



# Barclays PLC

**2008 Full Year Results**  
**9th February 2009**



**Chris Lucas**

Group Finance Director

# Profit before tax

£bn	
Profit before tax	6.1
Gains on acquisition	2.4
Profit on disposals	0.6
Gross credit market losses	(8.1)
Gains on own credit	1.7

# Group performance

	2007 £m	2008 £m	% change
Income	23,000	23,115	1
Operating expenses	(13,199)	(14,366)	9
Impairment charges	(2,795)	(5,419)	94
Gains on acquisitions	-	2,406	-
Profit before tax	7,076	6,077	(14)
Earnings per share	68.9p	59.3p	
Return on equity	20.3%	16.5%	

# GRCB: Divisional performance

<b>Profit before tax</b>	<b>2007 £m</b>	<b>2008 £m</b>	<b>% change</b>
UK Retail Banking	1,275	1,369	7
Barclays Commercial Bank	1,357	1,266	(7)
Barclaycard	603	789	31
GRCB - Western Europe	196	257	31
GRCB - Emerging Markets	100	134	34
GRCB - Absa	597	552	(8)
<b>GRCB Total</b>	<b>4,128</b>	<b>4,367</b>	<b>6</b>

## GRCB: Divisional performance

<b>Profit before tax</b>	<b>2007 £m</b>	<b>2008 £m</b>	<b>% change</b>
UK Retail Banking	1,275	1,369	7
Barclays Commercial Bank	1,357	1,266	(7)
Barclaycard	603	789	31
GRCB - Western Europe	196	257	31
GRCB - Emerging Markets	100	134	34
GRCB - Absa	597	552	(8)
<b>GRCB Total</b>	<b>4,128</b>	<b>4,367</b>	<b>6</b>

## GRCB: Divisional performance

<b>Profit before tax</b>	<b>2007 £m</b>	<b>2008 £m</b>	<b>% change</b>
UK Retail Banking	1,275	1,369	7
Barclays Commercial Bank	1,357	1,266	(7)
Barclaycard	603	789	31
GRCB - Western Europe	196	257	31
GRCB - Emerging Markets	100	134	34
GRCB - Absa	597	552	(8)
<b>GRCB Total</b>	<b>4,128</b>	<b>4,367</b>	<b>6</b>

# GRCB: Divisional performance

Profit before tax	2007 £m	2008 £m	% change
UK Retail Banking	1,275	1,369	7
Barclays Commercial Bank	1,357	1,266	(7)
Barclaycard	603	789	31
GRCB - Western Europe	196	257	31
GRCB - Emerging Markets	100	134	34
GRCB - Absa	597	552	(8)
<b>GRCB Total</b>	<b>4,128</b>	<b>4,367</b>	<b>6</b>

## GRCB: Divisional performance

<b>Profit before tax</b>	<b>2007 £m</b>	<b>2008 £m</b>	<b>% change</b>
UK Retail Banking	1,275	1,369	7
Barclays Commercial Bank	1,357	1,266	(7)
Barclaycard	603	789	31
GRCB - Western Europe	196	257	31
GRCB - Emerging Markets	100	134	34
GRCB - Absa	597	552	(8)
<b>GRCB Total</b>	<b>4,128</b>	<b>4,367</b>	<b>6</b>

## GRCB: Divisional performance

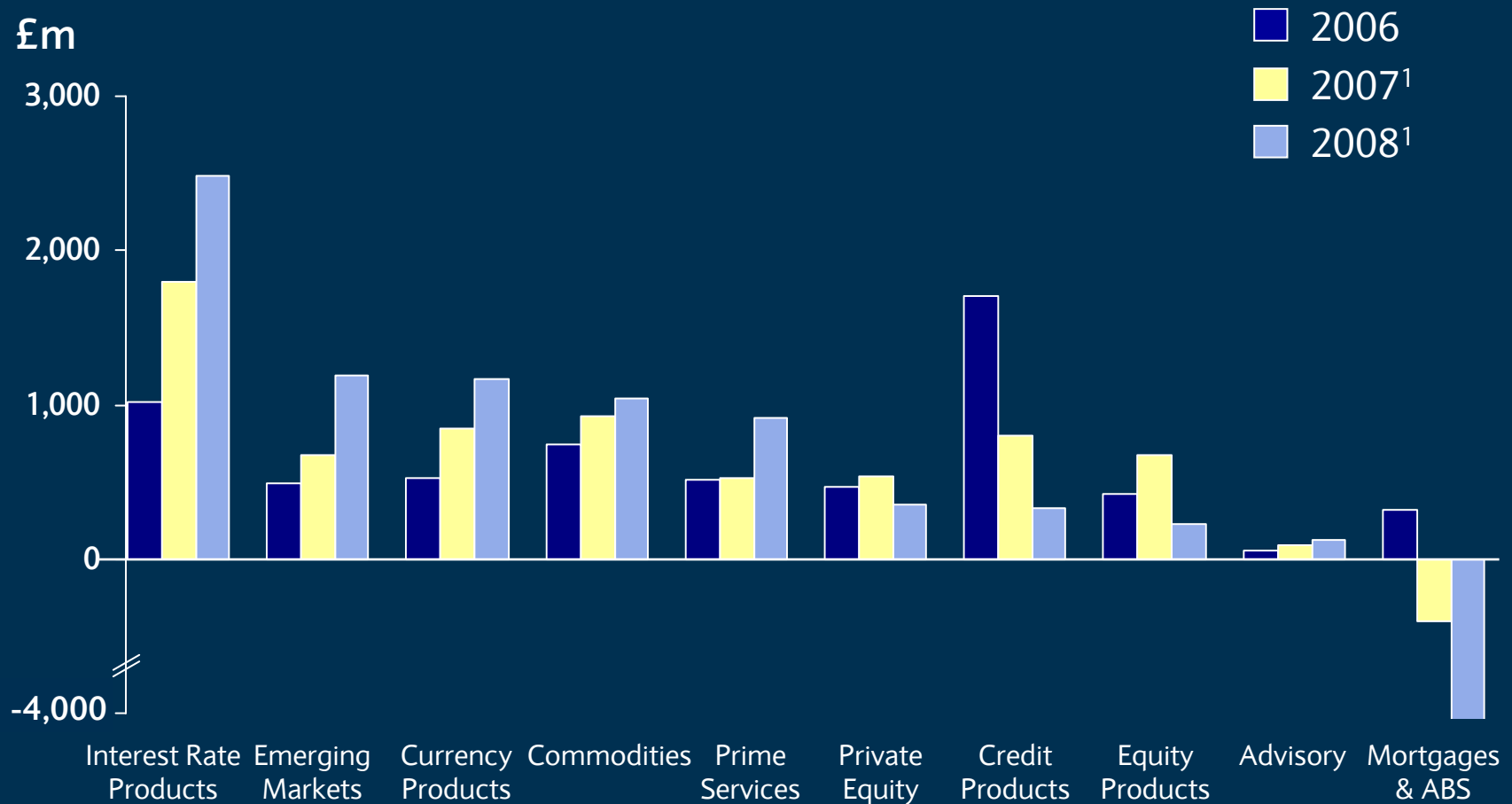
<b>Profit before tax</b>	<b>2007 £m</b>	<b>2008 £m</b>	<b>% change</b>
UK Retail Banking	1,275	1,369	7
Barclays Commercial Bank	1,357	1,266	(7)
Barclaycard	603	789	31
GRCB - Western Europe	196	257	31
GRCB - Emerging Markets	100	134	34
GRCB - Absa	597	552	(8)
<b>GRCB Total</b>	<b>4,128</b>	<b>4,367</b>	<b>6</b>

## IBIM: Divisional performance

<b>Profit before tax</b>	<b>2007 £m</b>	<b>2008 £m</b>	<b>% change</b>
Barclays Capital	2,335	1,302	(44)
Barclays Global Investors	734	595	(19)
Barclays Wealth	307	671	119
<b>IBIM Total</b>	<b>3,376</b>	<b>2,568</b>	<b>(24)</b>

# Barclays Capital: well diversified income

Income  
£m



# Credit market writedowns

£bn	Half Year to 30 June	Full Year to 31 Dec
Gross losses	3.3	8.1
Gains on own credit	(0.9)	(1.7)
Hedges and income	(0.4)	(1.4)
Net losses	2.0	5.0

# Credit Market Exposures

		2008 movement	
£bn	2008	Net Sales / Paydowns	Writedowns
US Residential Mortgages	12.5	(4.1)	(5.6)
Commercial Mortgages	14.2	(2.2)	(1.5)
Leveraged Finance / CLOs	13.4	(3.1)	(1.0)
		(9.4)	(8.1)

