

EXHIBIT 54

**FILED UNDER SEAL PURSUANT TO THE
STIPULATION AND PROTECTIVE ORDER
DATED FEBRUARY 3, 2015, DOCKET NO. 98**

BARCLAYS PLC

**MINUTES OF A MEETING OF THE BOARD AUDIT COMMITTEE
HELD AT 1 CHURCHILL PLACE, LONDON E14 5HP
ON WEDNESDAY 13 FEBRUARY 2008**

Present:

Stephen Russell - Chairman
Fulvio Conti
Professor Dame Sandra Dawson
Sir Andrew Likierman

In attendance:

Lawrence Dickinson, Company Secretary
Patrick Gonsalves, Deputy Secretary
Mark Carawan, Barclays Internal Audit Director
Mark Harding, General Counsel
Paul Idzik, Chief Operating Officer
Robert Le Blanc, Risk Director
Chris Lucas, Group Finance Director
Phil Rivett, PricewaterhouseCoopers
(in attendance for items 1.4 – 3)
John Varley, Group Chief Executive
Jonathan Britton, Financial Controller
(in attendance for item 1.2 – 2)
Rich Ricci, Chief Operating Officer, IBIM
(in attendance for items 2(1) to 2(5))
Patrick Clackson, Chief Financial Officer, IBIM
(in attendance for items 2(1) to 2(5))
Iain MacKinnon, Tax Director
(in attendance for item 2(8))

Apologies:

Gary Hoffman, Vice Chairman
Sir Michael Rake

1. CHAIRMAN'S MATTERS

1.1 Review of Effectiveness & Independence of Relationship with External Auditors

Chris Lucas presented his paper on the annual review of the audit relationship with PricewaterhouseCoopers LLP (PwC), which had been sent to Committee members in advance of the meeting, and highlighted that the evaluation process had improved on the previous year. There had also been a pleasing improvement in the overall performance scores and it was clear that PwC had worked hard at the areas of concern identified in 2007. The main continuing weakness was in the co-ordination between the central team in London and the overseas teams, particularly in New York. In response to a question, Mr Lucas confirmed that the deterioration in the scores from BGI arose from this latter weakness.

Jonathan Britton joined the meeting

1.2 Provision of Services by the Group's Statutory Auditor

Lawrence Dickinson presented his paper on the Provision of Services by the Group's Statutory Auditor, which had been sent to Committee members in advance of the meeting. The Committee noted the services that had been provided by PwC since the Committee's last meeting.

The Committee discussed the level of non audit fees being paid to PwC compared to the size of the Group audit fee and specifically highlighted the appropriateness of their involvement in transfer pricing advice. Mr Lucas confirmed that the Chief Financial Officers in the Group had recently been reminded of the need to properly consider alternative providers of non audit services. There were clearly some areas where it made sense for the Group's statutory auditor to perform the work and some areas where it was inappropriate.

The Committee confirmed, after due and careful consideration, that they still considered the Group's Statutory Auditor to be independent.

1.3 Re-Appointment of PwC LLP and Confirmation of Auditor's Remuneration for 2007

Mr Lucas presented his paper on Auditor's Remuneration, which had been laid on table at the meeting and highlighted that PwC had carried out additional audit work in relation to the Sub-prime valuations for Barclays Capital and, as a result, there might be an additional fee to be settled for that work.

The Committee discussed the circumstances in which the Group would consider alternative statutory auditors and the length of time that PwC had been the Group's statutory auditors. Given PwC's improved performance over 2007, it was not considered necessary to put the audit out to tender.

The Committee agreed to recommend to the Board the audit fees payable to PwC for the year ended 31 December 2007 and that resolutions to reappoint the auditors and to authorise the Directors to set their remuneration be proposed at the Barclays 2008 AGM.

Phil Rivett joined the meeting.

1.4 Approval of PwC Advisory Fees for Sarbanes-Oxley for 2008

Jonathan Britton referred the Committee to his paper on the approval of PwC Advisory Fees for Sarbanes-Oxley for 2008, which had been sent to Committee members in advance of the meeting, and highlighted that the SOX programme was now rated 'Amber' and the year end process continued to go smoothly with no significant issues of concern having arisen.

The Committee approved the proposed £0.25 million limit for PwC's work in relation to Sarbanes-Oxley compliance in 2008.

1.5 Actions Arising from 5 February 2008

Mr Dickinson referred the Committee to the Actions Arising from the meeting held on 5 February 2008 and highlighted that management had been asked to consider the targets that should be set for the level of issues being actioned by management to be achieved by the end of 2008 and to report to the Committee on that target.

1.6 Société Générale

Robert Le Blanc reported that in light of the substantial trading losses reported by Société Générale, Barclays Capital was conducting a review of its own relevant control processes. The full report would be presented to Group ExCo and to the Board Audit Committee.

1.7 Committee Responsibilities for Financial Results

The Chairman reminded the Committee of its responsibilities in relation to the Group's financial results, including the need to ensure that the results presented a true and fair view, reflected an appropriate tone and that there was an appropriate disclosure of all relevant facts. The Chairman also referred the Committee to the recent publication by the Financial

Reporting Council on key questions for audit committees which had been sent to members of the Committee in advance of the meeting.

Patrick Clackson and Rich Ricci joined the meeting.

2. BOARD ACCOUNTS COMMITTEE

(1) Main Themes and Issues and Accounting Policies

Mr Lucas presented his paper on Main Themes and Issues and Accounting Policies, which had been sent to Committee members in advance of the meeting, and drew the Committee's attention to the Group's significant IFRS accounting policies extracted from the 2007 Annual Report and appended to his paper. There had been no material changes in the Group's disclosures or accounting policies apart from the following two disclosure changes:

- (a) US GAAP - the SEC had recently issued a ruling that foreign private issuers, who prepare financial statements in accordance with IFRS, are no longer required to reconcile their results to US GAAP.
- (b) IFRS 7 - new and amended disclosures would be required under IFRS 7 relating to financial instruments disclosures in the Group's Annual Report. The principal change was the requirement to include a table of additional analysis in note 48 'Liquidity Risk' as appended to Mr Lucas's paper.

The Committee approved the adoption of the Accounting Policies to be used in the 2007 Annual Report as set out in the paper presented to the Committee.

(2) Report of the Disclosure Committee on 12 February 2008

Mr Lucas referred the Committee to the Minutes of the Disclosure Committee meeting held on 12 February 2008, which had been laid on table at the meeting and highlighted that:

- (a) Governance Process - the Disclosure Committee had received positive assurances from the Group Governance and Control Committee relating to the Group's internal control framework and from Jonathan Britton on fraud involving personnel engaged in the production of the statutory results.

- (b) Legal and Technical Committee - the Committee had raised a number of issues relating to the principal transactions note, fair value measurements, performance goals, GRCB centre costs and agency staff numbers. The report circulated set out how the Committee had agreed to deal with those issues.
- (c) Barclays Capital Disclosures - Mr Lucas also drew the Committee's attention to the revised Barclays Capital disclosures, that had been sent to members of the Accounts Committee in advance of the meeting.

The Committee noted the revised Barclays Capital disclosures which were welcomed and encouraged an equally transparent approach on the other areas highlighted in PwC's report as one-off issues. In response to a question, Mark Harding confirmed that Sullivan and Cromwell's advice had been that the US Sanctions disclosure should be in the Competition and Regulatory matters section.

The Committee noted the Report from the Chairman of the Disclosure Committee.

(3) Auditors' Report on Status and Matters Arising from Year End Audit

Phil Rivett presented the PwC Report, which had been sent to Committee members in advance of the meeting, and highlighted the following:

- (a) ABS CDO Super Senior Liquidity Facilities - PwC have carried out a significant amount of work in recent months on this area and have concluded that the Group's fair value estimates are in the mid range for such facilities. Management are considered to have implemented a reasonable and consistent methodology to determine the estimated fair value and impairment of the super senior positions.

The Committee discussed the comparative quality and vintage of Barclays Capital's portfolios compared to its peers.

- (b) US Sub-prime/Alt-A Whole Loans and Residuals - Mr Rivett confirmed that PwC were now comfortable that they had a good understanding of the underlying portfolios. Given the limited market data available, evaluation processes are necessarily highly subjective but it would be helpful to communicate to investors the quality of the loan vintages held by Barclays Capital.

The Committee discussed the geographical distribution of the loans in this portfolio and noted the improved loan quality post August 2007. Some organisations had written down the residuals to zero but this did not seem appropriate for BarCap positions, given that positive cash-flows were still being received. PwC have concluded that the provisions were adequate, although there remains a down side risk in the valuation of the remaining assets.

- (c) Leverage Finance - unsold underwriting positions for private equity sponsored leveraged loans syndications amounted to £7.5 billion at 31 December 2007, a provision of £58 million had been recorded and fees of £130 million had not been recognised in line with the Group's policy. PwC had reviewed management's analysis of the borrower performance and concur with the level of the provision.
- (d) One-off Item - Own Credit Adjustment - IFRS requires that financial liabilities measured at fair value reflect movements in the credit spread of the issuer. The Group has recognised a gain of £658 million as a result of Own Credit. Barclays had not included the impact of a change in the credit spread on derivatives and PwC were supportive of that approach.

The Committee discussed how the size of the Own Credit adjustment would compare to other institutions.

- (e) One-off Item - Unobservable Income Reserves - financial instrument valuations should be determined using observable market prices. Where no such data was available no upfront revenue can be included in income and a reserve is created. A total of £424 million had been released during 2007 from the unobservable income reserves. This arises from improved processes to determine the observability of income. PwC have reviewed the reasonableness of the majority of the reserve and agree that it is appropriate to recognise the income.
- (f) Methodology Change - Fair Value Adjustment - management have reviewed a number of reserve methodologies during the year which has resulted in a release of approximately £184 million to the income statement. PwC reviewed the revised policies and consider the rationale for the changes to be reasonable.

The Committee discussed the likely market understanding of the one-off items and the need for items such as the release of previously unobservable income to be transparent to the market. The Committee noted the PwC report.

(4) Accounting for Derivatives

Mr Lucas presented his paper on Accounting for Derivatives, which had been sent to Committee members in advance of the meeting. The increases in notional and fair value amounts over the year were driven by growth in the markets and the increasing level of automated trades. There were no issues of concern arising from the information presented to the Committee.

The Committee noted the accounting for derivatives presentation.

(5) Review of Mark to Market Valuations

The presentation on the Review of Mark to Market Valuations paper, which had been sent to Committee members prior to the meeting, was noted, the main elements of the paper having been reviewed either at the briefing session held with management following the 5 February meeting or earlier in this meeting.

Patrick Clackson and Rich Ricci left the meeting.

(6) Review of Credit Impairment

Robert Le Blanc presented his paper on Credit Impairment, which had been sent to Committee members in advance of the meeting, and highlighted that:

- (a) Group Impairment - the full year charge of £2,795 million was some 30% higher than in 2006 and 17% adverse to plan, mainly due to increased credit provisions for Barclays Capital.
- (b) UK Retail Bank and Barclaycard - there were good improvements in the impairment charges for UK Retail Bank (12% lower than in 2006) and in Barclaycard (21% lower than in 2006).
- (c) Coverage Ratios - these had declined, principally as a result of the inclusion of Barclays Capital's asset backed securities CDO positions, with the potential credit risk loans coverage falling to 33.1% and credit risk loans falling to 39.2%.

Mr Rivett confirmed that he was content with the proposed impairment charge with a lower level of management override and a reduced level of unadjusted differences. In response to a question, Mr Le Blanc advised that approximately one third of the reduction in the Barclaycard impairment charge resulted from changes in methodology with the remainder reflecting an improvement in the underlying business. The Committee discussed the reduction in the coverage ratios and noted that management was comfortable with this view as a result of the improved collections processes in the Group and a change in the business mix towards secured corporate and retail lending from credit cards. The Committee confirmed that they were content with the proposed impairment charge.

(7) Goodwill Impairment

Mr Lucas presented his paper on Goodwill Impairment, which had been sent to Committee members in advance of the meeting, and highlighted that the position of EquiFirst had been considered very carefully. The business still, however, generated sufficient profits that no diminution of the goodwill needed to be recognised.

Iain MacKinnon joined the meeting.

(8) Review of Tax Computation

Iain MacKinnon, presented his paper on Review of Tax Computation, which had been sent to Committee members in advance of the meeting, and highlighted that:

- (a) Group Tax Charge - would stand at £1,981 million for 2007 giving an effective tax rate of 28%.
- (b) Tax provisions - had been increased by £336 million because provisions relating to new trades in 2007 have not been offset by settlements in respect of prior year trades. Discussions with HMRC have commenced with respect to pre-January 2006 SCM trades.
- (c) Deferred Tax Assets - one significant issue for 2007 had been a recognition of deferred tax assets in the US and Ireland for losses incurred that expected to offset future profitability. The amount for 2007 was £215 million within the overall net deferred tax assets of £609 million.
- (d) HMRC Relationship - this was now much better.

Mr Rivett commented that although there was significant judgement applied in assessing the tax risk on SCM trades, he was content that there was a robust process in place for Group Tax to review such trades and the numbers presented were appropriate. In response to a question, Mr MacKinnon advised that the cash payment in the UK was low as a result of previous overpayments.

The Committee noted the Tax Computation Report.

Iain MacKinnon left the meeting.

(9) Litigation Statement

**Redacted:
Redacted For Privilege**

(10) Internal Control Assurance Statement

Mr Le Blanc presented the paper on the Turnbull Review of Internal Controls, which provided confirmation that the system of internal control review requirements of Internal Control and Guidance for Directors in the Combined Code had been met within the Group businesses for the 12 month period ended 31 December 2007.

(11) Consideration of Final Dividend 2007

Mr Lucas presented his paper on the Final Dividend for 2007, which had been sent to Committee members in advance of the meeting, and reported that the recommendation was for a final dividend of 22.5p which would be 9.8% higher than the final dividend for 2006. A dividend at that level would cost £1,485 million.

The Committee noted the proposed dividend and confirmed that it was comfortable with this recommendation being put to the Board.

(12) 2007 Results Announcements

Mr Lucas referred to the Results Announcement, which had been sent to Committee members in advance of the meeting, and highlighted the following disclosure issues:

- (a) Profit Before Tax - the performance summary would highlight PBT before business disposals which resulted in a 3% growth year-on-year. The performance summary would also make more specific reference to the Barclays Capital write-downs.
- (b) Outlook Statement - John Varley's statement on the outlook would be closely scrutinised but it will not make any statement as to where the industry was in the credit cycle.
- (c) UK Banking - reference would be made to the 8% improvement in the UK banking cost income ratio over three years.
- (d) Barclays Global Investors - there would be disclosure of the liquidity support that BGI had provided to certain market funds.
- (e) Principal Transactions Note - this note would highlight the impact of the Own Credit adjustment.

- (f) Derivatives Disclosure - references would be made to the day one profit and loss arising on such transactions and the IFRS 7 disclosures from the Annual Report and Accounts would be added to this note.
- (g) Basel II - the Results Announcement would, for the first time, show the Group's capital position under Basel II. Given the market's interest in the Bank's capital position, this would be an important disclosure. The Equity Tier one ratio was currently just below target but the other capital ratios were above the target level.

The Committee noted the draft Results Announcement and in conclusion the Chairman commented that the 2007 results had been very complex and had raised significant issues. The quality of the papers presented to the Committee and the rigour of the results process had left the Committee feeling more comfortable than they had been at the start of the process. The Committee was overall satisfied that the Results Announcement, subject to the revisions that had been discussed, presented a true and fair view and disclosed all material matters for investors. The Committee encouraged management in their final reviews of the documentation to continue to be as transparent as possible, in particular in relation to the one-off items and the write-offs that have been taken.

(13) Next Steps re: Preliminary Results Announcement and Report and Accounts

Mr Dickinson referred to his paper on the recommended governance process surrounding the production and approval of the Barclays PLC Annual Report, which had been sent to Committee members in advance of the meeting, and highlighted that the final version of the Annual Report and Accounts would be approved at the Mini-Board meeting on 7 March 2008. The Committee noted the next steps in the results process.

Management left the meeting.

3. COMMITTEE PRIVATE SESSION WITH BIA AND PWC

Mr Rivett commented that the key issues had all been discussed at the meeting. The level of write-downs and impairment was large but the process had been thorough and was well documented. He noted that he had been invited to the FSA to discuss the results. The accounting treatment in respect of the recognition of income which was now observable was appropriate and Mr Rivett did not believe the treatment was imprudent.

He noted that there could be further challenges in 2008, particularly in respect of the valuation of the whole loan portfolio. The current valuations may need to be reviewed at the end of the year if sales had not been achieved.

Mark Carawan noted that in respect of the trading losses at Société Générale, each of the major Banks was undertaking a review of procedures and controls similar to the Group's own review. A report would be made to GGCC in April which would then be shared with the Board Audit Committee. It was noted that precise details on what had happened were still not clear.

Mr Carawan also updated the Committee in respect of the KYC/AML/Sanctions audit. This is a Group-wide audit involving approximately 70,000 hours of audit time. Twelve reports would be issued in March in respect of the principal businesses, with separate ratings for KYC, Anti-Money Laundering and Sanctions Compliance. Although a large number of issues had been identified, no major issues had been identified to date which were not known to management. The findings of the Audit would be discussed at the April meeting of the Committee.

In response to a question, Mr Carawan commented that the Internal Audit Team in New York was strong. The team in San Francisco now reported to him rather than management and had trebled in size. A recent review by the OCC of the team indicated a rating of between satisfactory and strong and the OCC had been complimentary about the changes that had been made.

Mr Carawan also updated the Committee in respect of some recent developments with the FSA. They were encouraging BIA to accelerate the audits on Treating Customers Fairly in order to ensure there was sufficient time to remediate any issues before the year-end. There had also been a Whistle-blowing letter received in respect of First Plus which BIA was investigating. After some discussion with the FSA and the BAC Chair, it had been agreed with the FSA that senior management could be informed of the allegation.

