BARCLAYS

31 October 2011

Q3 Interim Management Statement

Bob Diamond

Good morning – thanks for being with us.

I'm here with Chris. Chris will take you through the details in a moment; I want to share a few headlines before he does that.

I regard our performance in the first nine months as reassuring; it has been a period of considerable challenge and uncertainty.

We have delivered solid financial performance despite significant economic and market pressures.

Our adjusted profit before tax of £5 billion is up 18% over last year; that includes £1.3 billion of adjusted profit in the third quarter.

One of the things that really pleases me is that the profit growth was well balanced. Profit delivery across RBB and Wealth was balanced with profits in CIB – demonstrating the balance in and power of the diversification within our portfolio.

Another thing that I really like is that all but one of our businesses performed better in this quarter than in the prior quarter and the same quarter last year.

The exception of course was Barclays Capital; its performance was clearly impacted by the market environment, but it stands out on a relative basis; we've always said that our model will outperform in difficult markets and I think the BarCap performance in this quarter demonstrates that.

Most importantly, we continued to make progress against the four execution priorities that I shared with you in February.

On capital - our capital, returns, liquidity and funding positions remain rock solid.

Our Core Tier One Ratio stands at 11%, we have passed the EBA stress test – therefore there's no need for additional equity capital.

We reduced our exposure in the EU periphery to sovereigns by 31% and to corporates by 7% during the third quarter.

We increased our pool of liquid assets by £21 billion since the half-year position to £166 billion.

The majority of that pool is FSA eligible and covers all of our wholesale debt maturing within the next 12 months.

We raised over £6 billion of term funding in the third quarter through various channels – all at pretty favourable rates.

Our second execution priority is returns.

Our adjusted return on equity is 8.1% – up from where we ended 2010.

Our adjusted tangible return on equity is close to 10%.

Another part of returns is managing our operating expenses; excluding the PPI provision, our operating expenses are flat and impairment is down by over a third.

We continue to exit under-performing businesses – that list now includes BFP, Indonesia and Russia

Our third execution priority is income growth and I think this should be looked at closely as a pleasant surprise.

We see clear, positive momentum in our Wealth, Retail, Card and Corporate businesses.

Our fourth execution priority is Citizenship.

We delivered gross new lending of £33 billion so far this year, £11 billion to SMEs.

Both of those figures are ahead of our Merlin targets.

All in, this is a performance with which I am pleased given the difficult circumstances.

Looking ahead, you do not need me to tell you, but I will, that market conditions remain difficult.

Our focus is on execution, execution, execution.

I'll hand over to Chris now to walk you through the numbers.