## IBIM: Divisional performance

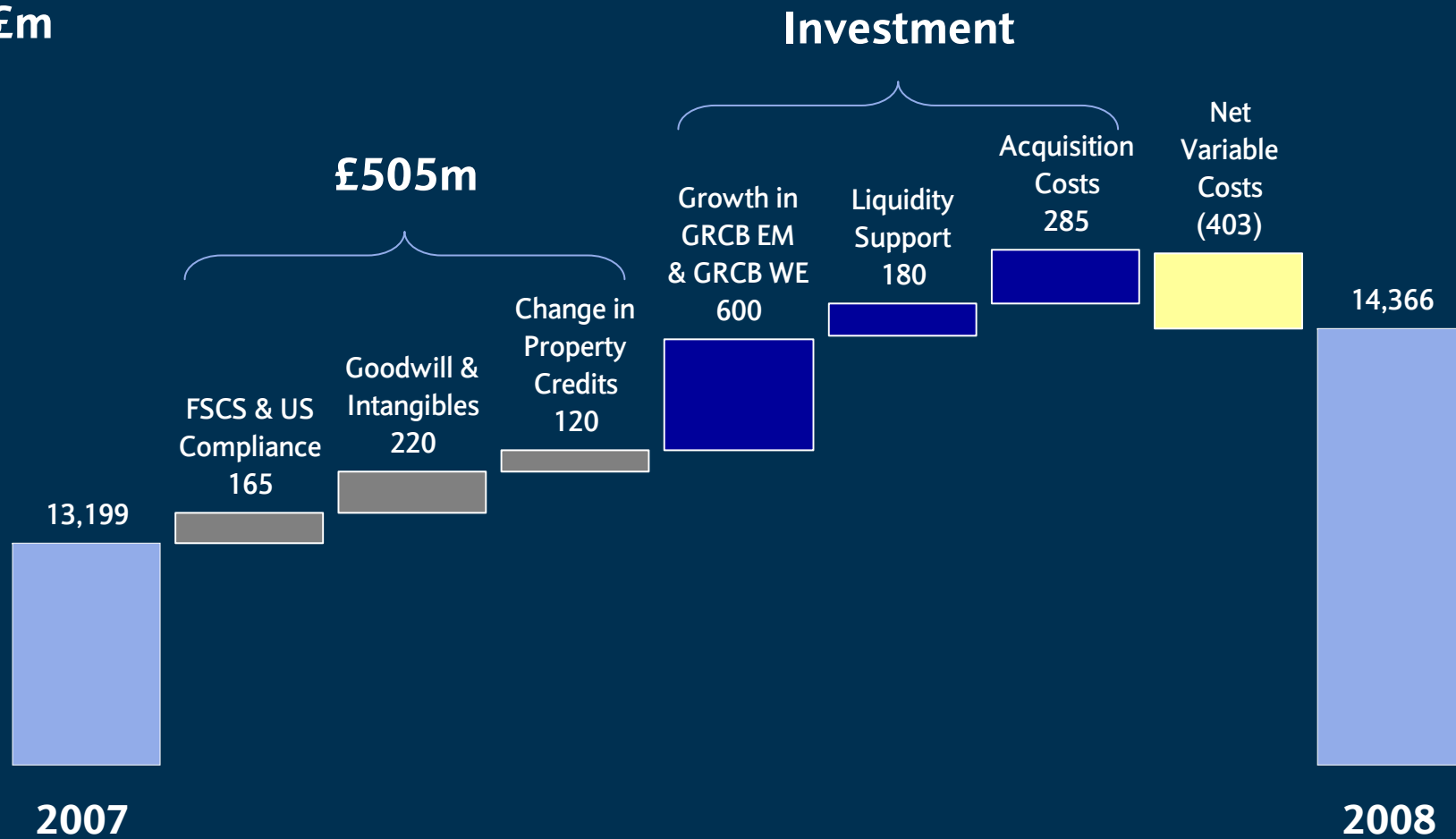
<b>Profit before tax</b>	<b>2007 £m</b>	<b>2008 £m</b>	<b>% change</b>
Barclays Capital	2,335	1,302	(44)
Barclays Global Investors	734	595	(19)
Barclays Wealth	307	671	119
<b>IBIM Total</b>	<b>3,376</b>	<b>2,568</b>	<b>(24)</b>

## IBIM: Divisional performance

<b>Profit before tax</b>	<b>2007 £m</b>	<b>2008 £m</b>	<b>% change</b>
Barclays Capital	2,335	1,302	(44)
Barclays Global Investors	734	595	(19)
Barclays Wealth	307	671	119
<b>IBIM Total</b>	<b>3,376</b>	<b>2,568</b>	<b>(24)</b>

# Cost Growth

£m





# Balance sheet growth

# Balance sheet growth

£bn	31 Dec 07	31 Dec 08	change
Total assets	1,227	2,053	826
Derivative assets	248	985	737
Loans & advances	386	510	124
Other assets	593	558	(35)

# Adjusted gross leverage

£bn	31 Dec 07	31 Dec 08
Total assets	1,227	2,053
Derivative gross-up	(215)	(917)
AUM on balance sheet	(93)	(69)
Settlement balances	(22)	(30)
Goodwill & Intangible assets	(8)	(10)
Adjusted tangible assets	889	1,027
Tier 1 capital	27	37
Adjusted gross leverage	33x	28x

# Shareholders' equity

£bn		
31 Dec 2007	23.3	
Equity raisings	5.0	
MCNs and Warrants	4.4	
Attributable earnings	4.4	
Dividends paid	(2.3)	
Other movements	1.8	
31 Dec 2008	36.6	+57%

# Capital

- Risk weighted assets up £80bn to £433bn
- Currency impact £60bn

<b>Basel II %</b>	<b>Tier 1</b>	<b>Equity Tier 1</b>
Dec 07	7.6	5.1
Dec 08	8.6	5.8
Proforma Dec 08	9.7	6.7



# Barclays PLC



# Robert Le Blanc

Risk Director

# Topics

Credit market exposures  
(valuation process)