Paper Circulated for Information

Senior Approved Persons - Vacancies

Periodic Financial Reporting

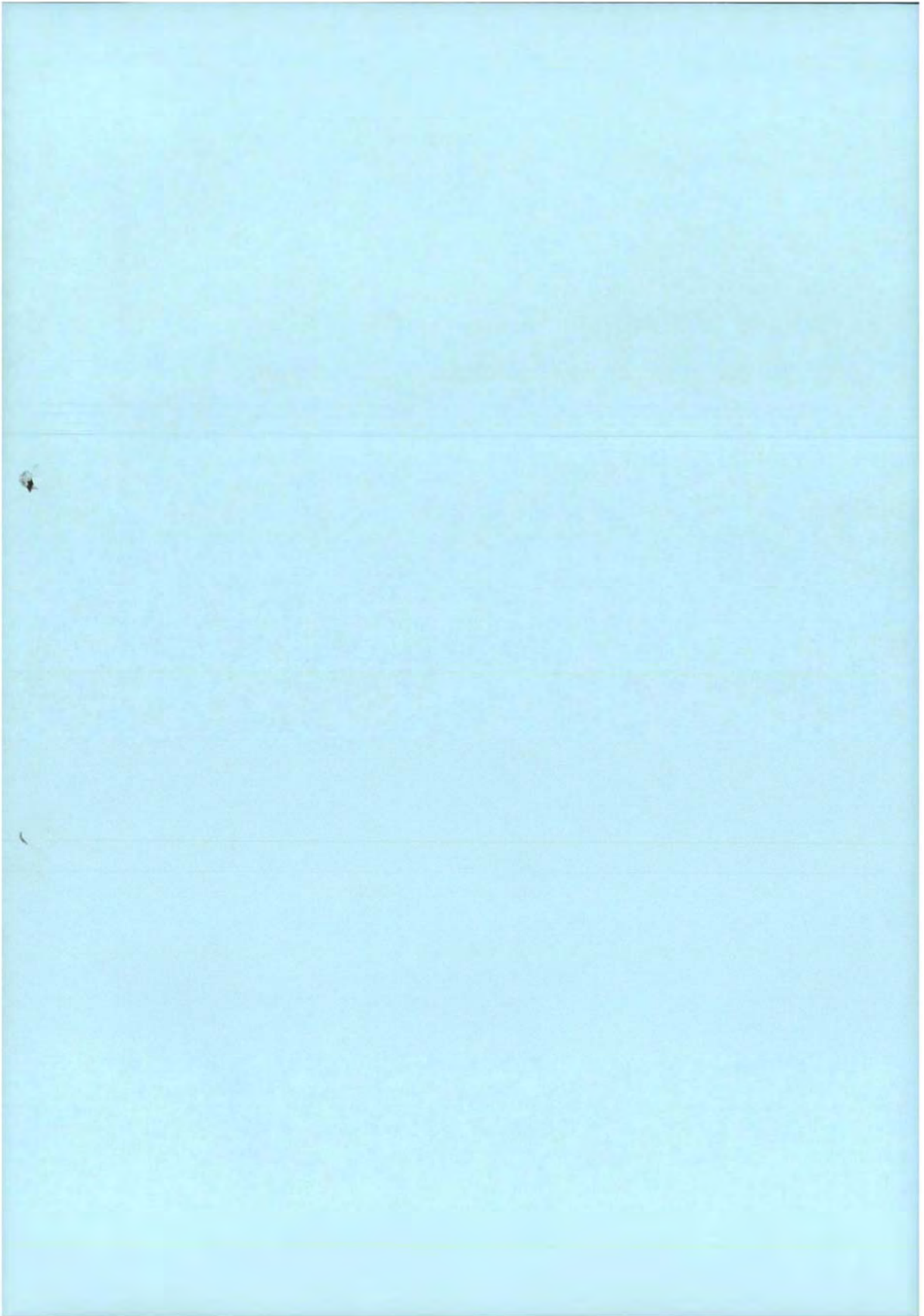


EXHIBIT 55

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2(3)

**PAPER FOR BOARD AUDIT COMMITTEE MEETING ON
WEDNESDAY 13 FEBRUARY 2008**

Agenda Item No.

2(3)

TO: Members of the Board Audit Committee

FROM: Phil Rivett


DATE: 8 February 2008

SUBJECT: AUDITOR'S REPORT

Barclays PLC

Board Audit Committee Report

13 February 2008

PRICEWATERHOUSECOOPERS 



7 February 2008

The Board Audit Committee
Barclays PLC
29th Floor
One Churchill Place
London E14 5HP

Dear Directors

Board Audit Committee Report

We have pleasure in enclosing our Board Audit Committee Report which highlights matters of significance arising from our audit of the consolidated financial statements of Barclays PLC for the year ended 31 December 2007.

At the time of issuing this report, our integrated audit in each of the business units in the Barclays PLC group ("the Group") is substantially completed. We are continuing our work on the consolidation process, the note disclosures in the Results Announcement and the financial statements of Barclays PLC and Barclays Bank PLC, within the Annual Report, on which we give our audit opinion ("the financial statements"). The information contained in this report has been extracted from Version B of the Results Announcement, which will be subject to change until management's reporting process and our audit work is completed.

Our report to the Board Audit Committee on 28 February 2008 will conclude on our assessment of internal controls under Section 404 of Sarbanes Oxley ('S404'). We noted at the meeting on 5 February 2007 that we had no disagreement with the papers presented by management in relation to S404 and our work on the remaining areas was continuing.

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This report comments on matters arising from our financial statement audit including the impact of sub-prime on performance, impairment, fair value adjustments, provisions and our assessment of the appropriateness of accounting policies, significant estimates and judgements made by management. In addition, the appendices contain communications required to be addressed to those charged with governance under UK and US auditing standards.

At present we are not aware of any matters that would not allow us to give our consent to the publication of the Results Announcement, as mandated by the Listing Rules. Assuming no further matters arise from our work, we will provide our consent letter, a draft of which is attached in Appendix 5.

On the basis that no material weaknesses are identified from management completing their evaluation of control deficiencies and that our remaining audit work is completed satisfactorily, we will issue unqualified integrated audit opinions on the financial statements. We will confirm this at the Board Audit Committee meeting on 28 February 2008.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number 03030320. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 8RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Services Authority for designated investment business.



We have attached as an appendix to this report a draft of our summary of unadjusted differences identified to date. The items included focus on the income statement and the significant items are discussed in the body of this report. A final version will be presented to the Board Audit Committee on 28 February 2008.

We look forward to discussing the contents of this report, and any other matters that you may wish to raise, at the Board Audit Committee meeting on 13 February 2008.

Yours faithfully

A handwritten signature in cursive script that reads "Price Waterhouse Coopers LLP".

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Scope and status

Introduction and scope

This report focuses on those matters of significance arising from our year end financial statement audit work that we believe should be brought to the attention of the Board Audit Committee. It includes:

- An overview of the impact that the sub-prime crisis has had on the Group and the results of our audit procedures in these areas;
- Our assessment of the appropriateness of accounting policies, estimates and judgements;
- Further observations on certain qualitative aspects of the Group's earnings and financial reporting including fair value adjustments, impairment, provisions and contingent claims & litigation; and
- A summary of unadjusted differences focusing on the income statement based on management's and our own findings to date.

The appendices contain information required under International Statements on Auditing (UK&I) and US Generally Accepted Auditing Standards relating to independence, audit quality and certain other matters. Our report to you on 28 February 2008 will contain our final observations from the 2007 audit, including:

- Our final conclusion under S404 including any significant deficiencies (or material weaknesses) that may be identified;
- The final letter to you on our independence from the Group ("IASB 1 letter");
- The final summary of unadjusted differences identified from our integrated audit under IFRS.

Status

Our integrated audit in each of the business units in the Group is substantially completed. We are continuing our audit work in the group centre. In relation to our S404 opinion on internal controls, all of our testing except for those controls relating to the notes production has been completed in the business units. The main outstanding areas in relation to S404 are:

- Finalising our testing of the key controls in the consolidation process, including eliminations; and
- Completing our testing of the key controls in the group centre in relation to tax and the processes in the business units and the group centre for the notes to the Results Announcement and the financial statements.

We commented at the Board Audit Committee on 5 February 2008 that we concurred with management's current assessment of any control deficiencies under S404, including those that management have identified as significant.

In respect of our financial statement audit, we are still in the process of performing certain audit tests including:

- Analytical review of certain aspects of the Results Announcement and Annual Report and tests of details on certain material balances; and
- Our audit work on the notes to the financial statements and the Results Announcement.

Quality of earnings

Performance

The Group profit before tax for the year ended 31 December 2007 was £7,076m. This is a £60m (1%) decrease compared to the same period in 2006 before adjusting for business disposals. The results for the year have been significantly impacted by the sub-prime losses (discussed in the next section) offset by gains on 'own credit' and other one-off items (discussed in the following section on page 8). The business unit most impacted by the sub-prime crisis is Barclays Capital, although there has also been some impact on BGI.

Profit before tax for Barclays Capital for the year ended 31 December 2007 increased by £119m to £2,335m (year ended 31 December 2006: £2,216m). Although there were significant write downs in the credit businesses due to direct and indirect exposures to the US sub prime market, the bank's trading businesses recorded strong revenues due to higher levels of client activity and market volatility. Several trading businesses (fixed income rates, commodities, foreign exchange and equities) outperformed budget and the prior year by more than 20%. The write downs in sub-prime and other credit businesses as well as the gain from own credit are based on management's judgement and estimates of fair values/impairments as at 31 December 2007. However, the Group holds large positions and given the uncertainty that still exists in these markets, there could be further significant impacts on performance in the future.

BGI entered into agreements to protect the value of certain funds from losses arising from defaults or missed payments of certain investment securities to ensure that the funds' net asset value does not fall below certain levels.

The overall impact of sub-prime and credit related items resulted in losses of approximately £3.0bn for the year ended 31 December 2007 which are analysed in the table opposite, together with the figures previously announced to the market for the 4 months to 31 October 2007 and the half year. We comment on the following pages on the main items, as well as a number of other key exposures.

Impact of impairment and other losses from sub-prime and related items

Product	Year to 31 December 2007 £m	Two months to 31 December 2007 £m	Four months to 31 October 2007 £m	Half year 30 June 2007 £m
Barclays Capital				
ABS CDO Super senior liquidity facilities	1,357	201	1,155	0
US sub prime and Alt A whole loans and residuals	604	476	121	7
Investment vehicles	111	41	70	0
ABS warehouses, trading and backstop facilities	515	285	230	0
Leveraged finance	82	0	82	0
Fund linked derivatives (including Bear Stearns)	205	0	85	120
Other	114	28	86	0
BGI				
Support agreements	76	76	-	
Total	3,064	1,107	1,830	127
Disclosed as:				
• impairment charge	851			
• trading revenues/expense	2,213			

ABS CDO super senior liquidity facilities

ABS CDO super senior liquidity facilities with a total notional exposure of \$15.7bn were provided to synthetic, high grade and mezzanine collateralised debt obligations ("CDOs"). Following a decline in value of the underlying collateral, management has recorded losses of \$3.7bn on these liquidity facilities. Gains on derivative hedges have reduced the losses to \$2.7bn (£1.3bn).

The synthetic facilities (notional \$4.3bn) are derivative financial instruments held in the trading book and are stated at fair value. Losses on synthetic facilities were \$2.0bn (before hedges). Management has derived the fair value of the CDO collateral by calculating implied market prices using the ABX index (a Net Asset Value ("NAV") approach). The index, which is actively traded, is based on the value of a series of ABS for different vintages. We have benchmarked the losses using changes in external price data (including the ABX) from July and consider that the magnitude and direction of the losses are reasonable.

The high grade (notional \$9.3bn) and mezzanine (notional \$2.1bn) exposures are loan facilities held in the accrual book and therefore recorded at amortised cost less impairment. Losses on these liquidity facilities were \$1.0bn and \$0.7bn respectively (before hedges).

Management identified two potential accounting issues in relation to these accrual book liquidity facilities. Firstly, a loan may include an embedded derivative (by way of collateral) which is required to be fair valued. Management undertook a review of the high grade liquidity facilities. Two hybrid facilities have significant derivative exposure but had not yet been drawn. The drawn facilities include only small amounts of such derivative exposure. We concur with their conclusion that an amortised cost policy remains appropriate.

Secondly, the mezzanine liquidity facilities contain certain default triggers which if met will result in Barclays assuming control and recognising the underlying CDO collateral on the Group balance sheet at fair value. Management determined that the mezzanine CDOs are highly likely to hit these triggers in 2008 (one CDO has already triggered). Consequently, management has calculated the impairment loss on liquidity facilities issued to these CDOs using a similar approach to the trading book based on the fair value of the collateral. This approach produces a substantially higher loss than the

method used in relation to the other banking book CDOs (see high grade below). We consider that management's choice of methodology is appropriate.

A different approach has been used to calculate the loss on high grade CDOs. Most of these CDOs are not subject to default triggers (except for actual defaults to the senior note holders). This was confirmed by external counsel who reviewed the documentation. The two hybrid facilities include triggers but management do not expect a default in the near term. Management determined cumulative loss rates for the underlying ABS in the CDO and calculated the net present value of future cash flows using a standard industry model. We compared the loss rates to published data and identified that Barclays' rates were in the mid range.

We also compared the losses to those reported by US institutions which have announced fourth quarter results. It is important to understand that information about the collateral types and deal characteristics for other institutions was limited. Nevertheless, such a high level comparison provides a reasonable basis on which to compare the magnitude of Barclays' provisions. We noted that the level of losses is broadly consistent. The losses of Merrill Lynch are relatively higher and this may be because of a higher concentration of 2006 and 2007 vintage mortgages which are the worst performing.

The impairment and other losses were initially based on October remittance data and trustee reports. Management monitored the changes in this data until January but did not adjust the model given the size of the impact (net \$83m). This amount has been included on the summary of unadjusted differences.

We consider that management has implemented a reasonable and consistent methodology to determine the estimated fair value and impairment of the related CDO super senior positions.

US sub prime/Alt-A whole loans and residuals

Barclays Capital holds \$6.4bn of sub-prime whole loans and \$1.9bn of Alt-A whole loans in the trading book. Sub prime and Alt-A whole loans held at fair value have been written down by £75m and £113m respectively.

There is no traded market for these loans and only limited observable comparable price data. Given the limited data available, the valuation process is highly subjective. The loans have been recorded at fair value using cash flow models incorporating assumptions on default rates, severity, prepayment speed and discount rates. The discount factor should reflect an investor's current expectation of returns given the risk and this is the most difficult input to determine.

The majority of sub prime whole loans were originated from March 2007. The Group acquired Equifirst in April 2007. Management made improvements to the underwriting standards from this date and the quality of new loans gradually increased (higher coupons, lower "loan to values" and improved product type). The portfolio showed a marked improvement from August. Barclays sold one pool of recently originated sub-prime loans to Freddie Mac in November and we understand a further sale is imminent. The fact that the loans were accepted by Freddie Mac suggests that the assets are of a higher quality. The valuation of the post August inventory (\$1.0bn) is supported by these sale prices.

Management has applied a higher discount factor in the valuation of the Equifirst loans originated between March and July (\$4.5bn) and the Alt-A loans. They have used a sub prime securitisation transaction in July as a pricing reference point, and have stressed the discount rate by 50% and then increased it further by reference to fourth quarter movements in the yield implied by the ABX index. The Alt-A discount rate was stressed by a similar factor.

We have performed detailed work on the valuation methodologies and assumptions used by management. We have also provided insight on the estimated range of prices and discount rates we have observed at other market participants. Our work has identified that a wide range of valuations exist in the market. In particular, discount rates vary widely. It is difficult to draw accurate comparisons as the quality of assets varies depending on product type, location, originator and vintage. However, we have

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noted that management's prices are at the high end of the range that we have observed. Management believes this is justified due to the better quality sub prime loans originated by Equifirst in the second half of the year and is supported by evidence from the sales noted above. The earlier originated sub prime and Alt-A loans are better quality than the average asset of a similar vintage but are likely to be difficult to sell or securitise. The valuation of these loans is more difficult to validate.

In the current distressed market, the level of market evidence available to management is very limited. Consequently, the valuation of the loans is based primarily on management judgement. We are satisfied that management has undertaken a comprehensive review of these assets and their valuation.

Sub-prime residual equity positions arising from the whole loan securitisations (Post NIMS and NIMS) have been substantially written down to £230m (total write-down of £416m). The Post NIMS originated in 2006 and 2007 have been written down by approximately 90% to £40m. The remaining positions relate to earlier vintages which are producing some cash flows. Residual assets have always been highly illiquid and there are no observable prices or reliable data to determine fair value. We consider that the provisions are adequate although there remains downside risk in the valuation of the remaining assets.

Investment vehicles

The Group has exposures to third party SIVs and SIV Lites. The largest remaining exposure to a SIV Lite consists of a drawn liquidity facility to Golden Key (\$298m). The appropriateness of a large portion (\$252m) of the drawdown is disputed by Barclays and the funds remain in escrow. However, Barclays has made a provision against the full exposure based on pricing the underlying assets in Golden Key. Management has also written down exposures to other vehicles by reference to trustee reports and internal valuations of the underlying collateral. We have reviewed management's analysis and concur with the level of provisions.

Barclays provides financing of £537m to five Leveraged Investment Vehicles ("LIVs") backed by ABS (including US sub prime) collateral. The ABS portfolios are managed by third parties and provide their clients with leveraged returns. Management has determined an impairment loss of £21m on two LIVs which are now in 'run off' as they

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are no longer being supported by the equity investors. The impairment methodology is consistent with the high grade CDO liquidity facilities. Management is in discussions with the managers of the other LIVs with a view to obtaining further collateral. We concur that no further provisions are required at present.

