <li>• Capital &amp; Balance Sheet</li> </ul>
Dynamically Managed	<ul style="list-style-type: none"> <li>• Direct Accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Business Level</li> <li>• Desk Level</li> </ul>
Culture	<ul style="list-style-type: none"> <li>• Peer Review</li> </ul>	<ul style="list-style-type: none"> <li>• ExCo</li> <li>• Capital Commitments</li> <li>• Transaction Reviews</li> </ul>



## Summary points

- Significant transformation of US franchise
- Building top tier global equities and M&A businesses
- World class franchise underpinned by
  - Client focus
  - Financial discipline
  - Strong risk management





**Rich Ricci**

## Built-to-last philosophy underpins performance

### Built-to-last Objectives

Execution

Scalable platforms

Risk management and capital management

### Investment Banking Requirements

Deliver strategic and financial objectives

Leverage scale globally

Manage balance sheet actively and focus on returns



## Execution capability – Lehman integration

Completed Lehman  
integration in  
January 2009 –  
within 100 day  
target

Now operating as 'One Firm'

- Single brand and identity
- Unified management team
- Strong risk and cost control processes
- One culture





## Execution capability: Managing costs

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### Operating costs

- Proven track record of managing cost
- Strong performance relative to peers

### Cost principles

- Disciplined organisational structure
- Rigorous hiring process

### Global and regional hubs

- Global and regional infrastructure hubs
- Global client execution in financial centres

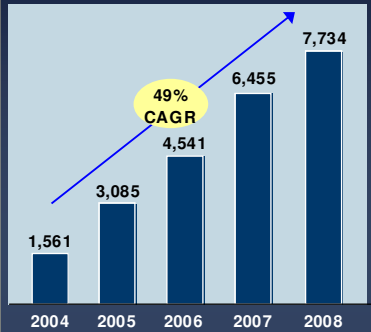


# Leveraging scalable platforms: BARX

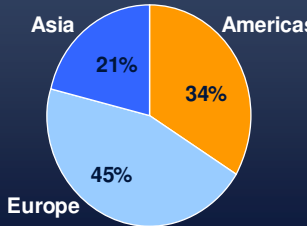
**BARX**



FX, MM, FI and Equities Client Volumes (£bn)



2009 YTD Geographical Breakdown



## Focus on risk and capital management

Overall risk management control framework		Implications
<b>Governance</b>	<ul style="list-style-type: none"><li>• Independent risk function and Board review</li></ul>	<ul style="list-style-type: none"><li>• Direct business accountability at macro and desk level for capital, balance sheet and liquidity</li><li>• Capital, balance sheet and liquidity installed as key performance metrics along with P&amp;L, credit risk and market risk</li><li>• Focus on returns</li></ul>
<b>Implementation</b>	<ul style="list-style-type: none"><li>• Balance sheet, liquidity and capital transaction reviews</li><li>• Regular reviews of risk models and inputs</li></ul>	
<b>Execution</b>	<ul style="list-style-type: none"><li>• Focus on liquidity against currency and maturity</li><li>• Reducing unsecured funding and extending maturity</li></ul>	



## Proactively managing balance sheet

As at 31 December 2008

£bn	Group	Barclays Capital
Total assets	2,053	1,629
Derivative gross-up	(917)	(917)
AUM on balance sheet	(69)	-
Settlement balances	(30)	(30)
Goodwill & intangible assets	(10)	(1)
Adjusted tangible assets	1,027	681
Tier 1 capital	37	N/A
Adjusted gross leverage	28x	N/A

Significantly reduced in 2009

Focus on driving efficiency and reducing Barclays leverage



# Barclays Capital balance sheet

31 December 2008 Adjusted tangible assets

Assets	% of Total
• Cash and balances with Central Banks	16%
• Reverse repos	20%
• Governments and agency securities	16%
• Corporate debt securities	10%
• Equities and Other	7%
• ABS (non-RMBS)	6%
• Corporate Lending	9%
• Net derivatives	10%
• Commercial Real Estate	3%
• Leveraged Finance	1%
• RMBS	2%

- Highly liquid assets
- Unencumbered liquid assets expected to increase
- Securities inventory
- Includes market-making and trading assets
- Support trading and relationship banking
- Credit market exposures
- Actively managed and reducing over time



## Delivering built-to-last philosophy

Investment Banking Requirements	Built-to-last Objectives	Delivery examples
Deliver strategic and financial objectives	Execution	<ul style="list-style-type: none"><li>• Lehman integration</li><li>• Financial discipline</li></ul>
Leverage scale globally	Scalable platforms	<ul style="list-style-type: none"><li>• BARX multi-asset platform</li></ul>
Manage balance sheet actively and focus on returns	Risk management and capital management	<ul style="list-style-type: none"><li>• Manage legacy assets, reduce exposures</li><li>• Decreased leverage</li><li>• Equities / M&amp;A (high return businesses)</li></ul>





**Robert E Diamond, Jr.**

## Barclays Capital's new Mission Statement

*"To be the Premier Global Investment Bank"*







**Investor Seminar  
New York, June 17, 2009**