UK Retail Bank  
UK & US Cards  
Barclays Commercial Bank

Absa  
Spain  
Emerging Markets

Market risk

Economic environment

Impairment outlook

# Credit Market Exposures

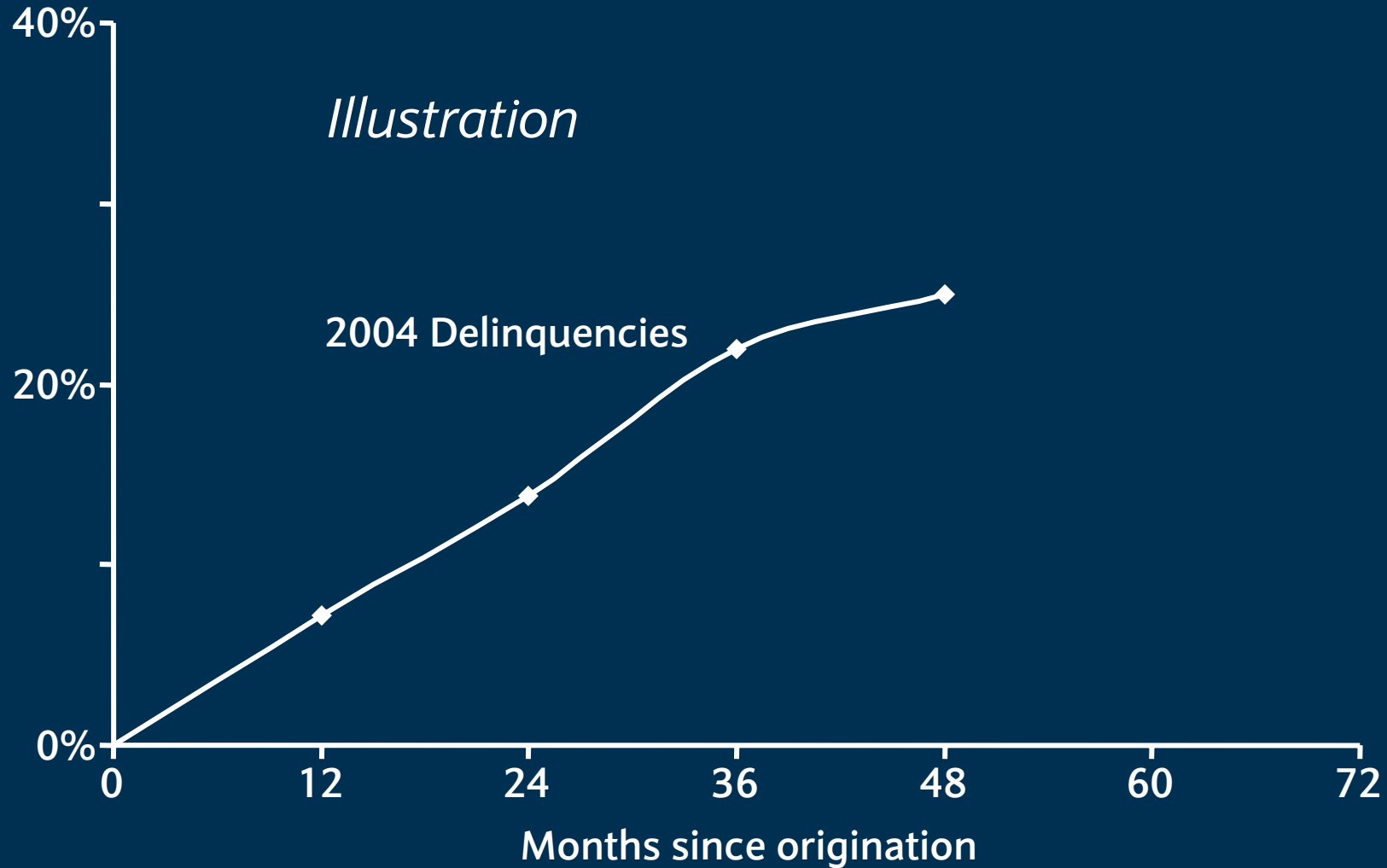
## Market Valuations

- Fair values

## Risk Governance

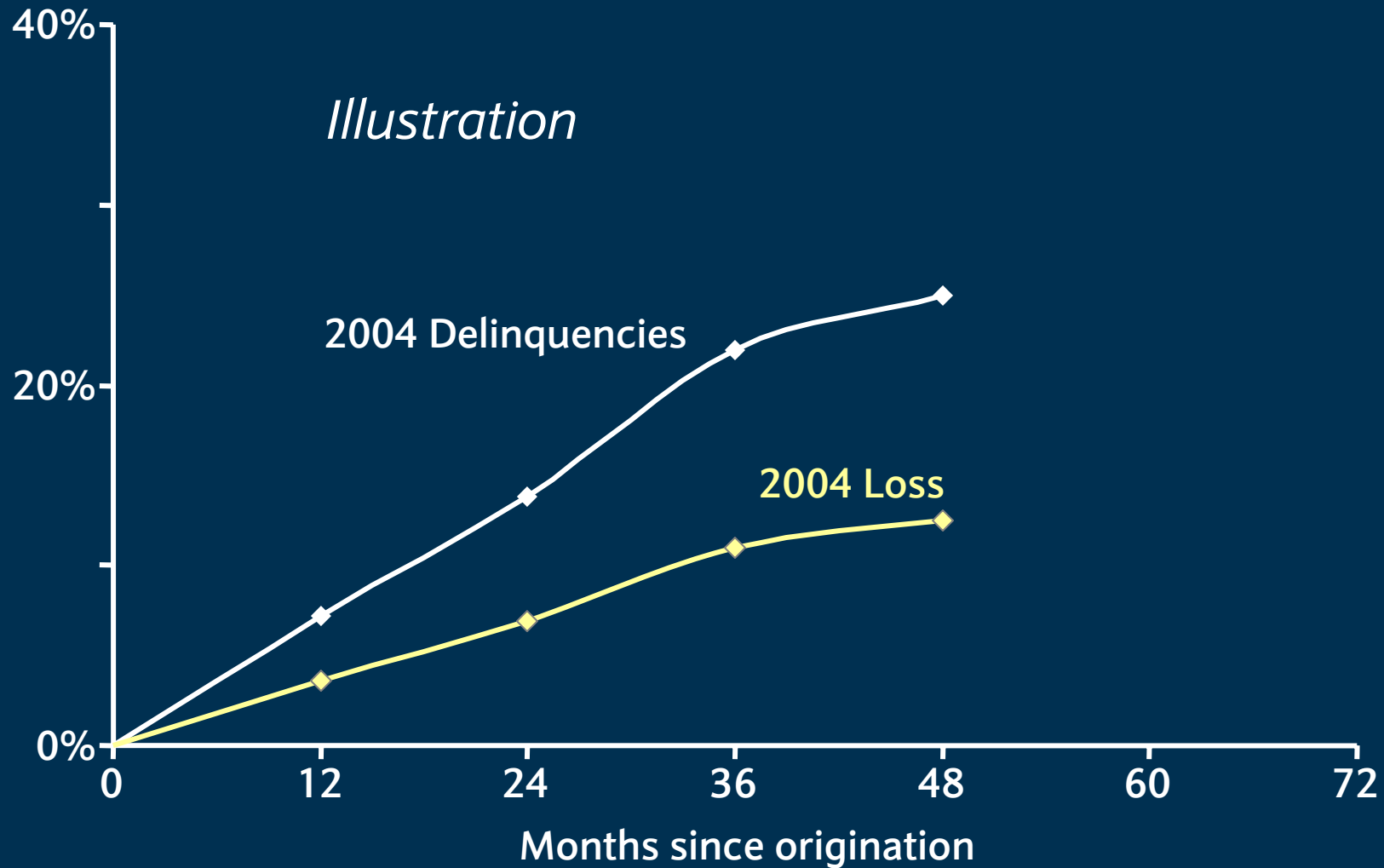
- Independent risk function
- Impairment
- Board oversight
- Auditor review

# Impairment Model Sub-prime Delinquencies



# Impairment Model

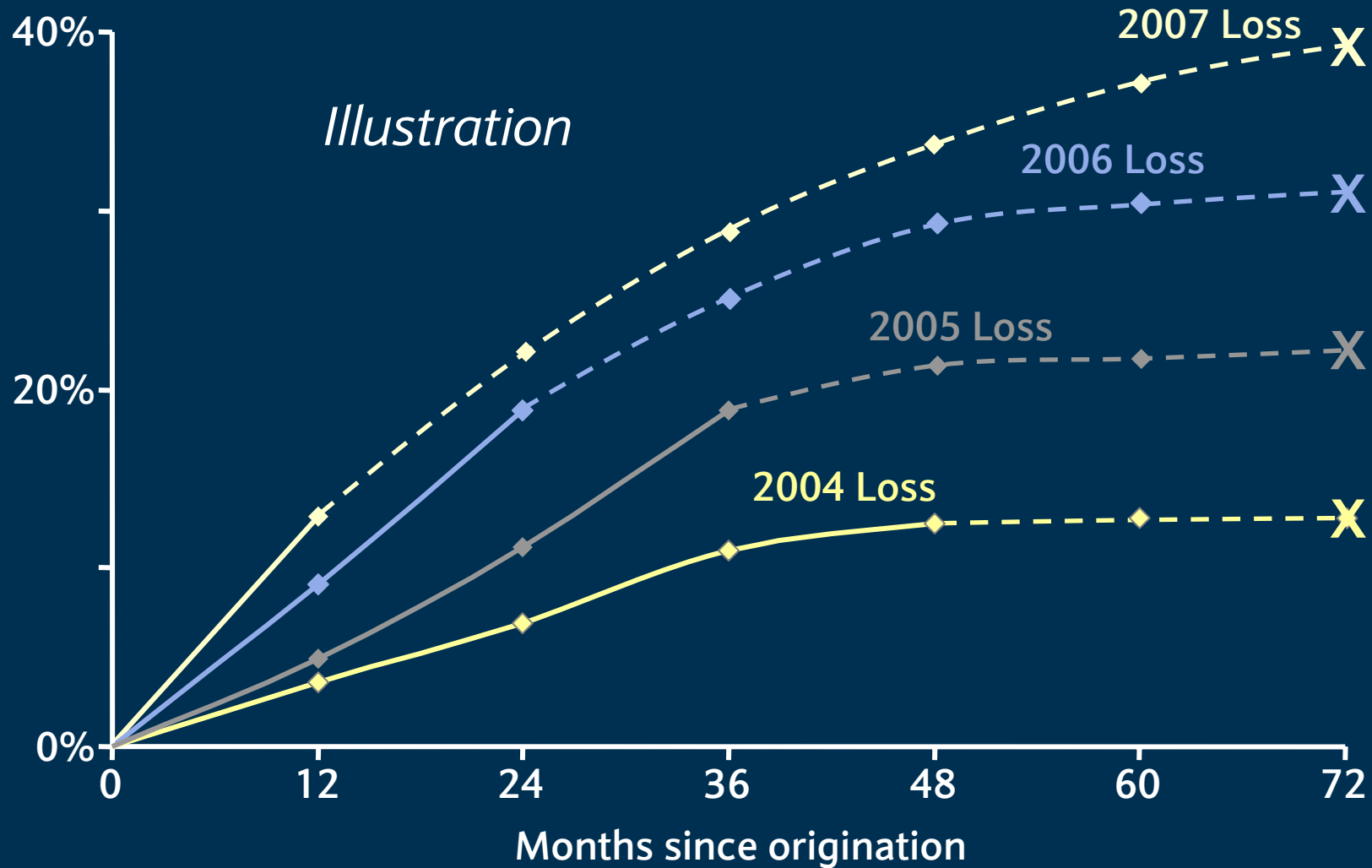
## Sub-prime Delinquencies and...Loss Rate



# Impairment Model Loss Rate



# Impairment Model Cumulative Loss Rates





# ABS CDO Super Senior

2008

Liquidations £2.3bn	Losses £1.5bn	Balance £3.1bn
---------------------	---------------	----------------

Ratings

50% RMBS collateral rated AAA/AA

Asset Quality

72% 2005 or earlier, no mezzanine,  
no synthetic

Marks

2nd lien marked at zero

# Other Sub-prime and Alt-A

2008

Disposals	£1.8bn	Losses	£3.7bn	Balance	£7.7bn
-----------	--------	--------	--------	---------	--------

Ratings

£4.0bn securities - 48% AAA

Marks range from 9% to 43%

Asset Quality

£2.3bn Whole Loans

of which £1.6bn Sub-prime

45% of Sub-prime FHA eligible

# Commercial Mortgages

2008

Disposals	£2.2bn	Losses	£1.1bn	Balance	£12.3bn
-----------	--------	--------	--------	---------	---------

	US	Germany	UK	Other
Balances	£6.3bn	£2.5bn	£0.8bn	£2.0bn
Asset Quality (LTV)	81%	79%	78%	85%
Mark (%)	88	95	89	94

---

Ratings                      £735m securities - 80% AAA

# Monolines

Disposals nil	Total Reserves £1.7bn	Exposure £8.4bn
---------------	-----------------------	-----------------

	Notional	Rating	MTM Exposure	Reserve
CLO & other	76%	98% AAA/AA	£5.8bn	£0.8bn
CMBS	14%	100% AAA/AA	£2.2bn	£0.4bn
US RMBS	10%	19% IG	£2.1bn	£0.5bn

# Sponsored Leveraged Finance

2008

Balance £10.4bn	Net Loss nil	Repayment £3.1bn
-----------------	--------------	------------------