Leveraged finance

Unsold underwriting positions in respect of private equity sponsored leveraged loan syndications amounted to £7.5bn at 31 December 2007. A provision of £58m has been recorded in addition to fees of £130m which have not been recognised (in accordance with the Group's policy). The provision was calculated by applying a discount of 2% to senior assets and 5% to junior assets. These discounts are consistent with a small number of sales in the last quarter. We have reviewed management's analysis of the borrower performance based on the most recent data and concur with the provision.

Investment in Bear Stearns hedge fund

We previously reported to the EAC that £205m had been invested along with third party funds of £264m in a hedge fund managed by Bear Stearns Asset Management. At 30 June 2007, a provision of £120m was established. No definitive information has been received from Bear Stearns concerning the value of the fund's assets. Management believes any remaining value in the fund is negligible and the whole investment has been written off (total provision £205m). We concur with the management's view. In December 2007, Barclays commenced legal proceedings against Bear Stearns and certain of its employees.

Other credit related items

There are a number of other significant US and European credit exposures at 31 December 2007. These exposures include trading and banking book assets. We have reviewed the price testing results of Product Control and performed our own detailed tests of data and models, using our valuation specialists where necessary. We concur with the conclusions of management. We comment briefly below on the significant exposures and the key judgements made by management.

- **Leveraged repurchase financing facilities (£9.1bn)** - Based on the fair value of collateral at 31 December 2007, the bank had a net exposure of £49m. Management is negotiating with the clients to secure additional collateral or equity and is confident that sufficient funds will be forthcoming in the near future. As a result, no impairment loss has been recorded.
- **ABS positions (warehouses and trading)** - Losses of £471m were incurred on assets held in warehouse facilities and trading portfolios. There is limited liquidity in the ABS markets although consensus pricing services provide prices for many securities. Management has performed detailed price testing of these exposures using evidence from the pricing services, some limited recent trades and proxy analysis using comparable securities. We performed additional work on assets supported by limited or no price data.
- **Liquidity back stop facilities** - Barclays has provided \$5.3bn of back stop liquidity facilities to securitisation vehicles and is exposed to higher market funding spreads. This has resulted in losses of £44 m. The spreads used to value the exposure are consistent with externally sourced prices.
- **Commercial real estate loans** - The bank is exposed to US and European commercial real estate loans and securities of \$12.6bn and \$10.7bn respectively. There is very limited external price information. The loans have been valued by management based on the specifics of each asset and expected investor returns. Several significant European sales have been made in recent months at a profit. We have performed a detailed loan review of the assumptions and we are awaiting some further explanations for the US portfolio. We will report to you orally if any matters of significance arise.
- **Alt-A securities** - There is very little liquidity in the market for the portfolio of Alt-A securities (\$6 bn), \$5bn of which are AAA rated. The fair values have been derived from broker quotes or pricing services, where available, or cash flow modelling using delinquency, severity, prepayment and default assumptions. We tested management's prices to third party sources and reviewed the internal models.
- **Monoline exposure** - Barclays' exposure to monoline insurance companies exists within "negative basis trades". These involve the ownership of a bond and the purchase of credit guarantee. The notional amount of monoline guarantees received is \$42.3bn and the fair value exposure is \$2.9bn. Management has

reviewed this exposure and a credit provision has been recorded using observed credit spreads and a standard Risk Tendency model.

Barclays Global Investors

The sub-prime market and related liquidity crisis has extended to asset backed commercial paper ("ABCP") programs which issue short-term commercial paper, some of which are held by products managed by BGI. One ABCP held by the funds has defaulted and a number have suffered downgrades and in turn declines in market value.

On 21 December 2007, the Group entered into support agreements to protect certain BGI managed funds from losses arising from defaults or missed payments of certain investment securities to ensure that the funds' net asset value per share would not fall below \$0.9951. To reflect BGI's original intent, the agreement have been amended and accounted for as derivative contracts which require that the change in fair value is recorded through profit and loss. Due to this change, the liability calculated under the original terms of the agreements changed from £61 million to £90million. However, this additional expense was offset by £15 million primarily due to reductions in compensation awards. Management has therefore effectively recognised £76m in 2007 and concluded that the remaining £14 million is immaterial. As this has not been included in the BGI results, it has been included on the summary of unadjusted differences.

One off items

During the course of the year there have been a number of one-off items due to:

- Decisions made by management to change accounting estimates and certain methodologies;
- Existing accounting policies which have had a significant impact in the current year, but that have not been significant in the past (eg own credit); and
- Decisions taken by management to realise certain gains.

The impact of these one-off items is significant and most arise in the second half of the year and serve to offset the sub-prime and other credit related losses. We have set out items over £50m in the table opposite as non-recurring or 'one off' items.

The principal items in the second half of the year were gains on 'own credit' of £658m, a release of £507m from the unobservable income reserve and gains of £184m arising from changes in fair value adjustment methodologies. Barclays also sold a number of 'available for sale investments' consequently recycling gains of £491m from equity to the income statement (2006: £252m) and released credit impairment allowances due to changes in methodology amounting to £102mm (see page 9).

The Results Announcement (and the Annual Report) includes commentary to explain the impact of one off items on the performance of the business units. The items in the table marked with an asterisk are currently disclosed. As part of the IFRS 7 disclosures in the Annual Report, further disclosure will be made in relation to the unobservable income reserve. This is currently not disclosed in the Results Announcement and we suggest management consider disclosing this in the commentary.

Each of these items is discussed in the 'Significant audit matters' section below.

One-off items of £50m or over included in Group Profit before tax

Product	Year to		Six months to		Six months to	
	31 December		31 December		31 October	
	2007		2007		2007	
	£m		£m		£m	
						Half year 30 June 2007 £m
'Own credit' adjustments	(658)*		(658)		-	-
Unobservable income – reserve release	(424)		(424)		-	-
Unobservable income change to diminish	(83)		(83)		-	-
Fair value adjustment methodology changes	(184)		(184)		-	-
Enron litigation	(144)		(54)		(90)	
Cash flow hedge	-	-	-	-	-	(168)
Canary Wharf	-	-	-	-	-	(121)
Impairment methodology changes	(102)*		(20)		(82)	21
Project Chartwell	(219)*		(81)		(138)	(432)
Current account fee refunds	116*		29		87	19
Project Ranch	-	-	-	-	-	75
Gain on Sale of Vendor business JVs	-	-	-	-	-	(90)
Gain on FCIB sale	-	-	-	-	-	(247)
Total one-offs	(1,698)		(1,475)		(223)	(943)

Significant audit matters arising in business units

Barclays Capital

Own credit adjustment

As explained in our November 2007 report, IFRS requires that financial liabilities measured at fair value should reflect movements in the credit spread of the issuer ("own credit"). In prior years, management estimated that the impact of changes in the Barclays credit spread on its liabilities was not significant and no amounts were included in the results as it would have been immaterial. Given the substantial growth in structured notes recorded at fair value (eg equity linked notes) in the year and a significant widening of the Barclays credit spread in the second half of the year the impact was no longer immaterial and management have calculated and recognized a gain from own credit of £658m.

As the company's systems are not configured to calculate the impact of own credit, management has adopted a number of simplifying assumptions to calculate the adjustment. Management has estimated both the number of structured notes which may be redeemed early if predetermined price triggers are met and the likely timing of redemption. These assumptions were established based on a review of a subset of transactions in the population. Finally, management has adopted a conservative methodology to discounting the future cash flows. The model used by the credit derivatives business would increase the gain by approximately £50m. We have reviewed management's calculation and concur with the approach taken.

Management has excluded the impact of a change in the credit spread on derivatives. The vast majority of derivative exposures are collateralised and subject to netting agreements (and these are not significantly impacted by Barclays' credit spread). Management estimates that the impact on the own credit adjustment would not be material, although no quantitative analysis has been produced. There is currently mixed practice amongst banks in relation to inclusion of derivatives. We concur with management's approach.

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Unobservable income reserve

In accordance with IFRS, the fair value of a new financial instrument should be determined using observable market prices or data and an appropriate valuation technique. In the absence of such evidence, a financial instrument should be recorded at the transaction price on trade date and consequently no upfront revenue is included in income. An unobservable income reserve ("UIR") is created to record management's estimate of the revenue. The UIR is amortised to trading income over the life of each trade.

The availability of observable evidence often improves over time as previously illiquid markets develop and price transparency increases at which time the reserve could be released to income. Due to increased volumes of transactions and the continued expansion of price sourcing services such as Mark-it Partners, the level of observable data continues to improve. In prior years, Barclays Capital has released smaller amounts of reserves that had been initially recorded in the UIR.

During the year, Barclays Capital developed a formal process to collate and analyse appropriate observable evidence for selected product classes. As a result, management has released a total of £507m of the UIR. A significant element of the release relates to trades executed in earlier years. We have reviewed the reasonableness of a majority of the reserve release (£424m) and concur with management's conclusions that it is appropriate to recognise this income.

Management has also changed an important assumption for the purposes of identifying the amounts that should be recorded in the UIR. Most banks recognise very small upfront revenues below a specified threshold directly to income without gathering the observable market evidence. This approach avoids the need to analyse a large population of small items and is a practical estimation technique. In 2007, management introduced a new threshold of £300k (previously ranged from zero to £150k) and released a reserve of £163m in relation to all past trades. During the review of observability of products explained above, £80m of these revenues were confirmed as observable. Management considers that the remaining £83m is a reasonable estimate of the net cashflows that will be realised over the life of the trade. The revenues have been determined using approved valuation models and are stated after the deduction of normal fair valuation adjustments. We concur with the adjustment and are satisfied that it is not material to so as to require any adjustment to prior years.

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Changes to fair value adjustment methodology

Management has reviewed a number of reserve methodologies during the year which has resulted in a release of approximately £184m to the income statement.

Management has refined the calculation of the bid offer reserve during 2007. Where an entity has long and short derivative positions with offsetting market risks, it is appropriate to apply the bid-offer adjustment to the net open position. Management has reviewed the method for offsetting positions and also released various liquidity adjustments. This has resulted in a gain of £93m. Management has also decided to release all administration and early termination reserves totalling £91m. These reserves are not maintained by all banks, partly as a result of the introduction of IFRS. We included items of this nature on our summary of unadjusted differences in prior years as we did not agree with their inclusion. We have reviewed the revised policies and consider the rationale provided for the changes to be reasonable.

We comment on movements in the total valuation adjustments in the 'Accounting policies, estimates and judgements' section.

Barclaycard impairment methodology

We are comfortable with the overall impairment stock for Barclaycard at 31 December 2007.

Management have adopted the same methodology for the main UK Cards portfolio at 31 December 2007 that was used at the half year. This has resulted in a difference of £42m (equivalent to the £27m of additional impairment included on our summary of unadjusted differences at 30 June 2007). However, during the year management has reviewed all aspects of the impairment methodology and identified a number of other areas where improvements are required.

The 'severity rate' (a key driver of the overall impairment stock as it provides an indication of expected recoveries on accounts that have been charged-off) has not been trending in line with improved collections performance. It has been established by management that the current severity rate methodology is not reflecting the benefit of debt sales and that it is necessary to amend the impairment methodology to fully reflect the cash flows received from such sales. Management has also highlighted that the current methodology is prudent in respect of its treatment of the probability of default assumption for accounts where customers have been declared bankrupt.

Adjustments for these two areas (in the range of £39m to £43m) have been aggregated with the difference of £42m at 31 December 2007 with the result that the overall provision is adequate. Consequently it is not necessary to recognise each of the individual adjustments.

In the second half of 2007 management have completed the project to roll out the new impairment methodology to the other major loan portfolios. The net release recognised in H2 was around £44m, with the largest adjustments booked in Europe (mainly Germany £27m) and Barclaycard US (£13m). The total financial impact of changes in impairment methodologies across Barclaycard in 2007 is a net release of £102m.

UK Banking

Project Chartwell

The Chartwell sale programme in UK Banking, which commenced in 2005 continued in 2007. The profit arising on sale is recorded as a negative cost when the transaction becomes unconditional. In 2007, £219m of property gains have arisen from project Chartwell supplemented by a similar gain in UKRB from project Ranch of £13m. £193m of the gain has been recognised in UKRB and the remainder (£26m) in BCB.

One-off items – BCB

While there are no large (over £50m) one off items in BCB there are two changes to accounting estimates that were implemented in the six months to 31 December 2007 which generated a profit of £35m and also a gain of £8m on hedging of Absa income that was recognised in Head Office in previous periods. Without these items the results for the year would have been lower than those in 2006.

GR&CB - International

Our audit work in relation to Absa, Western Europe and Emerging Markets has identified a number of immaterial issues that have been raised with management, including the treatment of certain branch opening related costs, costs deferred in anticipation of Project Lion and unreconciled balances (in Ghana and Uganda, for example). Other issues include differences in relation to required impairment levels, and the need to update and validate key assumptions used in determining impairment allowances (particularly so in respect of Emerging Markets).

As might be expected in a business as diverse as Emerging Markets, a number of irregularities involving Barclays' personnel (although not those in key internal control roles) have come to our attention during the course of the audits. Of these, the most significant was a fraud that involved a fund manager making and concealing investments outside of approved policy, resulting in an unexpected loss being recorded by the fund, and for which compensation was provided by Absa. An independent investigation into how the matter arose is underway.

We note that the allocation of central GR&CB costs has yet to be addressed, and that these are currently incorporated in the IRCB ex Absa/GR&CB-I segment results (£126m). We are aware however that this is under review by management, to be resolved in conjunction with finalisation of plans regarding the adoption of IFRS 8 on segmental reporting.

Accounting policies, estimates and judgements

Each year the Directors and PwC must consider the appropriateness of accounting policies, accounting estimates and judgements made in the financial statements. We have discussed these matters with management and set out our findings below.

Appropriateness of accounting policies

We have reviewed management's paper to the Board Audit Committee dated 5 February 2008 in relation to accounting policies. We agree with the conclusions of the paper, including those in relation to IFRS 7. Based upon our audit work to date, we are satisfied that the financial statements are in compliance with those accounting policies.

Key estimates and judgements

As with any group, a number of accounting estimates and judgements have to be made in preparing the financial statements. As well as the matters included in previous section of this report, the most significant of these that we have focused on in our audit are:

- Fair value adjustments;
- Impairment against loans and advances;
- Taxation;
- Litigation and settlements; and
- Other estimates and judgements.

Fair value adjustments

In common with all investment banks, Barclays Capital maintains valuation adjustments against financial instruments to arrive at fair value. Valuation adjustments have decreased by £308m from £2,247 to £1,939m at the end of the year (30 June 2007: £2,544m) principally due to the release of the UIR and bid offer reserve noted on page 8.

The application of valuation adjustments is very judgemental. Whilst most banks calculate adjustments for similar types of risk and products, the methods employed vary considerably. Furthermore, the timing of release of reserves often depends on the resources employed, for example, to validate and approve traders' valuation models and to demonstrate that product valuation parameters are 'observable' and therefore revenues can be recognised. We have previously reported that Barclays Capital has been conservative in determining the level of adjustments and we continue to believe this is the case at 31 December 2007. The valuation adjustments are summarised in the table in Appendix 1 to this report and we set out below our observations on the key movements in these valuation adjustments.

Unobservable income reserves

At 31 December 2007, the reserve totalled £589m (31 December 2006: £899m). The movement in the reserve includes £538m relating to new trades which was offset by reserve amortisation of £243m, a transfer to model reserve of £97m and a release to income of £507m. This is discussed in the 'Significant audit matters' section. The majority of the remaining reserve relates to structured equity derivatives and equity fund-linked products, which is consistent with the treatment in other banks.

The amount and changes in the unobservable income reserve is required to be disclosed in the Annual Report in 2007 under the new disclosure requirements of IFRS 7.

Model reserves

Model reserves have increased by £233m. These reserves relate to both unapproved models and those models with known weaknesses. The unapproved model reserve has increased due to a backlog of model approvals. No revenue is recognised until a model is approved. The increase is due to a transfer of £97m from the unobservable income reserve and additional reserves in relation to model limitations on a variety of complex products.

Product control price testing

Barclays Capital Finance undertakes a continuous review of all trading positions with the aim of ensuring consistent independent valuations are calculated in accordance with detailed policies and that unobservable parameters are identified. Product Control price testing has indicated that the trading portfolios at 31 December 2007 are, like previous periods, conservatively valued. The variances mainly relate to complex and longer dated derivatives. We have reviewed the processes applied by management and concur with the position taken not to adjust for the net credit.

Impairment and other credit provisions

The net charge to the income statement for impairment and other credit provisions in 2007 was £2,795m, an increase of £641m (30%) over the prior year. The overall stock of allowances has seen an increase in the year of 24% to £4,132m, driven mainly by the increase in impairment charges in wholesale and corporate portfolios as a result of impairment against CDO positions in Barclays Capital.

We have analysed in the table included in Appendix 2 to this report the change in the allowance for each business unit and an overview of significant movements. The methodologies applied by management as well as the data used in the models used to calculate impairment have been subject to significant review. Specific matters identified by these reviews in Barclaycard and UK Retail Banking are discussed on page 9. We are satisfied that the impairment provisions are fairly stated.

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Litigation and settlements

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Other estimates and judgements

Long Term Incentive Plan

Senior management of Barclays Capital participate in a Long Term Incentive Plan (LTIP). The LTIP rewards management by reference to a three year economic profit target. A new plan is created each year and hence the performance of each accounting period contributes to the economic profit target of three LTIP plans. The bonus is capped once the plan economic profit is reached. A significant amount of economic profit must be earned before any bonus is payable, and an increasing portion of each plan's bonus is earned as management deliver the latter part of the target economic profit as set out in the approved plan schedule. The calculation of the annual provision is subjective as it must take account of both current year performance and assumptions of future business performance and generation of economic profit.

