

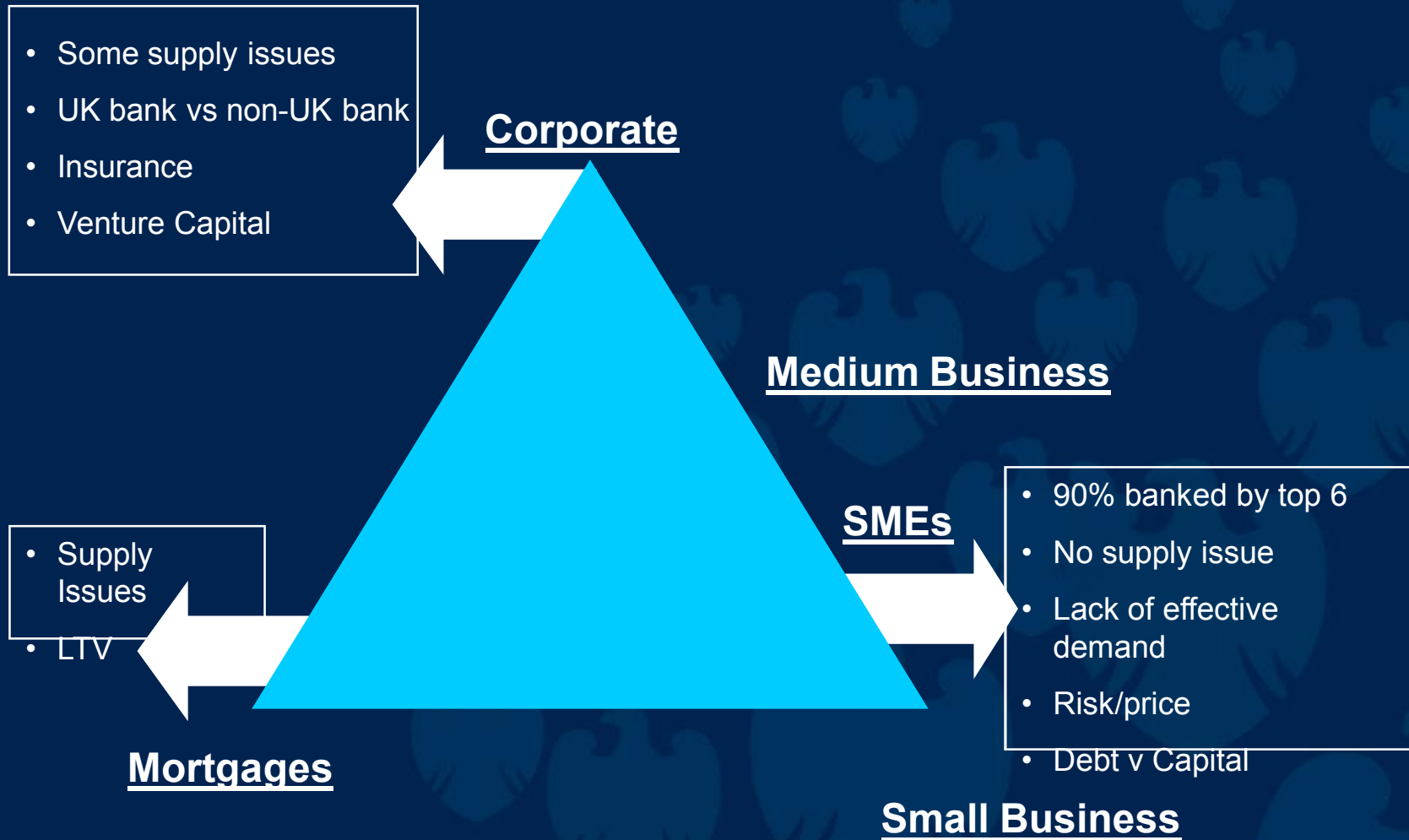
The Small Business of Banking

Money for Change
11 June 2009

John Davis

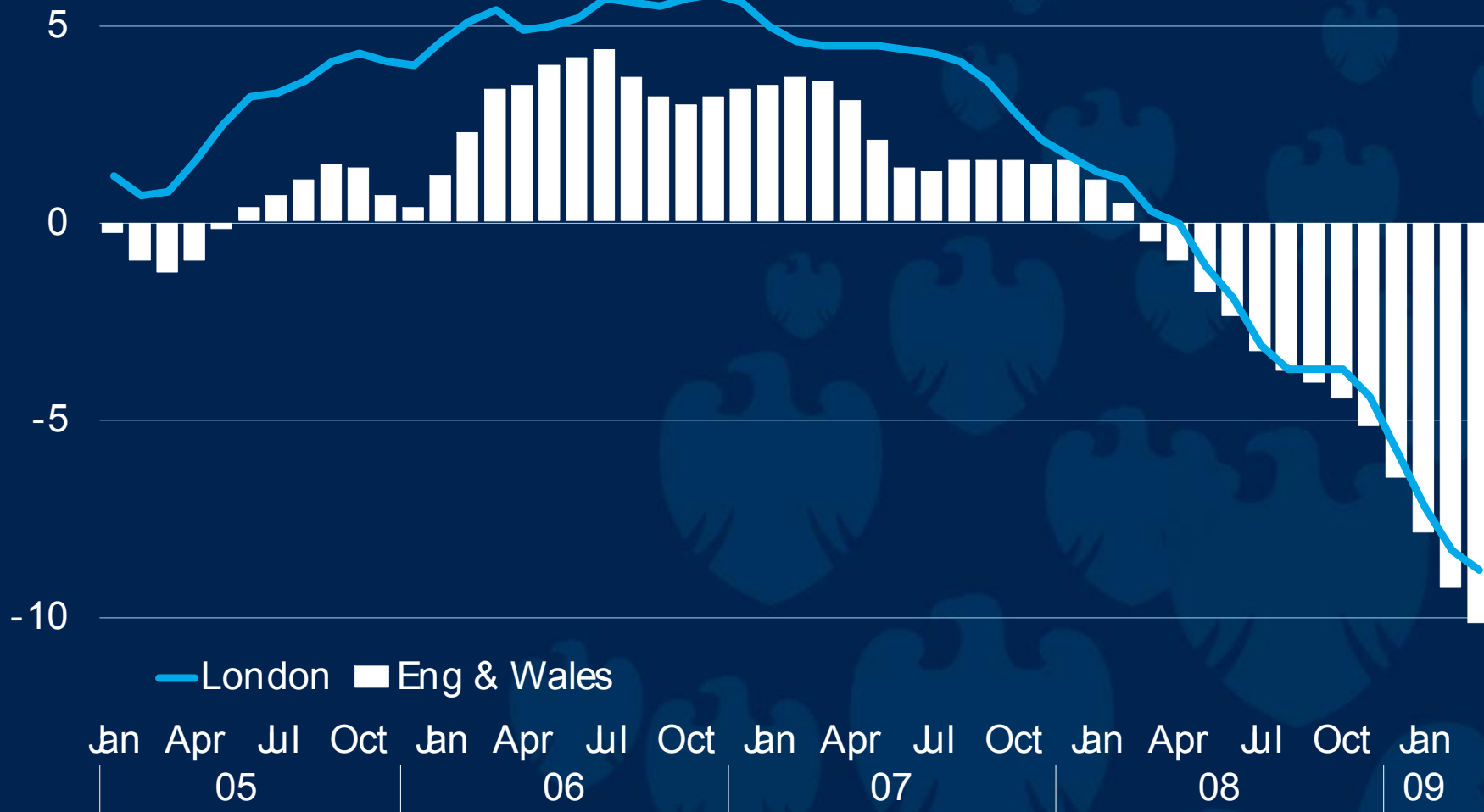
Marketing Director
Barclays Local Business Banking

Access to Finance – National Picture



Small Business Activity

12 month % change on 3 month rolling averages



Source: SME Market Analysis, Local Business

- Media claims that bankruptcies (particularly for small firms) at record levels
- However, Experian data shows that SME population remains more resilient than thought
- Number of defaults risen since 2007 but so has the base of live firms
- Balance sheet strength only weakened slightly and repayment terms not deteriorated as significantly as predicted
- Small businesses have actually experienced lower default rates than medium and larger businesses

10 Small Business Truths

1. Small business owners wear many hats (some don't fit so comfortably)
2. Support networks are a real lifeline
3. Trusted advisors become ad-hoc partners
4. My business is an extension of my self
5. Every small business is unique
6. Trust really matters
7. They often need you most when you want them least
8. Passion Matters
9. Many sole traders...just aren't...
10. Self-determination is key

How Barclays supports small businesses

- A named Relationship Manager
- A business account tailored to needs (including free banking for start-ups)
- Day to day banking support 24/7 – online and on the phone
- Access to local experts
- Access to training and business networks
- Innovative business management software
- Ongoing financial ‘education’

What Barclays is doing now - A relevant and responsive proposition