Asset Quality

Alltel repaid Jan 09

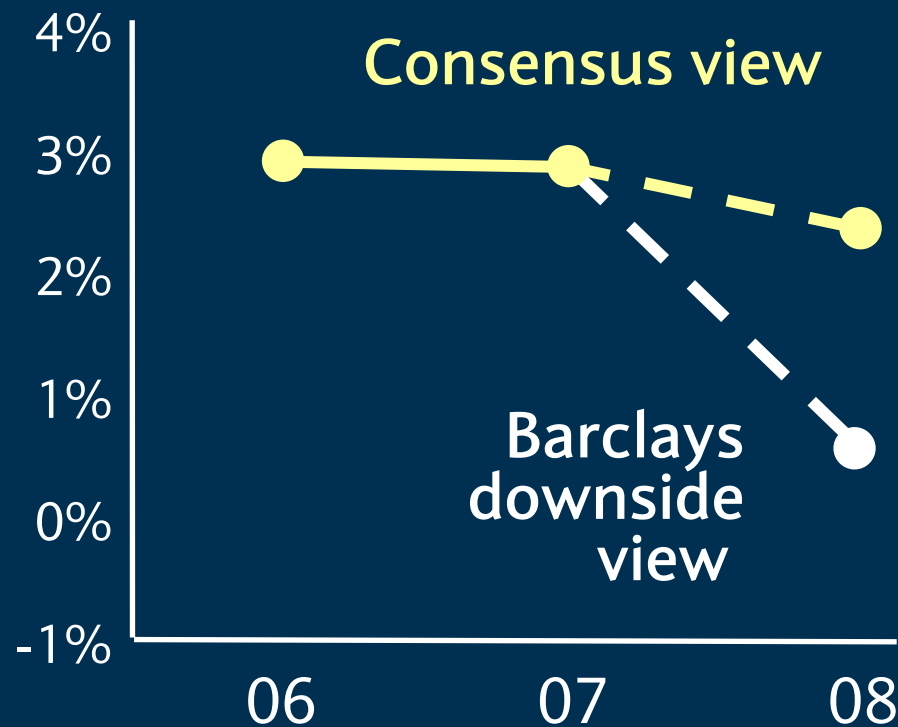
Remaining US book very small

Alliance Boots & AA Saga – 47% of book

Portfolio performance satisfactory

# 2008 Planning - Risk Appetite

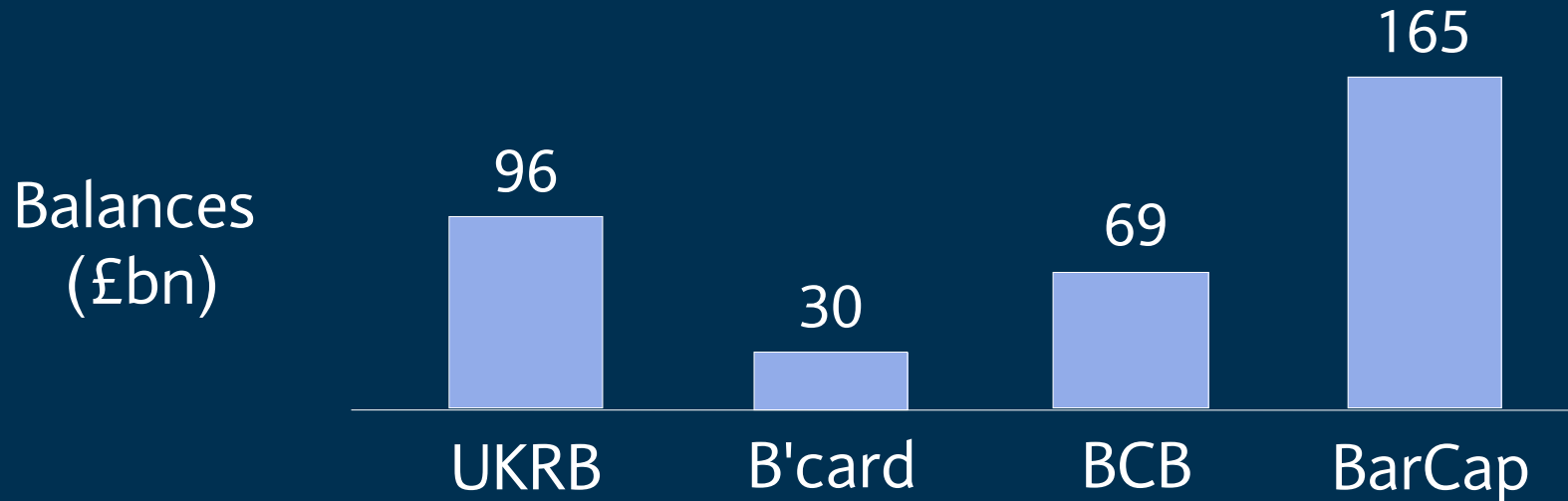
UK GDP



Project Meta

- UK, US, Spain, South Africa
- 300+ Immediate actions
- 100+ Strategic actions
- Q4 08 - Emerging Markets

# Loans and Advances to Customers



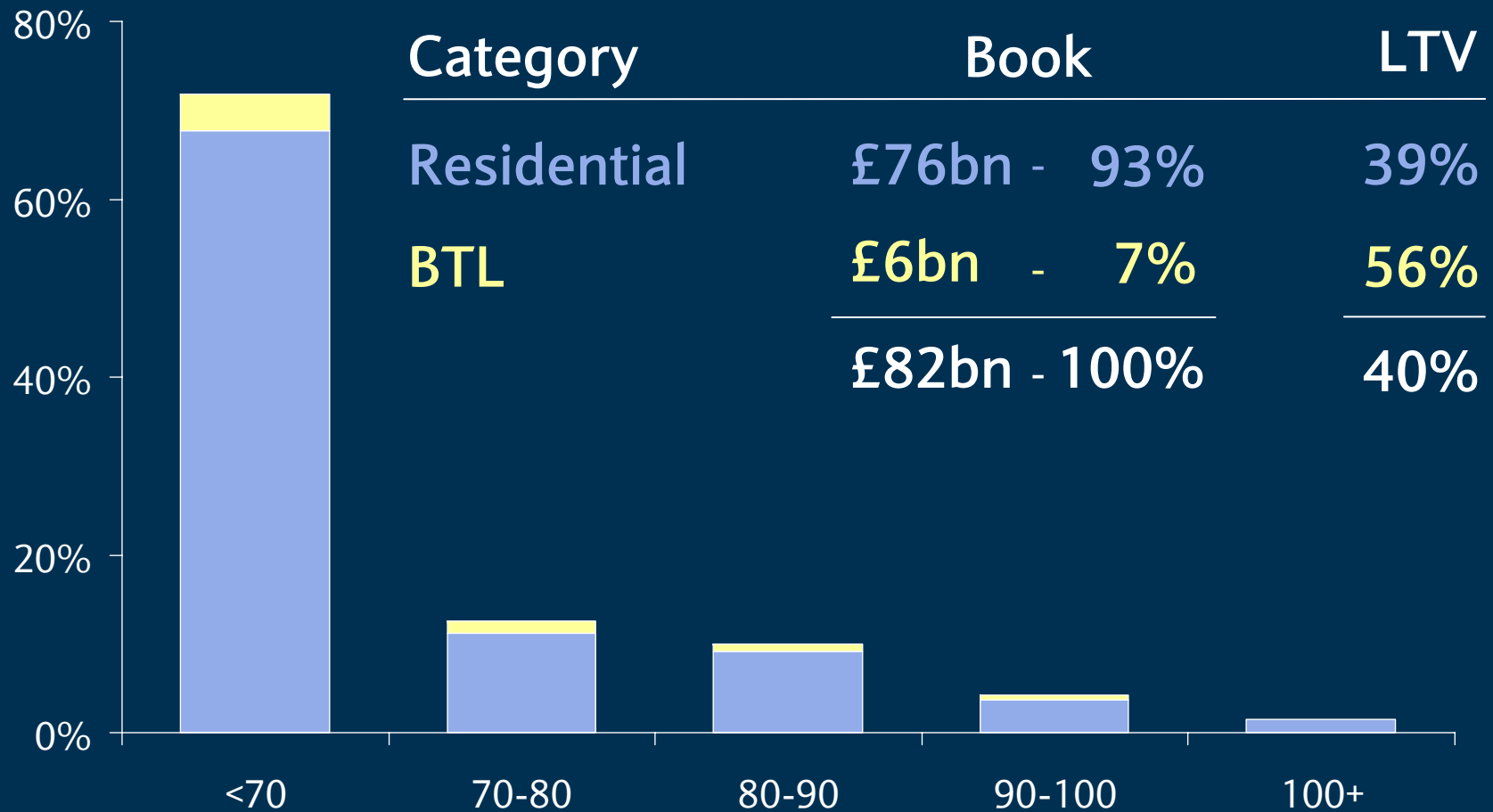
LLR 07 (bp)	67	397	45	84
-------------	----	-----	----	----