The annual provisions for LTIP for 2005 to 2007 were £150m, £385 m and £177m respectively. The 2007 provision appears low when compared with the strong economic profit performance during the year. A provision which is based on the amount of economic profit achieved to date as a percentage of the forecast economic profit for each plan would be £62m higher. Management consider that the provision is reasonable due to the significantly increased economic capital allocated to BarCap in 2008. With a much higher level of economic capital it will be harder to generate economic profit in 2008 and 2009 (even if profit before tax increases significantly). In addition management believe there will be some adjustment to the 2006 -2008 plan as a result of leavers. We consider that the provision is at the low end of the range given the strong results in 2007.

US GAAP

On 4th January 2008 the SEC published the final rule to accept from foreign private issuers ("FPIs") in their filings with the SEC, financial statements prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") without reconciliation to US GAAP, with an effective date of 4th March 2008.

This means that from 4 March 2008 the SEC will accept Form 20-F filings for years ending after 15 November 2007 which no longer include an IFRS to US GAAP reconciliation. Barclays is intending to file their Form 20-F at the end of March 2008 and consequently will not need to provide any US GAAP disclosures or the IFRS to US GAAP reconciliation. Compliance with certain other SEC disclosure requirements is still necessary.

The above ruling only applies to those FPIs which report under IFRS as issued by the IASB. Barclays' accounting policies comply with both IFRS as adopted by the European Union (EU) and IFRS issued by the IASB. Consequently, our audit opinion under International Auditing Standards (UK & Ireland) will refer to IFRS as adopted by the EU, however our US GAAS audit opinion will be under IFRS as issued by the IASB.

Cost of equity

We have reviewed the Treasury paper dated 6 December 2007 submitted to the Board on 6 December 2007 setting out the calculation of cost of equity at 10.5%. There is nothing arising from our review which would indicate that the use of 10.5% is inappropriate.

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Appendices

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Appendix 1 Fair value adjustments

Reserve	31 December 2007 (£m)	31 December 2006 (£m)	Movement (£m)	Comment
Unobservable income reserves	589	899	(310)	Profits on new trades on trade date may only be recognised where there is sufficient observable market evidence supporting the fair value. The 'unobservable' profits are amortised to trading income over the life of each trade or, once the parameter becomes observable, recognised immediately.
Bid / Offer	372	379	(7)	Adjustments to record trading book at bid / offer. The movement in the reserve is after releases of £93m due to a change in the bid offer methodology and a reversal of the administration cost reserve of £62m.
Specific portfolio level fair value adjustments	734	549	185	Adjustments to reflect liquidity, model and other pricing uncertainties. Model reserves relate to unapproved models and known model weaknesses and amount to £642m (2006:£405m)
Credit adjustments	127	219	(92)	Adjustments to reflect counterparty credit risk on derivatives. The reduction (£85m) relates to several commodity derivative positions where exposures have reduced and additional collateral received.
Operational, legal and other	117	203	(86)	Various one off reserves for operational, legal, tax and other risks. The decrease is due to a release of £55m in respect of Enron matters. The Early Termination reserve of £29m was reversed during the year.
Total	1,939	2,249	(310)	

Appendix 2 Impairment allowance on loans and advances & other credit provisions

Business unit	Allowance at 1 Jan 2007 (£m)	2007 charge (£m)	2007 write-offs (£m)	Other changes* (£m)	Allowance at 31 Dec 2007 (£m)	2006 charge (£m)	2006 write-offs (£m)	Comment
Barclaycard	1,143	838	(885)	(8)	1,088	1,067	(931)	Decrease in impairment charge reflects largely positive delinquency trends and the net impact of a number of methodology changes discussed in the 'Significant audit matters' section.
UK Business Banking	440	290	(242)	8	496	252	(263)	The impairment charge has increased compared with the prior year driven by the deterioration of a higher number of large cases in Larger Business. This has been partially offset by a reduction in Medium Business reflecting fewer fraud cases than in 2006.
UK Retail Banking	1,006	559	(597)	37	1,005	635	(576)	Improving delinquency trends in the unsecured portfolio have been the main driver behind the reduction in the retail impairment charge. Impairment on the mortgage book remains small.
Absa	332	173	(112)	8	401	126	(67)	Impairment levels have grown in line with significant business growth achieved in the year. Credit adjustments have once again been made by Absa centrally to reflect interest rate rises that occurred in the 12 month period. It is too early to fully gauge the actual impact of the NCA on impairment at this stage.
IRCB (excl. Absa)	200	79	(33)	20	266	41	(34)	Impairment charge growth has been driven by underlying portfolio growth and deterioration in market conditions in Spain. The recent rapid growth of the Emerging Markets businesses in new markets such as UAE and India has resulted in significant judgement being applied to portfolio impairment assessments there, since there is no historic data or industry benchmark data available. While the impact of this is not material to the Group, it is a matter that management should address in 2008.
Barclays Capital	183	846	(63)	(75)	891	42	(245)	Total impact of sub-prime on impairment was £851m (as detailed in section "Quality of earnings"). This was driven by inclusion of £722m against ABS CDO Superior Senior positions and £55m charge against leverage finance positions, both of which are discussed in the section on Quality of earnings.
Other	78	10	(30)	(23)	35	(8)	(65)	
Total	3,382	2,795	(1,962)	(33)	4,182	2,155	(2,174)	
NPL coverage ratio	65.5%				39.7%			Significant decrease in coverage ratios as a result of the inclusion of the ABS CDO Superior Senior positions within PCRL categories.

*Includes foreign exchange, effect of acquisitions and disposals and unwind of discount.

Appendix 3 Independence

Our independence is critical to our business, and our efforts to maintain the independence of both PwC and our staff to Barclays are extensive. During 2007 we continued to closely monitor work performed by PwC around the world to ensure any non-audit services provided to Barclays fall within the non-audit services policy agreed by the Board Audit Committee.

We will provide you with a letter covering all aspects of our relationship with the Group that may be perceived to have a bearing upon our independence at the Board Audit Committee on 28 February 2008. However, there is a specific matter, detailed below, that we wish to update you on in this report:

South African Competition Commission

We have previously informed you of the appointment by the South African Competition Commission of the chairman of PwC South Africa, a former judge, to serve as the chairman of an enquiry into the banking industry in South Africa. Because of the former judge's association with PwC, this appointment could be construed as giving rise to a potential or actual conflict of interest between PwC and Absa. We confirm that the conditions for involvement set out previously (and as agreed with Barclays and the SEC) are still complied with. Furthermore, given the nature of the enquiry, and its findings being not specific to any individual bank, and the personal nature of the appointment, we remain satisfied that providing the enquiry proceeds as envisaged such a conflict will not arise. We will continue to monitor the position to ensure that no conflict arises as the enquiry progresses.

Procedures operated by PwC to comply with Board Audit Committee policy

Globally PwC has implemented a procedure whereby pre-approval of any proposed services for Barclays is required by the global audit engagement partner, Phil Rivett, before any work is commenced. This procedure uses our Authorisation for Services ('AFS') system, a web-based application we use globally to manage compliance which automates the requests and responses relating to authorization for services globally.

AFS links to our database of all public company clients and requires the relevant section of the Barclays Board Audit Committee Policy ('the policy') to be identified and any Schedule D or E (approved by the relevant engagement partner and the Chairman of the Board Audit Committee) to be electronically attached providing documentation of the proposed service and the reasons why it is permissible. Engagement teams in all locations must use AFS to obtain approval from the engagement leader (Phil Rivett) before any services are provided to Barclays. All services supplied to the Group, regardless of whether amounts are billed to Barclays or not, are required to be submitted through the AFS system.

The Board Audit Committee policy was updated in November 2007 to include certain additional pre-approved services. The nature of these pre-approved allowable services do not impair the independence and objectivity of PwC and they have been added to the pre-approved list due to the frequency with which PwC undertake these services in an effort to improve efficiency in the approval process. No amendments were made to the pre-approved monetary limits.

We have circulated the revised Board Audit Committee policy to all audit engagement partners who provide services to Barclays and also those partners who regularly provide other services to the Group. While there are occasions where we seek approval for assignments which are outside the scope of the allowable services set out in Schedule B to the policy and for which Schedule E approval is sought, the vast majority of the work we undertake falls clearly within the categories of 'Allowable Services'. All work we undertake is reported to the quarterly Board Audit Committee for ratification by the Group's company secretary with a summary on an annual basis. The amounts in these reports are agreed with PwC.

Appendix 4 Audit quality

The Smith Guidance prompts Audit Committees to 'assess annually the qualification, expertise and resources, and independence of the external auditors and the effectiveness of the audit process. The assessment should cover all aspects of the audit service provided by the audit firm, and include obtaining a report on the firm's own internal quality control procedures.' We have provided to you in the past a description of our audit quality control program. As we continuously seek to improve this program certain changes take place and therefore we set out below an updated overview of the quality control framework of PwC in the UK.

As part of a Global Network we are obliged to abide by common risk and quality policies and to conduct risk and quality reviews. Our audit and quality control standards are set out in these policies, supplemented to address UK professional standards and regulatory requirements as well as those applicable to specific engagements.

Our audit quality control system is in compliance with professional standards including International Standard on Quality Control (UK and Ireland) 1 "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements".

Leadership

Our Firm leadership is committed to taking all actions required to ensure that our Firm stands for quality, independence and objectivity. It regularly communicates to our partners and staff emphasising the importance of quality in all that we do.

Ethical requirements and independence

PwC expects all of its partners and staff to live by our core values of Quality, Trust, Teamwork, Excellence and Leadership. These values are embodied in our Code of Conduct which sets standards of professionalism and integrity that all partners and staff are responsible for following.

Senior members of audit teams are rotated in accordance with Ethical Standards to ensure a fresh look without sacrificing institutional knowledge. Our dedicated Compliance Function monitors compliance with adherence to ethical, legal and independence requirements. Members of an audit team are not given objectives or promoted, or their performance measured or reward set, by reference to selling non-audit services to their audit clients.

Our national Partner responsible for Independence has implemented an independence compliance programme and monitoring system incorporating:

- Written independence policies and procedures and extensive related training;
- An automated personal portfolio tracking system and restricted investments list;
- A requirement for all partners and staff to report potential or apparent independence violations, including potential personnel employment negotiations; and
- Controls over business relationships and alliances and commissions and contingent fees.

Client acceptance and continuance

We actively review our portfolio of clients to ensure that we work only with those clients which meet our exacting standards. Our automated decision support system for client acceptance and retention facilitates a determination by the engagement team, business management and our risk management specialists of whether the risks related to a client are manageable and whether or not we should be associated with the particular client and its management. Upon acceptance or retention of a client, the results of these assessments are incorporated into our audit process impacting, for example, the scope of work and assignment of resources. We decline to work with a client who does not agree to the scope of the work required.

Human Resources

We maintain stringent hiring standards, utilising a combination of interviews, testing and background checks to ensure that all candidates are capable of performing to our standards.

All partners and staff are required to attend mandatory annual training in the core competencies of accounting, and auditing, which is supplemented by industry and other training as relevant. All of our partners and staff ensure that they comply with their professional obligations on continuing professional development, which commences with an assessment of the development required each year to enable them to perform their roles. Partners and staff are assigned to an engagement based upon their knowledge and experience. Engagement leaders are required to consider the qualifications of their team individually and in aggregate, and determine the extent of direction, supervision and review of the work of more junior staff to whom work is delegated. Performance is evaluated annually through a 360° review process. Each individual's income is impacted by assessing their achievements against an individually tailored balanced scorecard of objectives based on their role. Staff are measured against a competency based framework and are only considered for promotion when there is evidence of the relevant competency being achieved.

Engagement performance

We use a globally consistent audit methodology, which is based on International Standards on Auditing (UK & Ireland), tailored to any specific standards relevant to the engagement. Our extensive policies and procedures cover not only professional and regulatory standards, but also reflect our guidance about how best to implement them. They are updated or supplemented for all current developments on a timely basis and are delivered to all our partners and staff through market leading electronic channels.

No partner or member of staff is left to take a difficult decision alone. They have access to wide informal and formal networks and technical teams that help them to reach the right solution to difficult problems. We have an experienced and independent group of technical partners and staff focused exclusively on quality and assisting partners on

complex accounting and auditing matters. For all audits, review of work is performed both by the manager and the engagement leader responsible for the individual engagement teams and, in group audits, also by the group engagement team based in London to consider whether the work has been performed as intended, competently, and to ensure that the appropriate conclusions have been drawn.

Quality review partner

On many clients, including all public companies, we appoint a Quality Review Partner who discusses all significant issues with the engagement partner and who is responsible for independently assessing the audit plan and its execution, the resolution of significant issues, the financial statements and disclosures and the appropriateness of our report in advance of it being issued. This partner has the appropriate seniority and level of experience and expertise to perform that role.

We can confirm that the Quality Review Partner ("QRP") appointed to Barclays in accordance with ISA (UK&I) 220, "Quality control for audits of historical financial information" has discussed all the significant judgements and conclusions reached to the date of this report and all matters we have included within this report. The QRP concurs with the engagement teams' assessment.

Monitoring

We establish key performance indicators to assess quality on audits which are in progress. Our performance against these indicators is assessed on a quarterly basis, with all partners being subject to review during the year. This continuous monitoring enables matters to be identified and addressed swiftly and in advance of the completion of work.

We have an internal quality monitoring program which includes inspection of a partners completed work and all aspects of our audit quality control system. All partners are reviewed at least once every three years. This program is conducted by experienced partners and staff who are specialist in the relevant industry but who are independent of the partner, and office reviewed.

The quality of our work is subject to external review by our regulators, including the Audit Inspection Unit ('AIU'), the Quality Assurance Directorate of the ICAEW and the Public Company Accounting Oversight Board.

The UK firm of PricewaterhouseCoopers is registered with the Public Company Accounting Oversight Board ('PCAOB'). The PCAOB conducts inspections of the major accounting firms annually, focusing on those portions of the firms' accounting and auditing practices that relate to public companies registered with the SEC. The PCAOB's remit includes the audits of all SEC registrants including Foreign Private Issuers ('FPI's'). The PCAOB has performed a number of reviews of firms around the world with FPI audit clients.

The AIU has continued its inspection of the work carried out at the large accounting firms during 2007. The AIU inspections focus on the quality of auditing, including assessing the appropriateness of the key audit judgements made in forming an audit opinion as well as a wide ranging review of firm wide procedures. Key inputs to the audit process reviewed by the AIU during their inspections covered leadership, human resources, ethical policies and acceptance/continuance of audit engagements and engagement performance and monitoring.

Whilst the output of the individual reports currently remains confidential, the AIU publishes an annual report summarising its findings across the large accounting firms. We evaluate inputs from all of these programmes, the findings of which are reviewed by the firm's leadership, to prepare detailed action plans enabling us to achieve our aim of continuous improvement. A consultation process has taken place on the public reporting of the Audit Inspection Unit's (AIU) reviews of audit firms and the audits that they have undertaken. Up until now, the AIU's reviews of individual assignments have remained wholly confidential and their report on individual audit firms has been shared only with the Audit Registration Committee of the ICAEW, with an overall report summarising the results of all firms inspected published. The final decision on public reporting was issued on 5 December 2007 and the principal points of note are:

- The AIU will not publish a list of the audits which they have reviewed;

- For AIU reviews of audits started after 1 January 2008, the AIU will produce a letter, addressed to the audit partner, which the AIU expect the auditors to share with the audit committee. The letter will contain a summary of any significant findings noted on the review of that audit. These letters will be subject to statutory confidentiality obligations imposed on a recipient of an AIU report, which come into force in April 2008; and

- The AIU will still produce a detailed report on the audit firm, which will be made available only to the Audit Registration Committee, but will also publish a high level public report on the audit firm which summarises their findings from both the audit file reviews and their wider review of the audit firm's operations, policies and procedures. It is currently anticipated that for this first year, reports on all the audit firms inspected will be published at the same time, possibly during autumn 2008.

Every instance where we fail to meet our exacting performance standards is treated seriously. The partner responsible is counselled to improve performance and the work of the partner is reviewed in the following year. There may be a negative adjustment to the partner's compensation; in serious cases the partner is no longer permitted to sign audit opinions in the firm's name, or in extreme circumstances, the partner is requested to leave the firm.

Foreign private issuers

Due to the complexities associated with cross-border filings inbound into the United States, additional assistance is available to individual firms and engagement teams whose clients, like Barclays, are foreign private issuers. SEC-FPI Services, which is part of the US firm's National Office, in conjunction with the Capital Markets Group, and selected other individuals, provides technical guidance on material accounting, auditing and SEC reporting issues to engagement teams serving foreign private issuers, and consults on various accounting, auditing, and SEC reporting issues as necessary, or as required under relevant PwC policy.

The technical guidance is maintained in a database (the SEC-FPI Services Database) that is deployed globally and available for all engagement teams. This technical guidance includes various alerts and presentations, as well as course training

materials that were developed and used in a global training course. SEC-FPI Services has also developed and globally deployed a US GAAS supplemental database. This database provides engagement teams with the additional steps necessary to supplement as necessary the audit procedures that are required by PwC global audit methodology to those required under US GAAS. SEC-FPI Services also prepares the guidance included in PwC's SEC Volume that is specifically designed for foreign private issuers.

As required by SECPS Appendix K, a specialist or "designated reviewer" who is knowledgeable in US GAAS, independence rules, and SEC reporting requirements is assigned to assist non-US engagement teams of foreign private issuers. SEC-FPI Services has developed a program that is used by the designated reviewers to review whether all necessary steps have been completed.

SEC-FPI Services is responsible for ensuring that the programs are completed for each filing with the SEC, and for maintaining documentation of such compliance for purposes of peer review and regulatory oversight. In addition to the work performed by the designated reviewer, SEC-FPI Services reviews all transactional filings made with the SEC, and reviews annual reports of companies on a rotational basis.

Going concern

We can confirm that PwC is currently a going concern, and there are no matters of which we are aware would impair our abilities to so continue for the foreseeable future.