- Preserving jobs and keeping businesses in business
- £15 billion in lending balances in place with UK SME customers - a further £1.5 billion committed end 2008 and a further £4bn announced in April
- Launch of Credit Support Helpdesk
- RM training programme on how to support small businesses during a downturn
- CREDITFOCUS service free of charge for all UK small businesses
- £300m of European Investment Bank funds - we will pass the interest rate benefit received in full to SMEs
- One of the most comprehensive packages of services to small businesses,
- Ongoing engagement with BERR and industry representative groups
- Championing consumer support via “Britain’s Best Business” campaign

What Barclays is doing now - Working with Government

- Barclays is an active participant on the SME Finance Forum led by Lord Mandelson
- Fully engaged with BERR and supportive of Government schemes targeted at small businesses.
 - We have actively marketed EFG since January 2009
 - 1600 loans totalling £120 million
 - EIB

What Barclays is doing now - Working with the cdfa

- Recognition that not all small businesses are able to access mainstream bank finance
- CDFIs are able to provide support in situations where we can't
 - How are they different from banks?
 - Shareholders invest for different reasons
- Continuing history of partnership between Barclays and CDFIs – with aim of working together to eventually bring individuals and businesses in to mainstream banking
- In response to economic conditions, the current programme of work focuses on:
 - Support of “Money Matters – more than ever” seminars
 - Launch of internal referral process
 - Setting up a £150k fund to provide key revenue support