LLR 08 (bp)	63	369	60	115
-------------	----	-----	----	-----

LLR 08 Trend

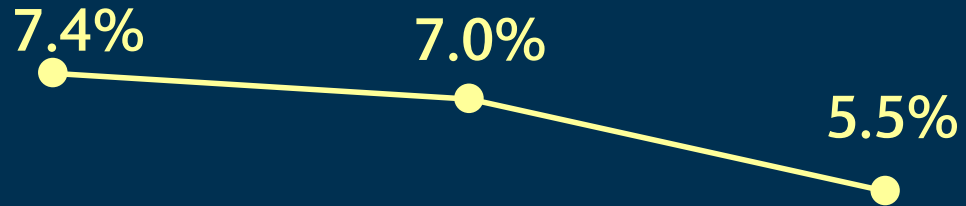


# UK Mortgages - LTVs

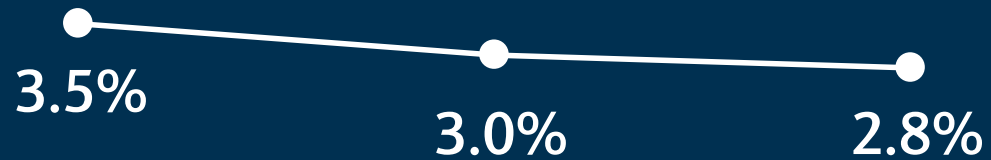


# UK Loans

Annual  
Charge Off



>30 Day  
Delinquency

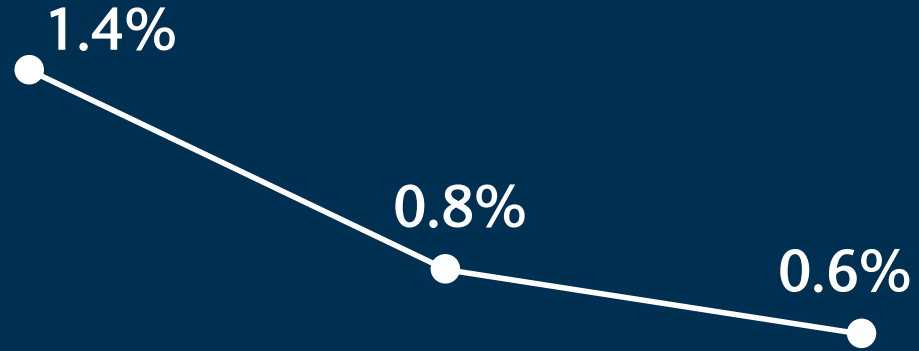


Balances

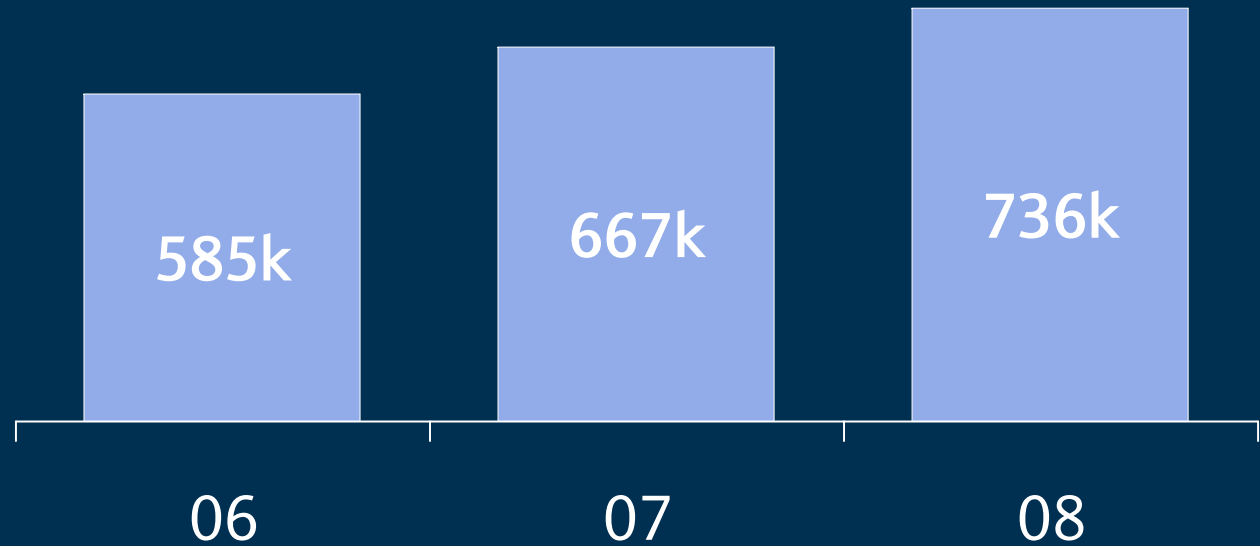


# UK Cards

Delinquency  
after 3 months  
on book

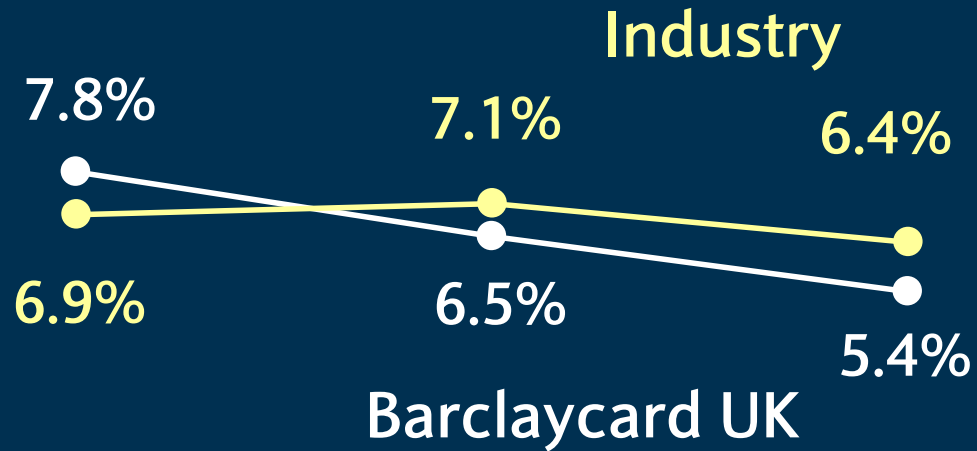


Approved  
Accounts

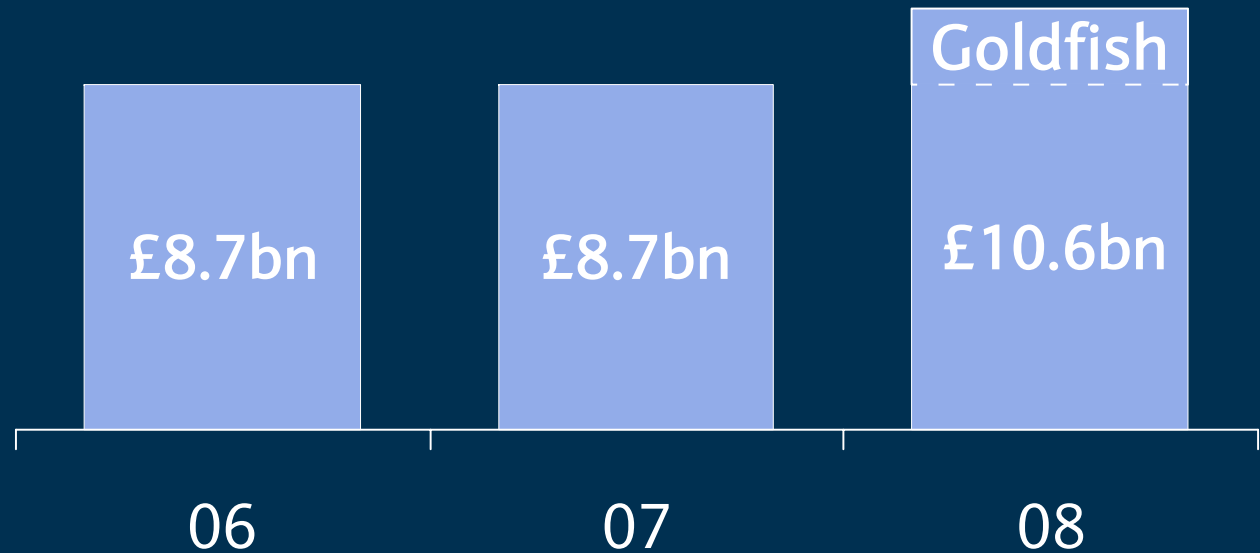


# UK Cards

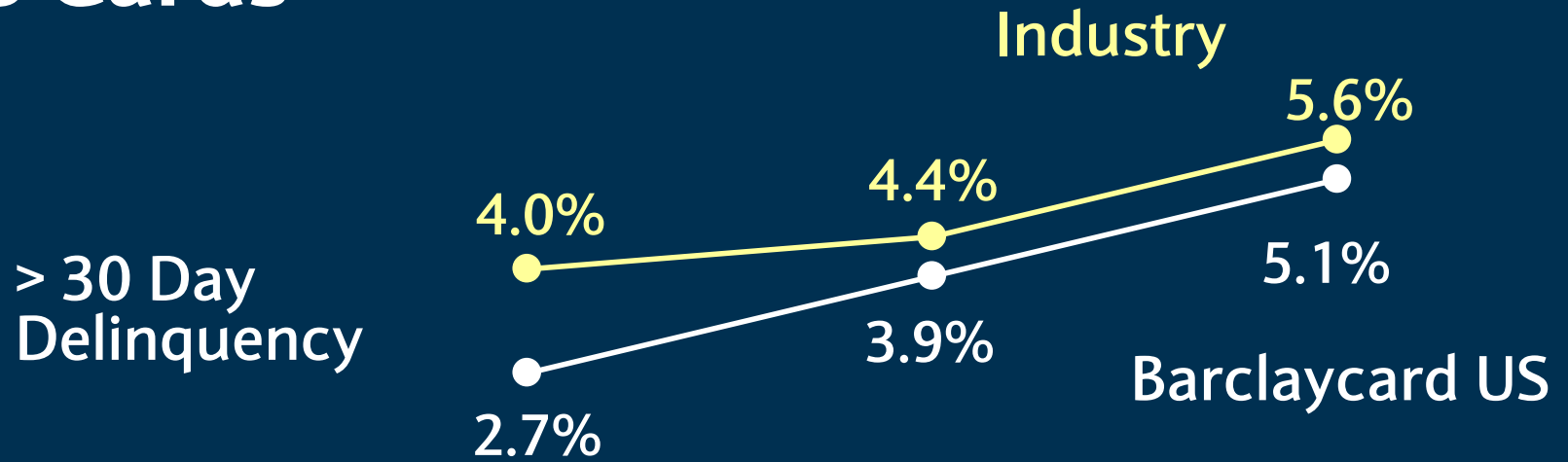