Significant litigation

At any time, various legal actions and proceedings are pending against or involve PwC UK and other members of the global organisation around the world. After reviewing significant actions and proceedings pending against us with our Office of the General Counsel, we consider that the outcome of such matters will not have a material adverse effect on PwC UK's financial position.

Board Audit Committee report
PricewaterhouseCoopers LLP

We can confirm that, in the UK, PwC UK is involved in a small number of claims, all of which we are contesting and are of no material financial impact on PwC UK. As you may be aware, we are a party to one US class action (relating to Shell's oil reserve issues), but we do not consider that this case will materially impact PwC UK's financial position.

Regulatory action

In the normal course of our business we are subject to regulatory scrutiny. At this time we are aware of no on-going regulatory actions which involve PwC UK.

Conflicts of interest

Our relationship as advisor to companies that have failed and to which Barclays may have acted as lenders will from time to time result in litigation. There are a few matters in which we are involved with Barclays in our capacity as business recovery specialists, none in which there is an actual claim.

February 08
23

Appendix 5 Results announcement consent letter

Private and Confidential

The Directors
Barclays PLC
One Churchill Place
London
E14 5HP

[] February 2008

Dear Directors

Preliminary Announcement of the results for the year ended 31 December 2007

In accordance with the terms of our engagement letter dated 20 June 2007 we have reviewed the attached proposed preliminary announcements of Barclays PLC and Barclays Bank PLC, for the year ended 31 December 2007. Our work was conducted having regard to Bulletin 2004/1 issued by the Auditing Practices Board. As directors you are responsible for preparing and issuing the preliminary announcements.

Our responsibility is solely to give our agreement to the preliminary announcements having carried out the procedures specified in the Bulletin as providing a basis for such agreement. In this regard we agree to the preliminary announcements being notified to a Regulatory Information Service.

As you are aware we are not in a position to sign our report on the annual financial statements as they have not yet been approved by the directors and we have not yet completed our work on the required note disclosures. Consequently there can be no absolute certainty that we will be in a position to issue an unqualified or unmodified audit opinion on financial statements consistent with the results and financial position reported in the preliminary announcements. However, at the present time, we are not aware of any matters that may give rise to a qualification or modification to our audit reports. In the event that such matters do come to our attention we will inform you immediately.

Yours faithfully

Board Audit Committee report
PricewaterhouseCoopers LLP

February 08
24

Appendix 6 Summary of unadjusted differences

Unadjusted differences identified (DR) / CR																	
Per Results Announcement (Version B)	BarCap		BGI		UK Banking		Barclaycard		GRCB-I		Wealth		Unadjusted misstatements identified during Results Announcement process		Results Announcements reflecting total unadjusted misstatements		Revised misstatement including additional items identified
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%		
Total income net of insurance claims	22,999	21			8		23		4				56		23,055		0.24%
Expenses	(13,196)	2			(11)		(5)		(11)		(5)		(44)		(13,242)		0.33%
Impairment allowance	(2,795)	(42)		(14)	3		(27)		(1)				(67)		(2,862)		2.40%
Results of associates and joint ventures	42						(1)						(1)		41		(2.38)%
Profit on disposal of associates and joint ventures	28												0		28		0%
Profit before tax	7,076	(19)		(14)	1		(9)		(8)		(5)		(54)		7,022		(0.76)%

Additional information in relation to items individually greater than £10m (absolute PBT impact)

Total income net of insurance claims £m (DR) / CR

Barclays Capital

11	Reversal of origination fees on commercial loans that were close to maturity which should only be released at maturity.
(21)	Accretion to income of deferred origination fees on commercial loans which are loans held at fair value so no deferral is required.
<u>(10)</u>	

Expenses:

Barclays Global Investors

(14)	Unrecognised liability in relation to BGI support agreements on certain BGI managed funds (see page 6);
------	--

Impairment Allowance:

Barclays Capital

(66)	Unrecognised impairment loss from 31 October 2007 through to 31 December 2007 for super senior CDO exposures as calculated by management in January but not adjusted for (see page 3).
24	The impairment model calculation did not reflect the year end trustee collateral report and therefore the impact was not adjusted for (see page 3).
<u>(42)</u>	

pwc.com

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EXHIBIT 56

**FILED UNDER SEAL PURSUANT TO THE
STIPULATION AND PROTECTIVE ORDER
DATED FEBRUARY 3, 2015, DOCKET NO. 98**

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Center
300 Madison Avenue
New York, NY 10017
Telephone (646) 471 3000
Facsimile (813) 286 6000

PricewaterhouseCoopers LLP
London

Dear Sirs,

We confirm that we have performed a subsequent events review for Group reporting purposes for BarCap U.S.* which has been audited by us.

We confirm that we have not identified any subsequent events material to the Group, as defined in your instructions dated September 10, 2007 (as amended on January 8, 2008 and February 1, 2008), as a result of the above review.

Yours faithfully,



PricewaterhouseCoopers
New York
March 4, 2008

* See Appendix A for details of BarCap U.S.

Appendix A

Group SAP Legal Entity Company Code	U.S. Galaxy SAP Legal Entity Company Code	Entity Name
8568	2764/2772	Barclays Capital, Inc
8725(*)	6754 6755 6760 6761 6764 6765 6766	Derivatives NY Platinum
8004(*)	7752	Barclays Swaps
8570(*)	6750/6753	New York Branch of Barclays Bank PLC
8876	2826/2849	Sheffield Receivables Corporation
8915	2839/2852	Stratford Receivables Company LLC
8920	2846/2863	Sutton Funding Corporation
8559	2814/2834	Barclays Capital Real Estate, Inc.
8850	7784	Emerging Markets
8344	2827/2850	Sussex Purchasing Corporation
8345	2828/2851	Surrey Funding Corporation
8558	2813/2856	Barclays Capital Real Estate Funding
8729	2783/2811	Barclays Oversight Management Inc.
8110	2791	US Leveraged Loans
8965	2848/2858	Barclays Investment Holdings Inc.
8567	2752	Barclays US Funding Corp
8682	6752/6756	United States Branches

(*) Please note that certain cost centres within these entities have been scoped out for the purpose of our opinion, as identified in Appendix A of our opinion dated February 12, 2008.

EXHIBIT 57

**FILED UNDER SEAL PURSUANT TO THE
STIPULATION AND PROTECTIVE ORDER
DATED FEBRUARY 3, 2015, DOCKET NO. 98**

From: Rose, Amanda A: Barclays PLC
[O=BZW/OU=EUROPE/CN=BARCLAYSGROUP/CN=RETAIL.AROSE]
Sent: Monday, March 10, 2008 11:39:03 AM
To: dgbooth@eastferryinv.com; rjbroadbent@btinternet.com; lclifford@qantas.com.au;
fulvio.conti@enel.it; Danie.Cronje@telkomsa.net; master@sid.cam.ac.uk;
Diamond, Bob: Barclays Capital; Hoffman, Gary: Barclays PLC;
alikiernan@london.edu; Lucas, Chris: Barclays PLC; michael.rake@bt.com;
Rudd, Nigel: Barclays PLC; steve.russell2@tiscali.co.uk; Seegers, Frits: Barclays
PLC; john.m.sunderland@cspc.com; Varley, John: Barclays PLC;
patiencewheatcroft@googlemail.com
CC: Agius, Marcus: Barclays PLC; Dickinson, Lawrence: Barclays PLC; Gonsalves,
Patrick: Barclays PLC
Subject: FSA
Sensitivity: Private
Attachments: Memo - Directors, Mtg with Callum McCarthy, FSA - 100308.doc

Please find attached a memo from the Chairman, which is password protected. Please note the password will be advised separately.

Mandy Rose
Manager (Board Support)
Barclays Corporate Secretariat
Level 29
1 Churchill Place
London E14 5HP
Telephone: 020 7116 2911
Clearway: 7 6006 2911
Fax: 01452 638329
Internet Mail: amanda.rose@barclays.com



Memo -
Directors, Mtg...

Memo

PRIVATE AND CONFIDENTIAL

To Directors
From Marcus Agius
Date 10 March 2008
Subject Meeting with Callum McCarthy, FSA

BARCLAYS

I should report on two meetings I have had recently with the Chairman of the FSA at his request: the second took place last Thursday. Callum McCarthy was accompanied by Hector Sants for the first meeting and Clive Briault for the second. In general, McCarthy is concerned to establish that the Board of Barclays is providing sufficient challenge to the Executive in the current difficult market conditions and, in particular, wants to be clear as to our contingency plans for raising new equity capital should there be a further precipitate fall in asset values. He referenced in particular falls in US housing - see below.

While I was assured that similar meetings were taking place with the chairmen of the other major banks and that there were no concerns as to the competence or professionalism of our executive team (a message confirmed by other parallel conversations), McCarthy did make a number of Barclays specific comments. He told me that Barclays exposure (admittedly at the notional level) to monoline insurers is the largest in the UK market and he observed that our investment banking business forms a relatively large part of our business as compared to our competitors. He expressed particular concern that our Tier 1 equity ratio is only 4.6 per cent. (as compared with our own figure of 5 percent.) and, he believes, is only forecast to be at or above our target of 5.25 per cent. in 2 of the next 24 months. (Interestingly, he made no reference at any time to our Tier 1 ratio of 7.8 per cent, which is surprising given that the Tier 1 ratio, not the equity ratio, is the standard to which the regulators normally pay most attention). He queries whether we have any readily realisable assets for sale and so was keen to know what our contingency arrangements would be in an emergency - "What would be the impact on Barclays of another sudden 10 per cent fall in the US housing market?" While he understands that we are having no current difficulty in funding our business in either the retail or wholesale markets, McCarthy's general concern seems to be that, in extremis, there will be a rush for support from the Sovereign Wealth Funds which will not be able to satisfy all comers. He asked specifically whether we had any "firm" second stage arrangements with CDB and Temasek.

As discussed with colleagues beforehand, I reassured McCarthy that we were paying very careful attention to our liquidity and our capital position and that we would not have raised our dividend, completed our recent share repurchase, or made the two recent in-fill acquisitions if we had any serious concerns in this regard. I went on to tell McCarthy that we had indicated to both CDB and Temasek that we would welcome further subscription enabling them to average down, but that these should be thought of as invitations rather than signalling anything firm. On the other hand, I was able to report that we had had approaches from a number of third parties who have expressed an interest in taking equity or equity equivalent in Barclays and that there were two such dialogues live at the moment (about which the Board will be briefed when we next meet) each of which could result in an investment of between \$1-2 billion coupled with some kind of mutually beneficial commercial arrangement. McCarthy appeared relieved to hear this news.

While it is not surprising the FSA is having discussions with bank chairmen in this way, I have to say that McCarthy's tone was sharp. He wanted to know whether I and the other NEDs were "holding the Executive's feet to the fire?" He referred to our equity ratio profile as being "alarming" and said that he needed to know "as a matter of urgency" what our contingency plans were in order to decide "whether we would need to take any action". There have been meetings between Barclays and the FSA at the working level on a very regular basis, by which I mean weekly or fortnightly, the purpose of which has been to keep the FSA briefed on our exposures gross and net, and to take them through the results of our stress testing, including analysing our liquidity. The scale and frequency of these briefings, which have mostly been initiated by us, is unprecedented because we understand the regulator's need to feel fully in the picture. There is to be a further such meeting involving JSV, CGL and Robert Le Blanc next Friday. So far as I am concerned, Callum wants me to report back in due course to confirm that contingency planning has been "fully and completely discussed" with the Board.

I have discussed this with JSV and an appropriate discussion, with supporting papers, will take place at our forthcoming board meeting on Thursday week. This will cover the contingency planning on both the asset and liability sides of the balance sheet that ExCo. has been working on following discussions of balance sheet and capital at the Board meetings in November, December and February.

MAPA

[Path] Memo - Directors, Mtg with Cellini McCarthy, FSA - 100308.doc

EXHIBIT 58

**FILED UNDER SEAL PURSUANT TO THE
STIPULATION AND PROTECTIVE ORDER
DATED FEBRUARY 3, 2015, DOCKET NO. 98**

From: Cunningham, Andrew: Internal Audit (NYK) [/O=BZW/OU=USA/CN=NYK AD
USERS/CN=USERS/CN=CUNNINAN]
Sent: Friday, March 14, 2008 12:36:01 PM
To: Howell, Tim: Audit (LDN)
Subject: FW: PWC Presentation for USA Governance and Control Committee
Attachments: PwC Mar 08 GCC Presentation - FINAL_ppt.zip; ATT17263127.txt

Tim,

As discussed.

Regards,
Andrew

From: Hart, Bob: Internal Audit (NYK)
Sent: Monday, March 10, 2008 1:04 PM
To: Cunningham, Andrew: Internal Audit (NYK); Varrone, Peter: Internal Audit (NYK)
Subject: FW: PWC Presentation for USA Governance and Control Committee

Andrew/Peter:
Please don't forward.
Do you have any comment on the control issues raised by PwC (pgs 5-7)?
Thanks, Bob

From: LaRocca, Gerard: Barclays Capital (NYK)
Sent: Monday, March 10, 2008 12:54 PM
To: 'richard.m.webb@btopenworld.com'; 'lmwirshba@barclaycardus.com'; del Missier, Jerry: Barclays Capital (LDN); Feldberg, Chester : Markets (NYK); Hart, Bob: Internal Audit (NYK); Carawan, Mark: Barclays PLC; Grossman, Blake R: Barclays Global Investors; Hoffman, Gary: Barclays PLC; Rose, Amanda A: Barclays PLC
Cc: 'michael.guarnuccio@us.pwc.com'; Nicholson, Marlene: Gov't Relations (WASH); 'robert.macgoey@us.pwc.com'
Subject: PWC Presentation for USA Governance and Control Committee

Attached is an electronic copy of the PWC presentation to be discussed at the March 18TH USA GCC meeting.
You should have a hard copy in the inside folder of your Binder of meeting materials which were sent to you today.

The PWC document has NOT been broadly distributed to all meeting attendees.

It will be discussed during Executive Session.

Gerard

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Document Produced in Native Format

Barclays Capital

2007 North America Based Operations
Summary Observations

March 18, 2008

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Comments on the 2007 process and looking forward to 2008	8

Scope and status of 2007 audits

We have completed our audit of the results of Barclays Capital North Americas Based Operations ("BarCap") for the year ended December 31, 2007 for inclusion in the Barclays PLC Annual Report and our audit of the internal controls over these results. Our inter-office report to the PwC London team provided support for the following opinions issued by PwC London:

- Opinion over the Group financial statements and Form 20-F
- Opinion on the effectiveness of internal controls over financial reporting

Our audit work was performed in compliance with both International Auditing Standards applicable in the UK and Ireland and US PCAOB Standards. We also performed an audit of the design effectiveness and operational effectiveness of internal controls over financial reporting to comply with the requirements of PCAOB Auditing Standard No. 5 ("AS5").

In addition to the Group audit outlined above, we have also completed our work on the following:

- Financial statement audit of Barclays Capital Inc. for the year ended December 31, 2007
- Compliance audits of Barclays Capital Real Estate Inc. d/b/a HomEq Servicing under SEC Regulation AB and *Uniform Single Attestation Program for Mortgage Bankers* ("USAP") for the year ended December 31, 2007

The audits of the following entities under US GAAP as of December 31, 2007 are still in process:

- Barclays Capital Real Estate Inc.
- Barclays Group US
- Conduits (Sheffield, Stratford, Surrey, Sussex, Sutton)
- EquiFirst Corporation

We would like to take this opportunity to thank Barclays Capital management and staff for their cooperation and support throughout the audit.

Key issues

Key issues discussed with management include:

- Valuation of ABS CDO super senior liquidity facilities
- Valuation of sub prime and alt-a whole loans and residuals
- Valuation of other credit related items
- Release of valuation allowance against deferred tax assets recorded in Barclays Group US

ABS CDO super senior liquidity facilities

ABS CDO super senior liquidity facilities with a total notional exposure of \$15.7bn were provided to synthetic, high grade and mezzanine collateralized debt obligations ("CDOs"). Following a decline in value of the underlying collateral, management has recorded losses of \$3.7bn on these liquidity facilities. Gains on derivative hedges have reduced the losses to \$2.7bn. The synthetic facilities (notional \$4.3bn) are derivative financial instruments held in the trading book and are stated at fair value. Losses on synthetic facilities were \$2.0bn (before hedges). Management has derived the fair value of the CDO collateral by calculating implied market prices using the ABX index (a Net Asset Value ("NAV") approach). We have benchmarked the losses using changes in external price data (including the ABX) from July and consider that the magnitude and direction of the losses are reasonable. The high grade (notional \$9.3bn) and mezzanine (notional \$2.1bn) exposures are loan facilities held in the accrual book and therefore recorded at amortized cost less impairment. Losses on these liquidity facilities were \$1.0bn and \$0.7bn, respectively (before hedges).

Management identified two potential accounting issues in relation to these accrual book liquidity facilities. Firstly, a loan may include an embedded derivative (by way of collateral) which is required to be fair valued. Management undertook a review of the high grade liquidity facilities. Two hybrid facilities have significant derivative exposure but had not yet been drawn. The drawn facilities include only small amounts of such derivative exposure. We concur with their conclusion that an amortized cost policy remains appropriate. Secondly, the mezzanine liquidity facilities contain certain default triggers which if met will result in Barclays assuming control and recognizing the underlying CDO collateral on the balance sheet at fair value. Management determined that the mezzanine CDOs are highly likely to hit these triggers in 2008 (one CDO has already triggered). Consequently, management has calculated the impairment loss on liquidity facilities issued to these CDOs using a similar approach to the trading book based on the fair value of the collateral. This approach produces a substantially higher loss than the method used in relation to the other banking book CDOs (see high grade below). We consider that management's choice of methodology is appropriate.

