ANDREW MARR:  
Now then, the great recession may be over, but the long unwinding of all the problems in the banking industry which caused the financial crisis goes on. The boss of Barclays has just announced a major rethink of the bank’s future, so is this the death knell for the so-called “casino” banking in this country and should we all applaud its demise or be a little worried? I’m joined now by the Barclays Chief Executive, Antony Jenkins. Good morning. Congratulations for coming in and having this conversation. Most of your colleagues won’t do it. Let’s start talking about the announcement of all these job losses - thousands and thousands of jobs around the world and in Britain going from the so-called “casino” banking side. Are you getting out of this business entirely?

ANTONY JENKINS:  
Well good morning, Andrew. Firstly let me say that lots of things that investment banks do are very important to economies and very important to Britain: companies need to raise money; we need people to protect our pensions and our investments and so on. This is about focusing Barclays on the things that really matter, but it’s also about saying the world of investment banking has changed dramatically. The amount of capital we have to hold against many of our activities means that it just doesn’t make any sense to do that anymore, so this is a significant change in focus.
ANDREW MARR:
There was a time when British banks, including RBS and yourselves, were kind of jostling against the big American guys on Wall Street – JP Morgan and Goldman Sachs and so forth. It does seem there’s been a bit of a British retreat from that kind of game.

ANTONY JENKINS:
Again, as I said, the world of investment banking’s changed greatly, and what we must do for our shareholders and our clients is focus on the parts of the business where we can make a difference. So size itself is not really the objective. Having an investment bank that works is.

ANDREW MARR:
And that’s in itself a big change in thinking actually – that size doesn’t matter after all.

ANTONY JENKINS:
It is a big change in thinking, absolutely.

ANDREW MARR:
Now you got a lot of criticism at the shareholders meeting. I think about a third of the shareholders voted against the board on the salary and remuneration, and particularly the huge payouts going to investment bankers. I think the bonus pool went up by 10 per cent at the time that profits were going down by 30 per cent, which for a lot of people doesn’t make sense and seems the bad old ways again.

ANTONY JENKINS:
Well, believe me, it wasn’t a decision that I or the board took lightly. But what we knew was that these very significant changes to our investment bank were coming and we wanted to protect the parts of the investment bank that are part of the future. But I’ve also been very clear: it was a one-time thing; we will not be repeating a situation in which profits are down and the bonus pool goes up.

ANDREW MARR:
We were told that these kind of million plus pound bonuses were stopping, you know that this was an end to this kind of culture, and yet it’s still here. What would you say to
all those people out there who say this is insane, particularly when the bank is losing … you know is going down in terms of profits?

ANTONY JENKINS:
Well, look, I completely understand the concern in the country about levels of pay in investment banking, but the truth of the matter is if we want to be in that business – and, as I’ve said, it’s important for Britain to be in that business – we do need to be competitive and we do need to pay for performance.

ANDREW MARR:
These people are so good that they can command these salaries …

ANTONY JENKINS:
They can.

ANDREW MARR:
… and they’re really worth it, are they?

ANTONY JENKINS:
They can, they can. And the way we’re focusing the bank going forwards means we’ll absolutely get value for the money that we pay.

ANDREW MARR:
Okay. Can I turn to retail banking, the so-called high street bank? Now you said there’s going to be job losses and branch closures. Can you give us any indication this morning to the scale of that?

ANTONY JENKINS:
I think the first thing to say is that this is being driven by what customers want to do. And in my view we’re on the leading edge of a huge technology change in retail banking because we all carry a mobile now, we all do things online, and we want to do things our timing and our convenience. So what this means is that the nature of retail banking is changing fundamentally. There will still be hundreds of branches at Barclays and there’ll still be tens of thousands of people employed within them, but as customers
do business differently, we have to respond.

**ANDREW MARR:**
So how many branches will close?

**ANTONY JENKINS:**
We don’t have a target for branch closures. In fact we’re opening branches in Asda supermarkets and in other locations. So it’s not really about the number of branches that are closing. It’s really about how can we deliver the services that customers want. And, very excitingly, on Friday this week customers actually paid a cheque in to the bank using their mobile.

**ANDREW MARR:**
But some high street branches will clearly close and there’s an awful lot of your employees very, very worried about their own futures. When will they learn whether they’ve got jobs or not?

**ANTONY JENKINS:**
Actually we have no broad scale programme of either branch closure or of reduction of the colleagues employed in the branch network. So our colleagues in the branch network really have nothing to worry about. They should keep doing what they’re doing, which is doing great things for customers.

**ANDREW MARR:**
If you look sort of five or ten years ahead, do you think our high streets will have lots of banks on them – you know there’ll be a Lloyds, there’ll be a Barclays, there’ll be a NatWest etcetera, as they are now, or they have gone and it’ll all be call centres and mobile phones?

**ANTONY JENKINS:**
I think there is going to be a lot of business done on mobile phones, computers, probably less in call centres actually also, and I do think that there will, if you take a ten year time horizon, be less bank branches. But there’ll still be the need for people to go into a bank branch and talk to somebody about a mortgage or a savings product, so
there’s still going to be lots of bank branches on the high street even in ten years’ time.

**ANDREW MARR:**
Now you’ve said to me that these guys who are being paid these huge, huge bonuses are worth it and you need them, but do you understand bankers are going to carry on being seen as the bad guys for as long as this goes on? That’s a big problem for the industry, isn’t it?

**ANTONY JENKINS:**
It is a problem for the industry and, let’s face it, trust collapsed in the industry after the crisis. And it’s our job to build that back by showing what we do is actually useful to society and that’s what we’re committed to doing at Barclays.

**ANDREW MARR:**
Alright, thank you very much indeed for coming in to join us this morning. Thanks a lot.

**ANTONY JENKINS:**
Thank you.

**INTERVIEW ENDS**