Annual Charge Off



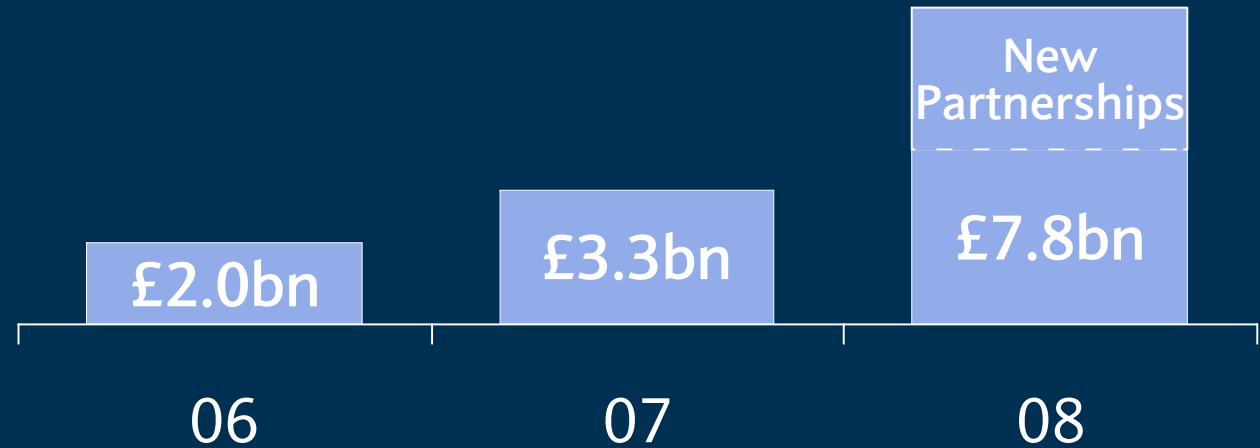
Balances



# US Cards

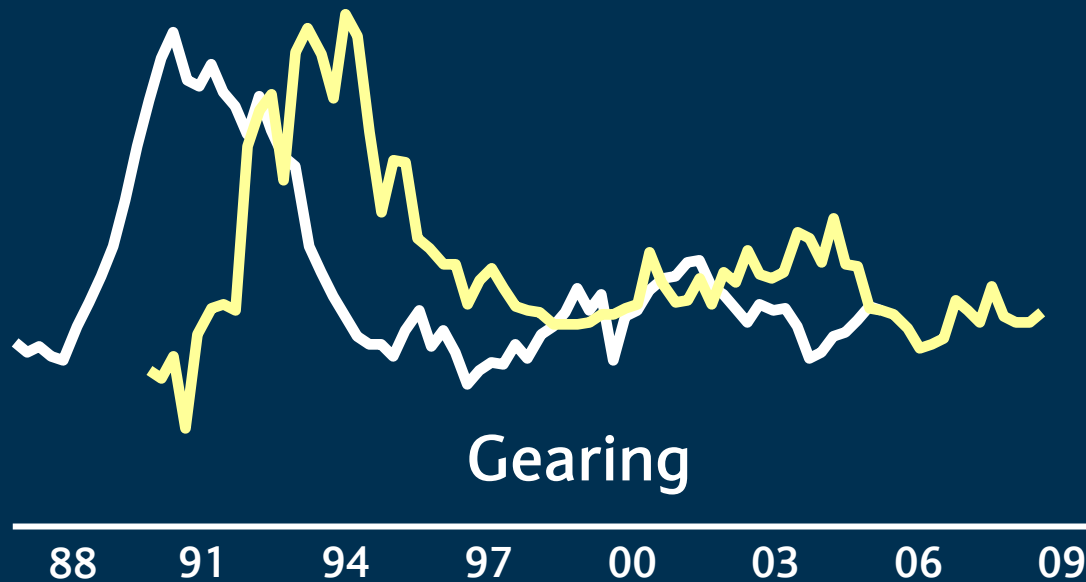


## Balances



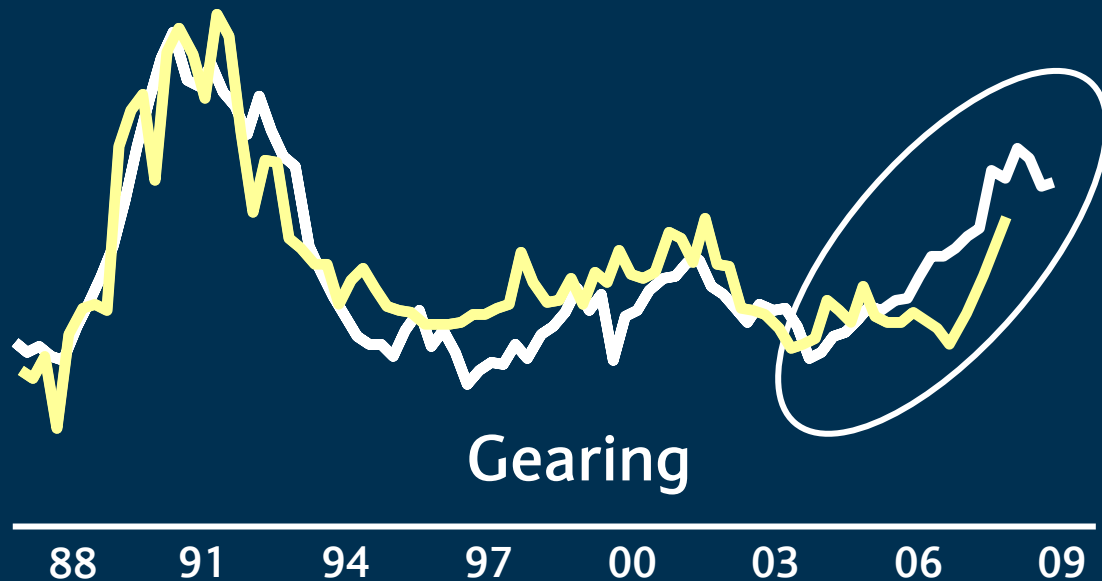
# UK Company Gearing and Insolvencies

Insolvencies



# UK Company Gearing and Insolvencies

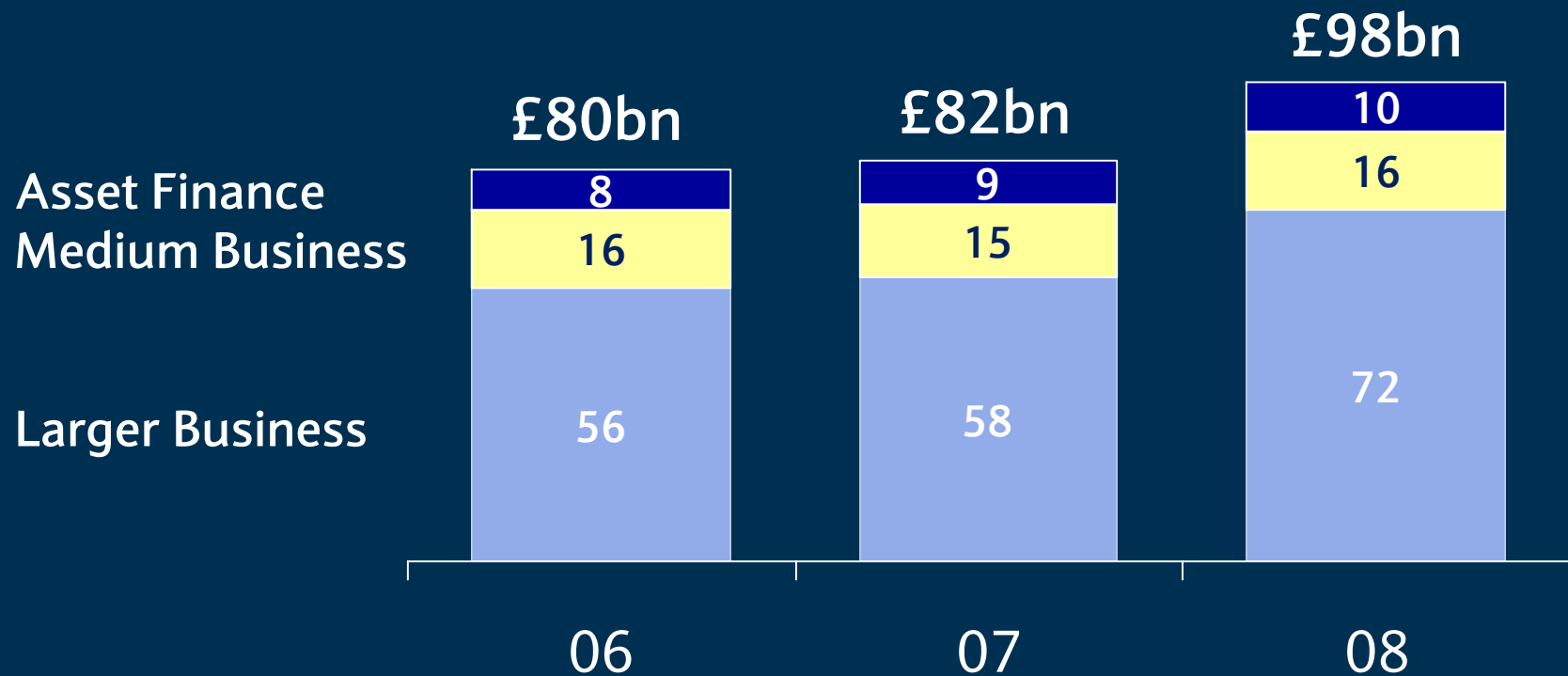
## Insolvencies






- Single Name Risk
- Sector Limits
- Commercial Property
- Financial Sponsor Leverage
- Secured Lending

# Barclays Commercial Bank Limits

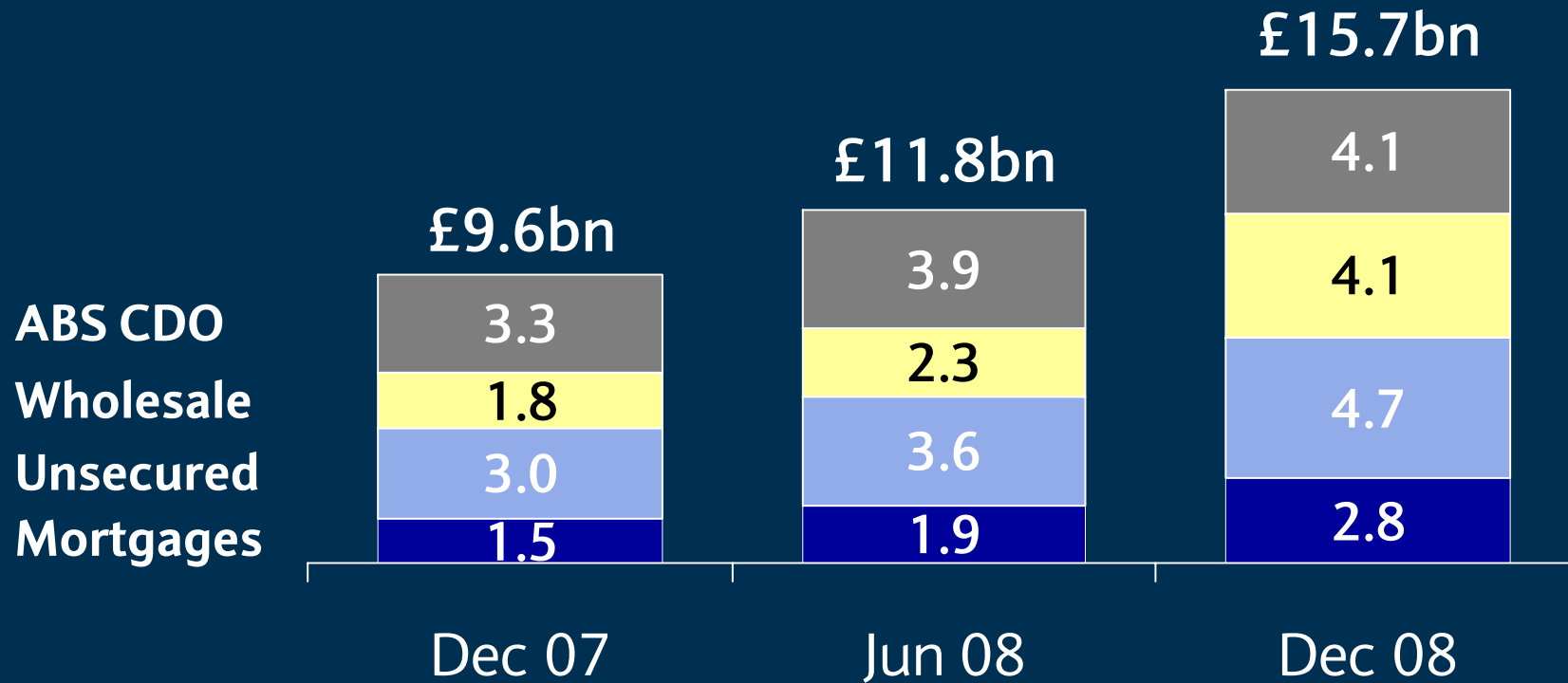
Comm Property	4%	5%	5%
Leveraged	4%	3%	3%