A different approach has been used to calculate the loss on high grade CDOs. Most of these CDOs are not subject to default triggers (except for actual defaults to the senior note holders). This was confirmed by external counsel who reviewed the documentation. The two hybrid facilities include triggers but management do not expect a default in the near term. Management determined cumulative loss rates for the underlying ABS in the CDO and calculated the net present value of future cash flows using a standard industry model. We compared the loss rates to published data and identified that Barclays' rates were in the mid range.

We consider that management has implemented a reasonable and consistent methodology to determine the estimated fair value and impairment of the related CDO super senior positions.

Key issues

US sub prime and alt-a whole loans and residuals

Barclays Capital holds \$6.4bn of sub-prime whole loans and \$1.9bn of Alt-A whole loans in the trading book. Sub prime and alt-a whole loans held at fair value have been written down by \$150m and \$226m respectively. There is no traded market for these loans and only limited observable comparable price data. Given the limited data available, the valuation process is highly subjective.

The loans have been recorded at fair value using cash flow models incorporating assumptions on default rates, severity, prepayment speed and discount rates. The discount factor should reflect an investor's current expectation of returns given the risk and this is the most difficult input to determine. The majority of sub prime whole loans were originated from March 2007. BarCap acquired EquiFirst in April 2007. Management made improvements to the underwriting standards from this date and the quality of new loans gradually increased (higher coupons, lower "loan to values" and improved product type). The portfolio showed a marked improvement from August. Barclays sold one pool of recently originated subprime loans to Freddie Mac in November and we understand a further sale is imminent. The fact that the loans were accepted by Freddie Mac suggests that the assets are of a higher quality. The valuation of the post August inventory (\$1.0bn) is supported by these sale prices.

Management has applied a higher discount factor in the valuation of the Equifirst loans originated between March and July (\$4.5bn) and the alt-a loans. They have used a sub prime securitization transaction in July as a pricing reference point, and have stressed the discount rate by 50% and then increased it further by reference to fourth quarter movements in the yield implied by the ABX index. The Alt-A discount rate was stressed by a similar factor. We have performed detailed work on the valuation methodologies and assumptions used by management. We have also provided insight on the estimated range of prices and discount rates we have observed at other market participants. Our work has identified that a wide range of valuations exist in the market. In particular, discount rates vary widely. It is difficult to draw accurate comparisons as the quality of assets varies depending on product type, location, originator and vintage. However, we have noted that management's prices are at the high end of the range that we have observed. Management believes this is justified due to the better quality sub prime loans originated by Equifirst in the second half of the year and is supported by evidence from the sales noted above. The earlier originated sub prime and Alt-A loans are better quality than the average asset of a similar vintage but are likely to be difficult to sell or securitize. The valuation of these loans is more difficult to validate.

In the current distressed market, the level of market evidence available to management is very limited. Consequently, the valuation of the loans is based primarily on management judgment. We are satisfied that management has undertaken a comprehensive review of these assets and their valuation. Sub-prime residual equity positions arising from the whole loan securitizations (Post NIMS and NIMs) have been substantially written down to \$460m (total write-down of \$832m). The Post NIMs originated in 2006 and 2007 have been written down by approximately 90% to \$80m. The remaining positions relate to earlier vintages which are producing some cash flows. Residual assets have always been highly illiquid and there are no observable prices or reliable data to determine fair value. We consider that the provisions are adequate although there remains downside risk in the valuation of the remaining assets.

Key issues

Other credit related items

There are a number of other significant US credit exposures at December 31, 2007. These exposures include trading and banking book assets. We have reviewed the price testing results of Product Control and performed our own detailed tests of data and models, using our valuation specialists where necessary. We concur with the conclusions of management. We comment briefly below on the significant exposures and the key judgments made by management.

- **Commercial real estate loans** - The bank is exposed to US commercial real estate loans of \$12.6bn. There is very limited external price information. The loans have been valued by management based on the specifics of each asset and expected investor returns. We have performed a detailed loan review of the assumptions.
- **Alt-a securities** - There is very little liquidity in the market for the portfolio of alt-a securities (\$6 bn), \$5bn of which are AAA rated. The fair values have been derived from broker quotes or pricing services, where available, or cash flow modeling using delinquency, severity, prepayment and default assumptions. We tested management's prices to third party sources and reviewed the internal models.
- **Monoline exposure** - Barclays' exposure to monoline insurance companies exists within "negative basis trades". These involve the ownership of a bond and the purchase of credit guarantee. The notional amount of monoline guarantees received is \$38.2bn and the fair value of the exposure is \$2.4bn. Management has reviewed this exposure and a credit provision has been recorded using observed credit spreads and a standard Risk Tendency model.
- **Other ABS (warehouses and trading)** – Significant losses were incurred on assets held in warehouse facilities and trading portfolios. There is limited liquidity in the ABS markets although consensus pricing services provide prices for many securities. Management has performed detailed price testing of these exposures using evidence from the pricing services, some limited recent trades and proxy analysis using comparable securities.

Release of valuation allowance against deferred tax assets

In June 2007 Barclays reassessed the need for the recognition of deferred tax assets ("DTAs") that have not previously been recorded due to assessments made in prior years on the realizability of those assets. This reassessment resulted in a release of a full valuation allowance on its net deferred tax assets as of June 30, 2007, supported by recent earnings as well as projected future profits. Credit market volatility resulted in unexpected losses in 2007 and an increase in deferred tax assets, therefore, management reassessed at December 31, 2007 whether or not it should recognize deferred tax assets for its net DTAs. At December 31, 2007 the amount of future profits before tax ("PBT") needed to fully recognize the deferred tax assets was approximately \$1.6bn (which includes NOLs that may be realized over a period of up to 20-years).

Management forecasted future PBT over the next five years to reason that there is enough prospect of profit in these future years to realize the unrecorded deferred tax assets. The ability for us to audit the reliability of the forecasted profits, which are based on data that is generally not verifiable or objective, and include market outlooks, internal initiatives, global Barclays' budget growth rates, etc, is limited due to the subjective nature of these estimates. Management has demonstrated the ability to generate sufficient PBT on a go-forward basis from using historical PBT data in order to recognize the full DTA. Although this method would require 11 years for full recognition, this period is less than the 20-year period allowed for realization of the DTA as provided in the technical literature.

Control deficiencies reporting

We performed audit and control procedures in the US for financial statement and Sarbanes-Oxley (“SOX”) reporting to Group. As a result of AS5 issued by the PCAOB, we increased the level of reliance placed on Barclays Internal Audit (“BIA”). We continued to work well with BIA, and did not identify any significant issues with their work.

We have reported all control deficiencies identified during our audit to management throughout the year. These have been recorded by Corporate Risk in the ‘GAPS log database’. The control deficiencies we identified have been aggregated with management’s and escalated to senior management and the Group SOX team as appropriate.

We, through PwC UK, are required to report all deficiencies in internal control over financial reporting that might be ‘significant deficiencies’ or ‘material weaknesses’ as defined by the US auditing standards to the Barclays Audit Committee. No control deficiencies at Barclays Capital North America Based Operations have been reported to the Barclays Audit Committee.

A high level summary of the numbers of control units PwC New York reviewed and deficiencies identified at Barclays Capital North America based operations is set out below:

Control Type	Control units	Key controls in scope	Design deficiencies	Operating deficiencies
US – Business Process	31	90	0	3
US - Information Technology General Controls	11	77	0	7

Control deficiencies reporting

Below is a summary of the deficiencies that are relevant to Barclays Capital North America based operations:

Key Theme	Description	Management's Response	PwC Recommendation
Lack of segregation of duties	Operations has the authority to upload entries into the general ledger on behalf of a limited number of functional areas. In these cases, it is possible that the same individual is reconciling the account and posting to the general ledger.	Management identified compensating review controls performed by Operations and Financial Control. In addition, a detective control was implemented in January 2008 to ensure that individuals responsible for reconciling accounts are not posting to those accounts.	Management should ensure that where individuals have access to both a sub-ledger system and the general ledger, there is appropriate oversight of the entries posted by these individuals to the general ledger.
Spreadsheets	The list of spreadsheets supporting key controls was incomplete in the current and prior years. We identified exceptions with one of the omitted spreadsheets.	A change in approach from prior year led to an inconsistent interpretation of spreadsheet control guidelines by some line managers. The spreadsheet control guidelines have been updated and redistributed in the Product Control Group Americas.	The process for identifying and documenting key spreadsheets should be remediated to ensure key spreadsheets are identified and appropriately controlled.
Information technology general controls ("ITGC") deficiencies	User access rights and recertification issues were noted in several in-house applications. In addition, two ITCG deficiencies in each of the BPS and Impact SAS 70s were indicated in the reports from the vendors.	Mitigating / complementary controls over user access rights and security administration reduce this risk to a less than remote likelihood of misstatement.	We concur with management's assessment, however, given the potential implications on controls, management should ensure that: - Conflicting profiles within, and across, all technology layers are identified and segregated; -Controls over the business re-certification process over applications are made more robust.

Consideration of other control matters identified during 2007

We also discussed with management the following two additional matters related to control deficiencies in areas not included in the 2007 SOX testing scope:

Finance Oversight

- We identified an issue related to the level of detailed supporting documentation and audit evidence provided during our audit of information contained in the press release announcements and financial statement disclosures for the year ended December 31, 2007. While the information was ultimately audited and accurately reported, the audit evidence supporting management's disclosure needed to be enhanced, as well as enhancements made to the documentation supporting the reconciliation to the general ledger. We also noted an incorrect adjustment posted to the tax provision for Barclays Capital Inc. The incorrect adjustment resulted, in part, from variances between underlying information used by Tax and Finance, and no detailed review of the entry by Finance prior to the posting.
- Management should institute a process whereby information compiled for internal and external financial reporting from other groups outside of Finance should have the rationale documented, the appropriate evidential support provided and a reconciliation to the general ledger performed. This information should then be reviewed by Finance prior to submission. In addition, any manual adjusting journal entries prepared by the Product Control or Tax groups should be reviewed and approved by Finance prior to posting to the general ledger.
- We understand management is responding to these points. They are establishing processes and controls related to internal and external financial reporting and will continue to add personnel to the Tax and Finance groups, including one individual dedicated specifically to financial reporting.

Repo Collateral

- The collateral held for reverse repurchase ("repo") agreements is marked-to-market daily by price feeds from Asset Control, a BarCap application which sources prices externally. For those positions unpriced by Asset Control, the repo trading desk submits prices to mark those positions to the trader price. The repo trading desk can also override the Asset Control price.
- Management should enhance the controls related to independent verification of the prices that are used to value repo collateral.
- We understand management agrees with this issue and is in the process of establishing enhancements to such processes and controls.

Comments on the 2007 process and looking forward to 2008

Overall, the integrated audit for 2007 was successful and progressed largely to plan. This was a challenge given the issues in the credit markets, which required considerable attention from management and PwC. Management possessed the necessary resources and expertise to react appropriately to the current credit market in terms of designing new controls processes e.g. valuation of ABS CDO Super Senior liquidity facilities and valuation of sub prime whole loans.

The interaction and communication between BIA, ORM and PwC is critical to the success of the SoX process and we believe that the process worked efficiently and effectively.

There are a number of modifications expected to be made to the SOX process for 2008 in relation to implementing Management Self Assessment ("MSA") to enable management to make their attestation for s404 and s302. The implementation of MSA will impact the level of reliance PwC will be able to place on management's testing compared to the reliance previously placed on BIA's operational effectiveness testing on behalf of management. This is mainly driven by the objectivity of the teams performing MSA. Therefore, management will need to consider the segregation and objectivity of the performers of MSA in designing their new process.

Other factors to be considered by management in designing the SOX process for 2008 are:

- Increased use of monitoring controls
- ongoing rather than a point in time assessments
- maximum segregation between management in relation to controls performed and controls testing.
- Continued reliance on business as usual BIA audits.

We will review management's detailed plans for the implementation of MSA and work with management to ensure a mutually agreeable solution is reached.

The objectives of our work, our procedures and their limitations are set out in our engagement letters. The matters raised in this and other reports that will flow from the audit are only those which have come to our attention arising from or relevant to our audit that we believe need to be brought to your attention. They are not a comprehensive record of all the matters arising, and in particular we cannot be held responsible for reporting all risk in your business or all internal control weaknesses. This report has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose.

Your worlds



Our people

PRICEWATERHOUSECOOPERS 

EXHIBIT 59

**FILED UNDER SEAL PURSUANT TO THE
STIPULATION AND PROTECTIVE ORDER
DATED FEBRUARY 3, 2015, DOCKET NO. 98**

08 April 2008

Barclays PLC,
1 Churchill Place,
London
E14 5HP

and

Barclays Bank PLC,
1 Churchill Place,
London
E14 5HP

and

Barclays Capital Securities Limited
5 The North Colonnade
Canary Wharf
London
E14 4BB

and

Citigroup Global Markets Inc.
388 Greenwich Street, 34th Floor
New York, NY 10013
United States

and

Merrill Lynch, Pierce, Fenner & Smith Incorporated
4 World Financial Center
New York, NY 10080
United States

and

UBS Securities LLC
677 Washington Boulevard
Stamford, CT 06901
United States

and

Wachovia Capital Markets, LLC
301 South College Street
Charlotte, NC 28202
United States



And the other Underwriters named in the Prospectus Supplement referred to below (together, the "Underwriters")

Ladies and Gentlemen:

We have audited:

1. the consolidated financial statements of Barclays PLC (together with its subsidiaries hereinafter referred to as the "Group") and Barclays Bank PLC (together with its subsidiaries hereinafter referred to as the "Issuer") as of 31 December 2007 and 2006 and for each of the three years in the period ended 31 December 2007, included in the annual report of the Group and the Issuer on Form 20-F for the year ended 31 December 2007 filed with the US Securities and Exchange Commission ("SEC") on 26 March 2008 (the "2007 Form 20-F"), and
2. the effectiveness of the Group internal controls over financial reporting as of 31 December 2007.

The consolidated financial statements referred to above are all incorporated by reference in the registration statement (No. 333-145845) on Form F-3 filed by the Company under the Securities Act of 1933 as amended (the "Act") on 31 August 2007. Our report with respect thereto is also incorporated by reference in such registration statement. Such registration statement on Form F-3 dated 31 August 2007, including the Prospectus dated 31 August 2007, the Preliminary Prospectus Supplement dated 7 April 2008 and the final Prospectus Supplement dated 8 April 2008 are together herein referred to as the "Registration Statement".

In connection with the Registration Statement:

1. We are an independent registered public accounting firm with respect to the Group and the Issuer within the meaning of the Act and the applicable rules and regulations thereunder adopted by the SEC and the Public Company Accounting Oversight Board (United States) ("PCAOB").
2. In our opinion, the consolidated financial statements audited by us and incorporated by reference in the Registration Statement comply as to form in all material respects with the applicable accounting requirements of the Act and the Securities Exchange Act of 1934, as amended, and the related rules and regulations adopted by the SEC.
3. We have not audited any financial statements of the Group or the Issuer as of any date or for any period subsequent to 31 December 2007. Also, we have not audited the Group's internal control over financial reporting as of any date subsequent to 31 December 2007. Therefore, we do not express any opinion on the Group's internal control over financial reporting as of any date subsequent to 31 December 2007.
4. For purposes of this letter, we have read the minutes of the 2008 meetings of the shareholders, the Board of Directors and the Board Audit Committee of the Group and the Issuer as set forth in minute books as of 3 April 2008, officials of the Group and the Issuer having advised us that the minutes of all such meetings through that date were set forth therein, and have carried out other procedures to 3 April 2008 (our work did not extend to the period from 4 April 2008 to 9 April 2008, inclusive) as follows:

With respect to the Group for the period from 1 January 2008 to 29 February 2008, we have:

- (i) read the unaudited consolidated financial data of the Group for January and February of both 2008 and 2007 furnished us by the Group. Officials of the Group have advised us



that no such financial data as of any date or for any period subsequent to 29 February 2008 were available. The financial information for January and February of both 2008 and 2007 is incomplete in that it omits the statement of cash flows and other disclosures.

- (ii) inquired of certain officials of the Group who have responsibility for financial and accounting matters as to whether the unaudited consolidated financial data referred to in 4(i) above are stated on a basis substantially consistent with that of the audited consolidated financial statements incorporated by reference in the Registration Statement.

The foregoing procedures do not constitute an audit made in accordance with standards of the PCAOB. Also, they would not necessarily reveal matters of significance with respect to the comments in the following paragraph. Accordingly, we make no representations as to the sufficiency of the foregoing procedures for your purposes.