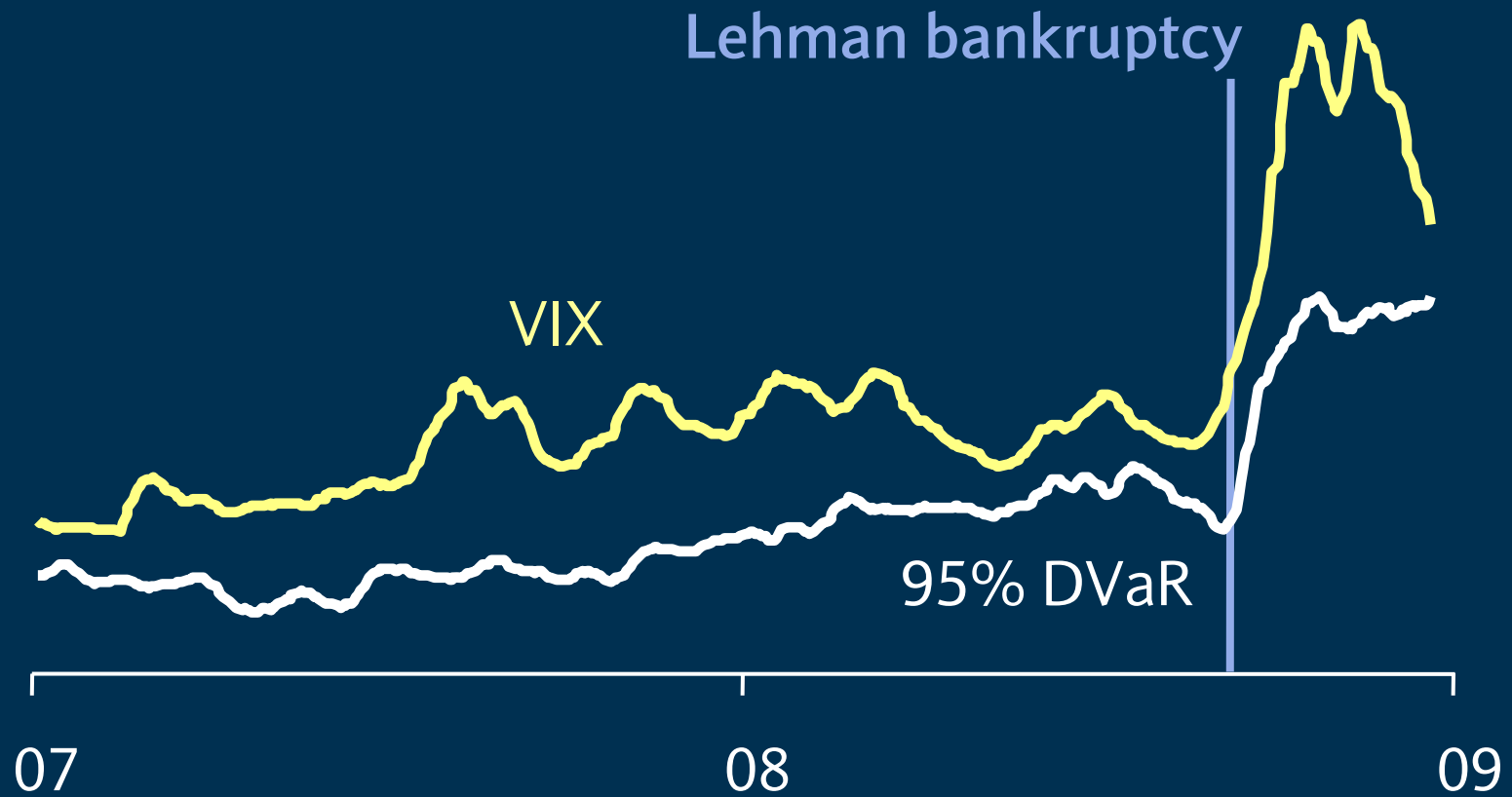
# Other Areas of Focus

	Absa	Western Europe	Emerging Markets
Customer Balances (£bn)	33	54	12
LLR 07 (bp)	48	22	58
LLR 08 (bp)	104	54	143
LLR 08 Trend			

# Credit Risk Loans and Coverage Ratio



# Market Risk

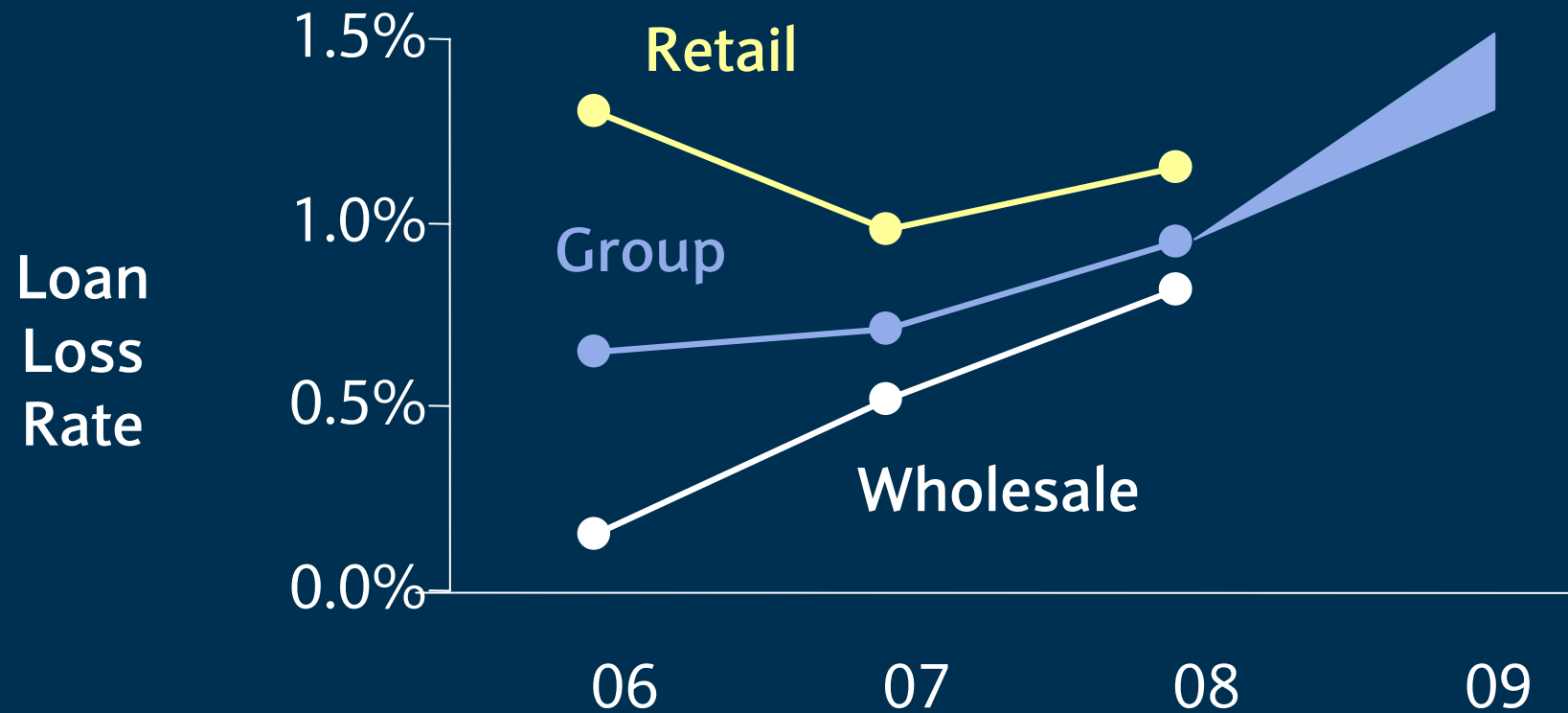


# Consensus Economic Forecast – 2009

	UK	US
Unemployment	~8%	8-9%
House Prices to fall	12-15%	10-12%
GDP to decline	~2%	1-2%

- 
- Low inflation
  - Low interest rates
  - Commodity prices
  - Low consumer confidence

# Impairment Outlook Planning Assumptions





# John Varley

Group Chief Executive



# Barclays PLC

# 2008 Focal points

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

# 2009 Priorities

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



# Strategic framework

# Strategic framework – what remains unchanged?

- Responsible corporate citizenship
- Universal banking
- Diversification and flexible portfolio management
- Profitability facilitating dividend payments

# Strategic framework – what is changing?

- High capital ratios
- Dividend policy
- Compensation practices
- Lower leverage
- Capital consumption and profit mix

# The year ahead

- 2009 Seminars
- Balance sheet commitments
- Dividends
- Group goals
- Current trading



# Barclays PLC

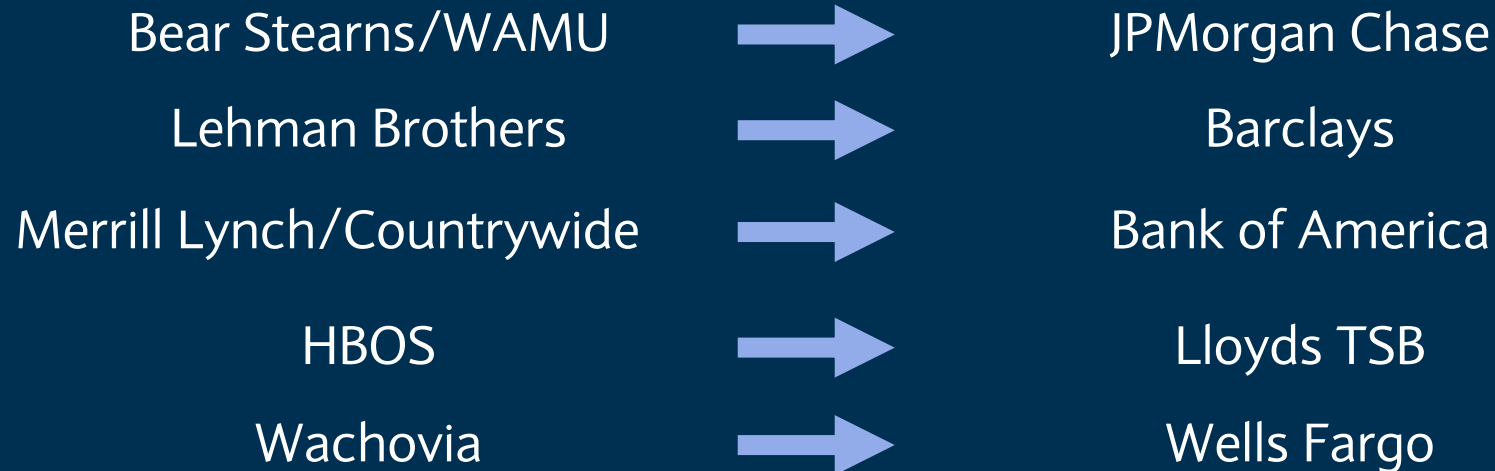


# Barclays PLC

# A time of consolidation & restructuring

## *Industry Consolidation*

---



## **Industry Restructuring**

---

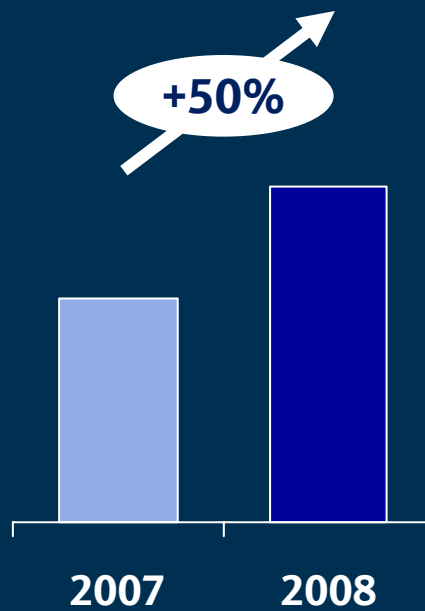


# Growth opportunities in asset classes

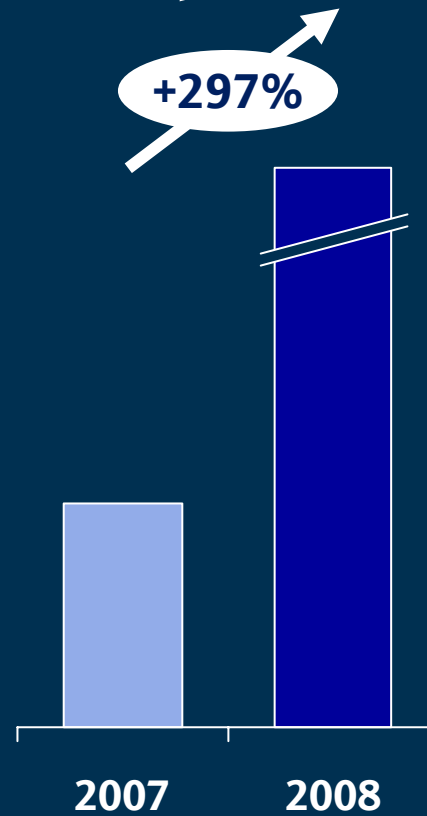
- Fixed Income
- Commodities
- Currencies
- Equities
- Prime Services
- M&A

# Increasing client business

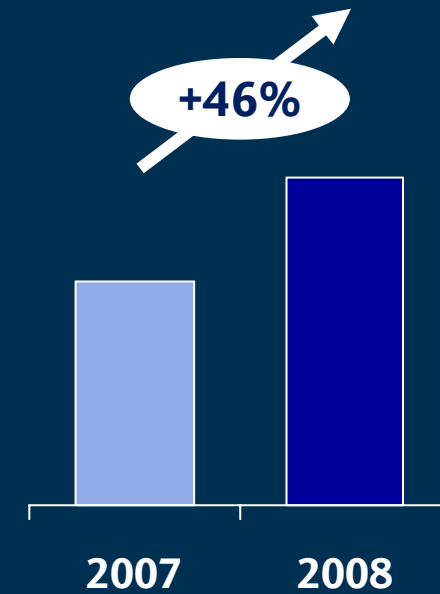
Currencies



Equities



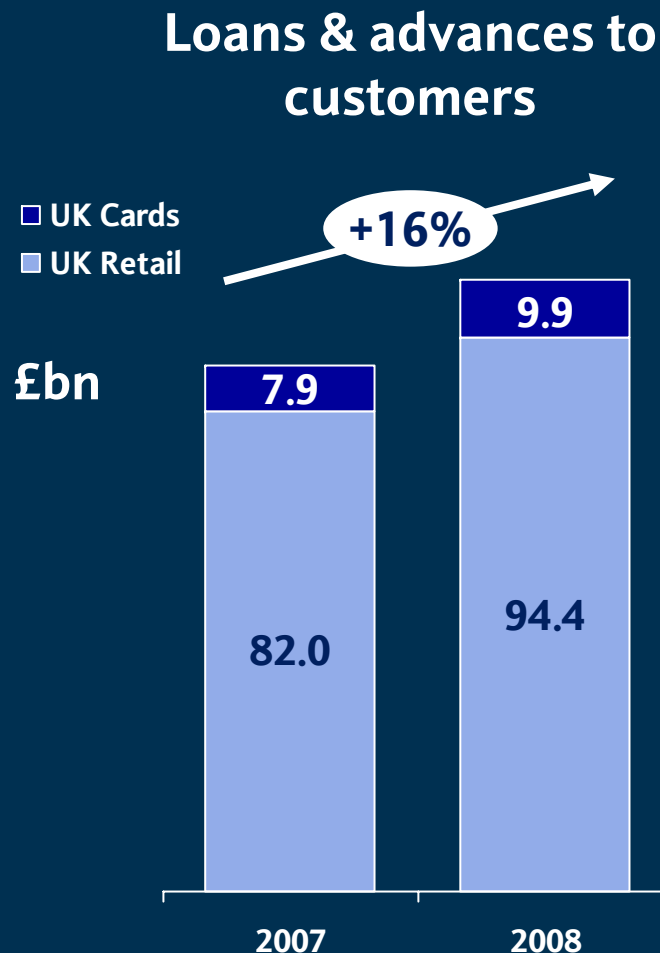
Fixed Income





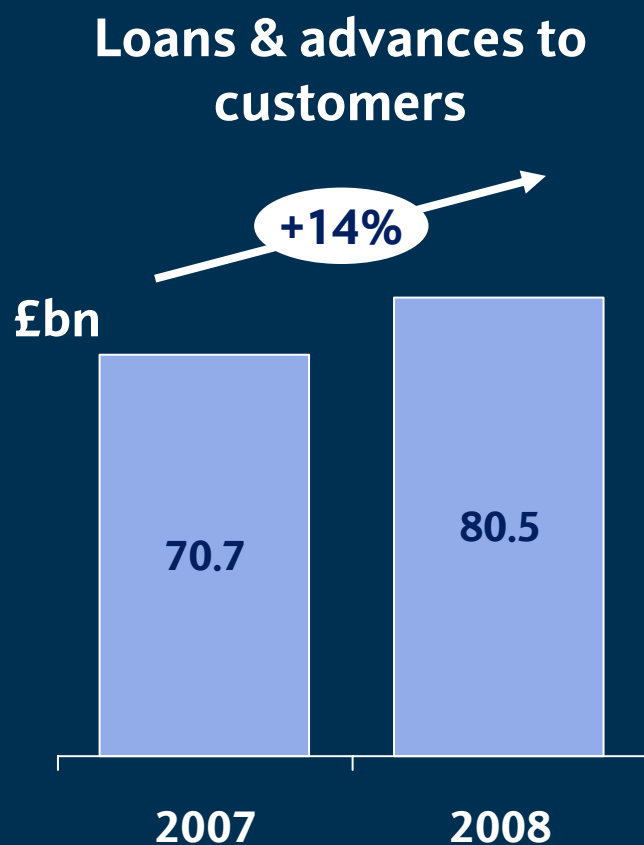
# Barclays PLC

## Prudent growth in lending to UK consumers



- 18% growth in mortgage balances
- 36% net mortgage market share
- 16% growth in Barclaycard customers
- Portfolio Risk Profile remains healthy and well positioned for 2009

## Commitment to staying close to our UK commercial clients



- Growth well spread
  - lower risk, higher quality customers
- Providing funding
  - £2bn social housing
  - £1.5bn SMEs



# Barclays PLC



# Barclays PLC