- 5. Nothing came to our attention as a result of the foregoing procedures, however, that caused us to believe that: (i) At 29 February 2008 there was any change in share capital and decrease in shareholders' equity and minority interests and total assets, or increase in subordinated liabilities and total liabilities of the Group as compared with amounts shown on the 31 December 2007 audited consolidated balance sheet incorporated by reference in the Registration Statement, or (ii) for the period from 1 January 2008 to 29 February 2008, there were any decreases, as compared with the corresponding period in the preceding year, in net interest income and profit on ordinary activities before taxation, except in all instances for changes, increases or decreases which the Registration Statement discloses have occurred or may occur and except that the unaudited consolidated balance sheet as of 29 February 2008, which we were furnished by the Group showed that share capital decreased by 0.48% and total subordinated liabilities increased by 15.94% and total liabilities increased by 29.74% when compared with balances as at 31 December 2007. Profit before tax for the period from 1 January 2008 to 29 February 2008 decreased by 9.48% compared with the corresponding period in the previous year
- 6. As mentioned in paragraph 4, Group officials have advised us that no consolidated financial data as of any date or for any period subsequent to 29 February 2008 are available; accordingly, the procedures carried out by us with respect to changes in financial statement items after 29 February 2008 have, of necessity, been even more limited than those with respect to the periods referred to in 4. We have inquired of certain officials of the Group who have responsibility for financial and accounting matters as to whether (a) at 3 April 2008 there was any change in share capital or decrease in shareholders' equity and minority interests, or increase in subordinated liabilities of the Group as compared with amounts shown on the 31 December 2007 audited consolidated balance sheet incorporated by reference in the Registration Statement; or (b) for the period from 1 January 2008 to 3 April 2008, there were any decreases, as compared with the corresponding period in the preceding year, in profit on ordinary activities before taxation. On the basis of these inquiries and our reading of the minutes as described in 4, nothing came to our attention that caused us to believe that there was any such change, increase or decrease, except in all instances for changes, increases or decreases which the Registration Statement discloses have occurred or may occur and except that share capital decreased by 0.48% and total subordinated liabilities increased by 17.12% when compared with balances as at 31 December 2007. Profit before tax for the period from 1 January 2008 to 4 April 2008 decreased compared with the corresponding period in the previous year.
- 7. With respect to the Issuer we have also carried out limited procedures from 1 January 2008 to 3 April 2008 (our work did not extend to the period from 4 April 2008 to 9 April 2008, inclusive), as follows:



- a. With respect to Issuer for the period from 1 January 2008 to 29 February 2008, we have, at your request:
- (i) read the unaudited consolidated financial data of the Issuer as of and for the two months ended 29 February 2008 and 28 February 2007 furnished us by the Issuer, and agreed the amounts contained therein with the Issuer's accounting records as of 29 February 2008 and 28 February 2007. Officials of the Issuer have advised us that no financial data as of any date or for any period subsequent to 29 February 2008 were available. The financial information as of and for the two months ended 29 February 2008 and 28 February 2007 is incomplete in that it omits the statement of cash flows and other disclosures.
 - (ii) inquired of certain officials of the Issuer who have responsibility for financial and accounting matters whether the unaudited consolidated financial data referred to in 7a(i) are stated on a basis substantially consistent with that of the audited consolidated financial statements incorporated by reference in the Registration Statement.

The foregoing procedures do not constitute an audit conducted in accordance with standards of the PCAOB. Accordingly, we do not express such an opinion. The foregoing procedures would not necessarily reveal matters of significance, accordingly, we make no representation about the sufficiency of such procedures for your purposes.

8. Nothing came to our attention as a result of the foregoing procedures, however, that caused us to believe that: (i) At 29 February 2008, there was any change in share capital and decrease in shareholders' equity and minority interests and total assets, or increase in subordinated liabilities and total liabilities of the Issuer as compared with amounts shown in the 31 December 2007 audited consolidated balance sheet incorporated by reference in the Registration Statement; or (ii) for the period from 1 January 2008 to 29 February 2008, there were any decrease, as compared with the corresponding period in the preceding year, in profit before taxation and net interest income, except in all instances for changes, increases or decreases which the Registration Statement discloses have occurred or may occur and except that the unaudited consolidated balance sheet as of 29 February 2008, which we were furnished by the Issuer showed that share capital increased by 0.04% and total subordinated liabilities increased by 15.94% and total liabilities increased by 29.74% when compared with balances as at 31 December 2007. Profit before tax for the period from 1 January 2008 to 29 February 2008 decreased by 9.93% compared with the corresponding period in the previous year.
9. As mentioned in 7a, Issuer officials have advised us that no consolidated financial data as of any date or for any period subsequent to 29 February 2008 are available; accordingly, the procedures carried out by us with respect to changes in financial statement items after 29 February 2008 have, of necessity, been even more limited than those with respect to the periods referred to in 7. We have inquired of certain officials of the Issuer who have responsibility for financial and accounting matters as to whether (a) at 3 April 2008 there was any change in share capital or decrease in shareholders' equity and minority interests, or increase in subordinated liabilities of the Issuer as compared with amounts shown in the 31 December 2007 audited consolidated balance sheet incorporated by reference in the Registration Statement; or (b) for the period from 1 January 2008 to 3 April 2008, there were any decreases, as compared with the corresponding period in the preceding year, in profit before taxation. On the basis of these inquiries and our reading of the minutes as described in 4, nothing came to our attention that caused us to believe that there was any such change, increase or decrease, except in all instances for changes, increases or decreases which the Registration Statement discloses have occurred or may occur and except that share capital increased by 0.08% and total subordinated liabilities increased by 17.12% when compared with balances as at 31 December 2007. Profit before tax for the period from 1 January 2008 to 4 April 2008 decreased compared with the corresponding period in the previous year.



10. For purposes of this letter, we have also read the items identified by you on the attached document:

- (i) a copy of the Preliminary Prospectus Supplement dated 7 April 2008 (referenced and attached as Appendix A); and
- (ii) a copy of the 2007 Form 20-F (referenced and attached as Appendix B);

We have performed the following procedures, which were applied as indicated with respect to the letters explained below. We make no comment as to whether the SEC would view any non-GAAP financial information included or incorporated by reference in this document as being compliant with the requirements of Regulation G or Item 10 of Regulation S-K.

- A We compared the amount to or recomputed from a corresponding amount in the Group's and the Issuer's audited financial statements incorporated by reference in the Registration Statement and found such amounts to be in agreement.
- B We proved the mathematical accuracy of the amounts and percentages as applicable, based on the data contained in the consolidated financial statements as referred to in A above.
- C We compared the amount to the schedule prepared by the Group and the Issuer, as appropriate, from their accounting records and found them to be in agreement. We (i) compared the amounts on the schedule to corresponding amounts appearing in the accounting records and found such amounts to be in agreement, and (ii) determined that the schedule was mathematically correct.
- D We proved the mathematical accuracy of the amounts and percentage as applicable, based upon the data contained in the records or schedules referred to in C above.
- E We compared the amount to the corresponding amount in schedules or reports prepared by the Group and the Issuer, as appropriate, from their records and found them to be in agreement. We (i) compared the amounts on the schedules or reports to corresponding amounts appearing in the records and found such amounts to be in agreement, and (ii) determined that the schedules or reports were mathematically correct.

The schedules and supporting spreadsheets and statutory records cover capital requirements, capital ratios, risk weighted assets, off balance sheet arrangements, share capital information, Directors' Remunerations and other management information as required. We did not confirm the extraction and manipulation of the data underlying the various spreadsheets.

We make no comment as to the appropriateness of the Group's or the Issuer's, as appropriate, computation of, or determination of what constitutes capital requirements, capital ratios, weighted risk assets, off balance sheet arrangements, directors' remunerations, share capital, assets under management and other information.

We make no comment as to the appropriateness of the Group's or the Issuer's, as appropriate, computation of, or determination of what constitutes



liquidity and capital resources, including off-balance sheet arrangements; certain trading activities involving non-exchange traded contracts accounted for at fair value; and relationships and transactions with persons or entities that derive benefits from their non-independent relationship with the registrant or the registrant's related parties as mandated by FR61 "Commission Statement about Management's Discussion and Analysis of Financial Condition and Results of Operations" issued by the SEC.

11. Our audit of the consolidated financial statements for the periods referred to in the introductory paragraph of this letter comprised audit tests and procedures deemed necessary for the purpose of expressing an opinion on such financial statements taken as a whole. For none of the periods referred to therein, or any other period, did we perform audit tests for the purpose of expressing an opinion on individual balances of accounts or summaries of selected transactions such as those enumerated above, and, accordingly, we express no opinion thereon.
12. It should be understood that we make no representations regarding questions of legal interpretation or regarding the sufficiency for your purposes of the procedures enumerated in the second preceding paragraph; also, such procedures would not necessarily reveal any material misstatement of the amounts or percentages listed above. Further, we have addressed ourselves solely to the foregoing data as set forth in the Registration Statement and make no representations regarding the adequacy of disclosure or regarding whether any material facts have been omitted.
13. This letter is solely for the information of the addressees and to assist the underwriters in conducting and documenting their investigation of the affairs of the Group and the Issuer in connection with the offering of the securities covered by the Registration Statement, and is not to be used, circulated, quoted, or otherwise referred to within or without the underwriting group for any other purpose, including but not limited to the registration, purchase, or sale of securities, nor is it to be filed with or referred to in whole or in part in the Registration Statement or any other document, except that reference may be made to it in the underwriting agreement or in any list of closing documents pertaining to the offering of the securities covered by the Registration Statement.

This letter is intended for use in connection with the offering or sale of securities within the United States. It is not to be used in any other jurisdiction whatsoever.

| Yours faithfully,

PricewaterhouseCoopers LLP

EXHIBIT 60

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE BARCLAYS BANK PLC SECURITIES
LITIGATION

Master File No. 09-CV-01989-PAC

ECF Case

This Document Relates to:
ALL ACTIONS.

**LEAD PLAINTIFF DENNIS ASKELSON'S VERIFIED
RESPONSES AND OBJECTIONS TO THE UNDERWRITER
DEFENDANTS' FIRST SET OF INTERROGATORIES TO LEAD PLAINTIFFS**

Pursuant to Rules 26 and 33 of the Federal Rules of Civil Procedure and the Local Civil Rules for the United States District Court for the Southern District of New York, Lead Plaintiff Dennis Askelson ("Plaintiff"), by and through his undersigned counsel, hereby objects and responds to the Underwriter Defendants' First Set of Interrogatories to Lead Plaintiffs, including the Definitions and Instructions set forth therein (the "Interrogatories"). Plaintiff reserves his rights to move to seek a protective order on the grounds set forth herein, or on any other basis.

GENERAL OBJECTIONS

All responses contained herein are based upon the information reasonably available and specifically known to Plaintiff. Plaintiff reserves all rights to supplement, alter or amend these objections and responses as additional information becomes available. These responses are not a waiver of Plaintiff's rights to produce or use additional information that may later develop in connection with any motion for summary judgment, at trial, or at any other stage of these proceedings. Moreover, Plaintiff reserves the right to object on any ground to the use or admissibility of any information provided in response to the Interrogatories at any stage of these proceedings, including at trial, or in any other proceedings.

Plaintiff objects to the Interrogatories on the following grounds, each of which is incorporated by reference in the responses and objections to the individual Interrogatories below.

All responses set forth herein are subject to and without waiver of any of these General Objections:

1. Plaintiff objects to the Interrogatories to the extent they purport to impose obligations upon Plaintiff other than those imposed by the Federal Rules of Civil Procedure, the Local Civil Rules of the Southern District of New York, or the applicable Orders of this Court.

2. Plaintiff objects to the Interrogatories to the extent they call for information protected by the attorney-client privilege, the work product doctrine, and/or any other applicable privilege or protection. The inadvertent disclosure of privileged information does not constitute a waiver of any privilege. *See also* Protective Order (ECF No. 98), at ¶9.

3. Plaintiff objects to the Interrogatories insofar as they seek information that constitutes trade secrets, proprietary commercial information, or information that is otherwise confidential and protected under U.S. and/or foreign laws, without a sufficient showing of compelling need for and legal entitlement to such information.

4. Plaintiff objects to the Interrogatories insofar as they are overly broad, unduly burdensome, oppressive and expensive to answer. Plaintiff further objects to the Interrogatories to the extent that the burden or expense of the proposed discovery outweighs its likely benefit, taking into account the needs of the case, the amount in controversy, the parties' resources, and the importance of the proposed discovery in resolving the issues, as providing answers to such requests would needlessly and improperly burden Plaintiff.

5. Plaintiff objects to the Interrogatories to the extent they seek information not relevant to the claim or defense of any party, not relevant to the subject matter of this litigation, and not reasonably calculated to lead to the discovery of admissible evidence.

6. Plaintiff objects to the Interrogatories to the extent they call for a legal conclusion, or a legal argument.

7. Plaintiff objects to the Interrogatories to the extent they prematurely seek documents, information, opinions or calculations that are properly the subject of expert testimony.

8. Plaintiff objects to the Interrogatories to the extent they do not state with the required degree of specificity and particularity what information is being sought. Such interrogatories are so broad, vague, ambiguous, indefinite, complex or confusing as to require Plaintiff to guess as to what information is responsive.

9. Plaintiff objects to the Interrogatories to the extent they improperly seek identification of “all,” “each,” “every” or “any” document or item of information with respect to particular requests, on the grounds that such requests are vague and overbroad and not tailored to relevant subject matter. It may be impossible to locate “all,” “each,” “every” or “any” document or item of information responsive to such interrogatories.

10. Plaintiff objects to the Interrogatories as unduly burdensome to the extent that they seek information ascertainable from materials already in the possession, custody or control of the Underwriter Defendants or their representatives.

11. Plaintiff objects to the Interrogatories to the extent they seek information or documents available from public sources, including, but not limited to, court filings in this or any other action. Such documents are equally available to the Underwriter Defendants, and the collection and production of them by Plaintiffs would constitute an undue burden on Plaintiff.

12. Plaintiff objects to the Interrogatories as overly broad and not reasonably calculated to lead to the discovery of admissible evidence to the extent they seek information relating to securities other than the securities underlying Plaintiffs’ claims in this litigation.

13. Plaintiff objects to the Interrogatories to the extent the discovery sought is unreasonably cumulative or duplicative.

14. Plaintiff objects to the Interrogatories to the extent they seek information not in Plaintiff's possession, custody or control. Plaintiff will respond to the Interrogatories based on information in his own possession, custody or control.

15. Plaintiff objects to the Interrogatories to the extent they seek information or documents subject to a confidentiality or non-disclosure agreement binding on Plaintiff.

16. Plaintiff object to the Interrogatories as overly broad as to time and scope. Unless otherwise stated in a specific response below, Plaintiffs will provide information pertaining to the period from April 8, 2008 through the date of this response (the "Relevant Period").

17. Plaintiff's willingness to provide responsive information should not and shall not be construed as: (a) an admission that the information provided is relevant; (b) a waiver of any of Plaintiff's General Objections or objections asserted in response to a specific interrogatory; or (c) an agreement that a request for similar information in this or any other related proceedings will be treated in a similar manner.

18. Plaintiff objects to the Definition of "'You' or 'your'" on the grounds that it is overly broad, unduly burdensome, and vague and ambiguous, because it purports to encompass persons or entities over which Plaintiff has no control. To the extent Plaintiff uses any third party investment advisor in connection with his investment activities, Plaintiff will not undertake to produce documents in the possession of such investment advisor. Any responses by Plaintiff herein are limited solely to Dennis Askelson.

19. Plaintiff objects to the Definition of "ADS Securities" to the extent that it encompasses securities that are not at issue in this litigation as overly broad, unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. Plaintiff's use of

the term “ADS Security” and responses to Interrogatories concerning “ADS Securities” are limited to the Series 2 ADS, Series 3 ADS, Series 4 ADS and Series 5 ADS securities only, as those terms are defined in the Interrogatories.

20. In responding to the Interrogatories, Plaintiff does not in any way waive or intend to waive any privilege or objection, but rather intends to preserve and is preserving the following:

- a. All objections as to the competency, relevancy, materiality and admissibility of any Interrogatories, responses or the subject matter thereof, and any information provided;
- b. All objections as to vagueness, ambiguity, breadth or other infirmity in the form of the Interrogatories and any objections based on the undue burden imposed by the Interrogatories and each individual Interrogatory contained therein;
- c. All rights to object on any ground to the use or admissibility of any of the responses, or their subject matter, in any subsequent proceedings, including the trial of this or any other action;
- d. All rights to object on any ground to any further Interrogatories or other discovery requests involving or related to the subject matter of the Interrogatories;
- e. The right to revise, correct, supplement or clarify responses to the Interrogatories; and
- f. Any and all privileges and/or rights under the Federal Rules of Civil Procedure or any statutes, guidelines, common law or other applicable law.

21. The failure to object on a particular ground or grounds shall not be construed as a waiver of Plaintiff’s right to object on any additional grounds.

SPECIFIC OBJECTIONS AND RESPONSES TO INTERROGATORIES

Subject to, and without waiver of, the foregoing General Objections, which are incorporated by reference into each of the following Responses to Interrogatories, Plaintiff responds and objects to the Interrogatories as follows:

INTERROGATORIES TO DENNIS ASKELSON

INTERROGATORY NO. 1:

For each of your purchases of Series 5 ADS, identify the person or entity from whom you made the purchase and all documents reflecting the purchase.

RESPONSE TO INTERROGATORY NO. 1:

Plaintiff incorporates by reference all the General Objections set forth above. Plaintiff also objects to this Interrogatory as overly broad and unduly burdensome. Additionally, Plaintiff objects to this Interrogatory as vague and ambiguous. Pursuant to Local Rule 33.3, Plaintiff further objects on the grounds that the information sought in this Interrogatory is more practically obtained from a request for production of documents, and documents sufficient to ascertain a response to this Interrogatory have already been produced in this litigation. Subject to the foregoing objections, Plaintiff identifies the following persons or entities from whom he purchased the Series 5 ADS:

Ezra L. Proctor
Financial Advisor
Global Wealth Management
Banc of America Investment Services, Inc.
San Francisco Main Office
345 Montgomery St.
San Francisco, CA 94104
T: 415-622-6561

* * *

Allison Cebe
Global Wealth Management
Banc of America Investment Services, Inc.
San Francisco Main Office
345 Montgomery St.
San Francisco, CA 94104
T: 415-622-6561

* * *

Banc of America Investment Services, Inc.
900 W. Trade St.
NC1-026-05-01
Charlotte, NC 28255

* * *

Merrill Edge
Bank of America Corporation
Merrill EDGE Advisory Center
NJ2-140-02-17
P.O. Box 1501
Pennington, NJ 08534

Subject to and without waiving his prior objections, Plaintiff further responds to this Interrogatory by identifying the following documents:

BARC-DA-0000009; BARC-DA-0000013; BARC-DA-0000023; BARC-DA-0000134; BARC-DA-0000194; BARC-DA-0000244; BARC-DA-0000376; BARC-DA-0000379; BARC-DA-0000380; BARC-DA-0000389; BARC-DA-0000392; BARC-DA-0000500; BARC-DA-0000504; BARC-DA-0000522; BARC-DA-0000616; BARC-DA-0000734; BARC-DA-0000844.

INTERROGATORY NO. 2:

For each of your purchases and sales of ADS Securities, identify the trade date, quantity, price and amount paid or received, and all documents reflecting the purchase.

RESPONSE TO INTERROGATORY NO. 2:

Plaintiff incorporates by reference all the General Objections set forth above. Plaintiff also objects to this Interrogatory as overly broad and unduly burdensome. Additionally, Plaintiff objects to this Interrogatory as vague and ambiguous. Pursuant to Local Rule 33.3, Plaintiff further objects on the grounds that the information sought in this Interrogatory is more practically obtained from a request for production of documents, and documents sufficient to ascertain a response to this Interrogatory have already been produced in this litigation. Subject to the foregoing objections, Plaintiff identifies the following purchases and sales of ADS Securities:

Trade date	Action	Quantity	Price	Amount Paid ¹
04/09/2008	Buy	2,400	\$25.00	\$60,000.00
06/04/2012	Buy	1,990	\$25.02	\$49,789.80
09/19/2012	Buy	764	\$25.9355	\$19,814.72
04/16/2013	Buy	1	\$25.60	\$25.60

Subject to and without waiving his prior objections, Plaintiff further responds to this Interrogatory by identifying the following documents:

BARC-DA-0000009; BARC-DA-0000013; BARC-DA-0000023; BARC-DA-0000194; BARC-DA-0000244; BARC-DA-0000379; BARC-DA-0000380; BARC-DA-0000392; BARC-DA-0000500; BARC-DA-0000504; BARC-DA-0000616; BARC-DA-0000734; BARC-DA-0000844.

Dated: May 11, 2015

Respectfully submitted.

KESSLER TOPAZ MELTZER & CHECK LLP

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snirmul@ktmc.com

mnewcomer@ktmc.com

jancona@ktmc.com

monasch@ktmc.com

jneumann@ktmc.com

Co-Lead Counsel for Lead Plaintiffs

¹ Excludes any applicable commission charges and/or fees.

VERIFICATION

I, Dennis Askelson, certify under penalty of perjury that the information reflected in Lead Plaintiff Dennis Askelson's Responses and Objections to the Underwriter Defendants' First Set of Interrogatories to Lead Plaintiff, dated April 8, 2015, is true and correct, except as to those matters as to which I lack personal knowledge.

Executed on:

11 May, 2015


Dennis Askelson

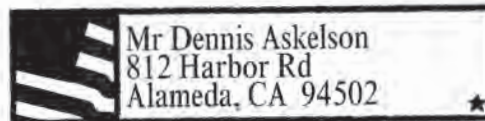


EXHIBIT 61

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----:
IN RE BARCLAYS BANK PLC SECURITIES :
LITIGATION :

Master File No. 1:09-cv-01989-PAC

:
ECF Case

This Document Relates to: All Actions :
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**LEAD PLAINTIFFS' OBJECTIONS AND RESPONSES TO THE BARCLAYS
DEFENDANTS' FIRST SET OF INTERROGATORIES**

Pursuant to Rules 26 and 33 of the Federal Rules of Civil Procedure (the "Federal Rules"), and Rules 26.3 and 33.3 of the Local Civil Rules of the United States District Court for the Southern and Eastern Districts of New York (the "Local Rules"), Court-appointed Lead Plaintiffs Dennis Askelson and Alfred Fait (collectively "Plaintiffs") hereby respond and object to the Barclays Defendants' First Set of Interrogatories (the "Interrogatories") served by defendants Barclays Bank PLC, Barclays PLC, Marcus Agius, David G. Booth, Sir Richard Broadbent, Richard Leigh Clifford, Fulvio Conti, Daniel Cronje, Dame Sandra J.N. Dawson, Robert Edward Diamond, Jr., Gary A. Hoffman, Sir Andrew Likierman, Dr. Christopher Lucas, Sir Nigel Rudd, Stephen George Russell, Frederik Seegers, John Michael Sunderland and John Silvester Varley.

The responses contained herein are based upon information and documents known to Plaintiffs at this time and are given without prejudice to Plaintiffs' right to supplement these responses at any time prior to trial, and without prejudice to Plaintiffs' rights at summary judgment or trial to produce evidence of any subsequently discovered facts, including those unearthed during the remainder of fact discovery, which remains ongoing, and expert discovery, which has not yet commenced. By making the accompanying objections and responses to the Barclays Defendants' Interrogatories, Plaintiffs do not waive, and hereby expressly reserve, their right to assert any and all objections as to the admissibility of such responses into evidence in

this action, on any and all grounds, including, but not limited to, relevancy, materiality and admissibility, and on any ground that would require exclusion of any response herein if it were introduced in court. All objections and grounds, including relevance, are expressly reserved and may be interposed at the time of trial.

GENERAL OBJECTIONS

1. To the extent the Interrogatories seek discovery of information that is the subject of expert testimony, they require the disclosure of information before the time contemplated by Fed. R. Civ. P. 26(a) and the Revised Scheduling Order in this case, and ask plaintiffs to provide information not currently within their knowledge. Plaintiffs object to the Interrogatories as premature on the grounds that fact discovery is ongoing and expert discovery has not yet commenced. Furthermore, Plaintiffs continue to review documents produced by the Barclays Defendants, many of which were produced to Plaintiffs on or after the court-ordered deadline for the substantial completion of document production. Likewise, Plaintiffs continue to review the documents that have been produced by the Underwriter Defendants and were recently produced by third parties, and may identify additional documents supporting their claims up to and during trial in this action. Finally, while the Barclays Defendants produced a privilege log on July 24, 2015, the Barclays Defendants also represented on that date that additional privilege logs will be forthcoming. To date, Plaintiffs have not received any additional privilege logs from the Barclays Defendants. Likewise, the Underwriter Defendants have not, to date, produced any privilege logs. Through the meet and confer process, Plaintiffs anticipate that additional documents which were initially withheld as privileged by the Barclays Defendants and the Underwriter Defendants will be produced. Accordingly, Plaintiffs' responses herein are based on information currently known to Plaintiffs.

2. Plaintiffs object to the Interrogatories as overbroad and unduly burdensome in scope, to the extent that they: (i) are duplicative of one another; (ii) are compound or contain multiple discrete subparts beyond the 25-interrogatory limit under Fed. R. Civ. P. 33; (iii) seek information beyond the scope permitted by L.R. 33.3(c), which allows discovery concerning a party's "claims and contentions," and not "all facts and evidence" supporting such claims or contentions; (iv) seek information outside of Plaintiffs' actual knowledge; and/or (v) seek information within the Barclays Defendants' possession, custody or control.

3. Plaintiffs object to the Interrogatories to the extent they call for the disclosure of information protected by the attorney-client privilege, the attorney work product doctrine, and/or any other applicable privilege or immunity. Such disclosure as may hereafter occur pursuant to the Interrogatories shall not include any information protected by such privileges or doctrines. Inadvertent disclosure of any such information shall not constitute a waiver of any applicable privilege, protection or immunity, in whole or in part.

4. Plaintiffs object to the Interrogatories to the extent that they call for the disclosure of information that is not relevant to the parties' claims or defenses, or reasonably calculated to lead to the discovery of admissible evidence.

5. Plaintiffs object to the Interrogatories as untimely, to the extent they purport to be a request for production under FED. R. CIV. P. 34.

OBJECTIONS TO THE INSTRUCTIONS AND DEFINITIONS

1. Plaintiffs object to the Instructions, including paragraph 4 of the Instruction, as unduly burdensome to the extent individual interrogatories seek discovery of overlapping information. With respect to such instances of overlap, it is unduly burdensome for Plaintiffs to disclose the same information multiple times in response to multiple interrogatories, when a

single response will suffice. For these reasons, where appropriate, Plaintiffs may incorporate by reference their responses to one interrogatory into other interrogatory responses.

2. Plaintiffs object to the Instructions on the grounds that they call for speculation. To the extent Plaintiffs lack knowledge or sufficient information to answer any interrogatory or part thereof, Plaintiffs will only identify the name and address of those persons, if any, actually known to have such knowledge. To the extent Plaintiffs identify any additional persons whose identities are responsive to these Interrogatories through their ongoing review of documents, Plaintiffs may supplement these responses, as appropriate, and to the extent required, at a later time.

3. Plaintiffs object to the Instructions to the extent they seek to impose upon Plaintiffs duties and obligations that go beyond those imposed by the Federal Rules, including to the extent they seek to require Plaintiffs to supplement these responses with information that has been disclosed to the Barclays Defendants in some other manner or of which they are, or have otherwise become, aware.

4. Plaintiffs object to the Instructions as overly broad and unduly burdensome to the extent that they call for the disclosure of information not required by the Federal or Local Rules, such as the nature of any investigation undertaken in responding to these Interrogatories, as well as an estimate of costs required to conduct such investigation.

5. Plaintiffs further object to the Instructions to the extent they seek disclosure of information protected by the attorney-client privilege, the attorney work product doctrine or any other applicable privilege or immunity.

6. Plaintiffs object to the definition of “Financial Statements” set forth in paragraph 4 of the Definitions as so vague, ambiguous, overbroad and unduly burdensome as to preclude

Plaintiffs from providing a meaningful response. Specifically, Defendants define “financial statements” as comprising each and every filing that Barclays and Barclays PLC ever made with the U.S. Securities and Exchange Commission (the “SEC”) without regard to time period, and regardless of whether the SEC filing disclosed financial information relevant to this Action.

7. Plaintiffs object to the definition of “You” and “Your” set forth in paragraph 9 of the Definitions as overbroad and unduly burdensome insofar as it calls for the disclosure of information beyond that required by the Local Rules. *See* L.R. 26.3(6). Plaintiffs further object to the Barclays Defendants’ definition of the words “You” and “Your” to the extent that it calls for the disclosure of information protected by the attorney-client privilege, the attorney work product doctrine and/or any other applicable privilege or immunity. In responding to the Interrogatories, Plaintiffs will disclose information known only to them or their counsel, except where such information is privileged.

8. Plaintiffs object to paragraph 10 of the Definitions as overbroad and unduly burdensome insofar as it calls for the disclosure of information beyond that required by the Local Rules, which defines a “person” as “any natural person or any legal entity, including, without limitation, any business or governmental entity or association.” L.R. 26.3(6). In responding to the Interrogatories, Plaintiffs will disclose information known only to them or their counsel, except where such information is privileged.

RESPONSES AND OBJECTIONS TO SPECIFIC INTERROGATORIES

INTERROGATORY NO. 1:

Identify (a) all statements in the Offering Documents that You contend were false or misleading, and (b) for each such statement, all facts and evidence that You rely on to support Your contention that the statement was false or misleading.

RESPONSE TO INTERROGATORY NO. 1:

Plaintiffs object to this Interrogatory as overbroad and unduly burdensome to the extent that it seeks: (i) disclosure of “all statements” and “all facts and evidence” supporting Plaintiffs’ claims; (ii) information that was pled in the Complaint and, thus, is known to the Barclays Defendants, or is otherwise within Defendants’ possession, custody and control; and (iii) disclosure of information beyond that required by the Federal and Local Rules and applicable caselaw. Plaintiffs further object to this Interrogatory on the grounds that it is premature, as fact discovery is ongoing. *See* Pretrial Order (Dkt. #126). Plaintiffs also object to this Interrogatory on the grounds that it calls for the disclosure of information that is the subject of expert testimony at a time when expert discovery has not yet commenced. *Id.*

Accordingly, it would be unduly burdensome for Plaintiffs to identify at this time each statement in the Offering Documents that they contend was false and misleading and all facts and evidence that they are relying on to support their contentions that the Offering Documents were false and/or misleading. Nor is such disclosure required, particularly given that much of the evidence supporting Plaintiffs’ claims is within the Barclays Defendants’ possession, custody or control, including but not limited to Barclays’ public statements and filings with the SEC, the documents produced in this Action by Defendants and third parties, the deposition testimony obtained in this Action and the documents marked as exhibits at those depositions, to which the Barclays Defendants have equal access. Furthermore, insofar as the statements pled in the Complaint and/or identified below exceed 25 in number, Plaintiffs object to this Interrogatory on the grounds that sub-part (b) of this Interrogatory and all subsequent Interrogatories herein, and sub-parts thereof exceed the 25-interrogatory limit under FED. R. CIV. P. 33.

Subject to and without waiver of the foregoing objections, Plaintiffs direct Defendants to the allegations set forth in the Complaint. By way of further response, Plaintiffs contend that the statements set forth below, among others, which were included in the Company's 2007 Form 20-F and incorporated by reference into the Offering Documents, were materially untrue and/or misleading.

A. Barclays' Valuations of Its Credit Market Exposures

Page 53 of the 2007 Form 20-F purports to identify "Barclays Capital credit market positions," breaking them down into the following categories: (i) ABS CDO Super Senior; (ii) Other US sub-prime; (iii) Alt-A; (iv) monoline insurers; (v) commercial mortgages; (vi) SIV-lite liquidity facilities; (vii) structured investment vehicles; and (viii) leveraged finance positions. The 2007 Form 20-F reported the Company's alleged exposures to each category of credit market positions as of December 31, 2007. In addition, the Company reported that during 2007, it recorded a total of £1,635 million in "net losses" on these positions "due to dislocations in the credit markets." Page 25 of the 2007 Form 20-F disclosed that "Exposures relating to US subprime were actively managed and declined over the period. Barclays Capital's 2007 results reflected net losses related to the credit market turbulence of £1,635m, of which £795m was included in income, net of £658m gains arising from the fair valuation of notes issued by Barclays Capital." Plaintiffs contend that the 2007 Form 20-F materially misstated the fair value of Barclays' credit market exposures. Barclays' misstatements in this respect also caused, by way of example, its Risk Weighted Assets ("RWAs") to be misstated and the corresponding strength of its Tier 1 equity ratio and Tier 1 capital ratios to be misstated.

In addition, Plaintiffs contend that Defendants materially misstated the total amount of writedowns and charges necessary to record these positions at fair value. For example, with

respect to Barclays' ABS CDO Super Senior positions, the Company had previously represented to investors that it was valuing its ABS CDO Super Senior positions using observable market data, including the level of the ABX indices. Yet the level of losses implied by the declines in the relevant ABX and TABX indices were materially larger than the £1,412 million in writedowns and charges reflected in the 2007 Form 20-F.

By way of further example, Barclays also misstated the fair value of its £5,037 million portfolio of "other US sub-prime" exposures, which purportedly consisted of £3,205 in whole loan exposures and £1,832 in "Other direct and indirect exposures." While the Company valued its performing whole loans at 100% of par as of December 31, 2007, and its entire portfolio was marked at an average price of 94% of par, Barclays' whole loan positions were worth far less given, among other things, observable market data, the low credit quality of the Equifirst and non-Equifirst whole loans, and the continued attempts by internal valuation experts and PwC to record larger writedowns on the whole loan portfolio. The value of Barclays' whole loan portfolio was also misstated to the extent Barclays used a discounted cash flow model which utilized the London Interbank Offer Rate ("LIBOR") in calculating a discount rate to value its whole loan positions. More specifically, in a settlement with the U.S. Department of Justice, Barclays admitted that at various times from 2006 through 2009, its traders manipulated the LIBOR rate downward. This would have artificially reduced the discount rate Barclays used to value its whole loan positions and therefore caused the positions to be misstated.

Similarly, while Barclays valued its AAA-rated subprime securities at 92% of par, its non-AAA subprime securities at 61% of par, and its subprime derivatives and other loan positions at 100% of par, these positions were also materially misstated, as evidenced by, among other things, the steep declines in the relevant ABX and TABX indices during 2007. Further,

while Barclays valued its post-NIM residuals at £233 million, or 24% of par, as of year-end 2007, it was widely acknowledged within Barclays that these assets were worthless and would need to be written down to zero. Additionally, Barclays' valuation of its Alt-A whole loan and securities were materially misstated at year end 2007.

Additionally, Barclays' use of FTID pricing data instead of the ABX Index to value certain of its credit market positions, including, but not limited to its SIV and SIV-lite exposures, caused the value of these positions to be materially overstated.

Barclays' failure to sufficiently writedown its credit market positions at year-end 2007 rendered the Offering Documents materially false and misleading and concealed, among other things, material risks associated with these credit market positions and their impact on the Company's financial condition.

B. Barclays' Additional Disclosures Regarding Its Credit Market Positions

Plaintiffs also contend that the additional disclosures contained in the 2007 Form 20-F regarding Barclays' credit market positions were materially false and misleading for numerous other reasons. For example, unlike Barclays' peers, the 2007 Form 20-F presented its writedowns and charges net of fair value gains on its own credit *and* net of any income/interest earned on the impacted assets. The 2007 Form 20-F stated that writedowns were being netted against fair value gains on Barclays' credit, but it did not disclose that the writedowns were also being netted against income, nor did it disclose the gross writedowns and charges recorded on these positions to investors. For example, while the Company disclosed £1,412 million in ABS CDO Super Senior writedowns and charges during 2007, Barclays actually recorded £1,816 million in gross writedowns and charges on these assets. Similarly, Barclays actually recorded a total of £2,999 million in gross writedowns and charges on its credit market exposures in 2007,

not the £1,635 million net writedown it disclosed in the 2007 Form 20-F. Barclays' failure to disclose this material information rendered the Offering Documents materially misleading and concealed, among other things, numerous material risks associated with these credit market positions and their impact on the Company's financial condition.

Additionally, the Offering Documents were materially false and misleading as of the time of the Offering because they failed to disclose that the Company's credit market positions had deteriorated materially during the first quarter of 2008, and led the Company to internally record billions of dollars in losses on these positions at the time of the Offering. Further, the 2007 Form 20-F's disclosures regarding the high quality of the whole loans originated by Equifirst were materially misleading. Barclays had internally acknowledged at the time of the Offering that the credit quality of those assets had deteriorated significantly during the first three months of 2008 and delinquencies in the Equifirst whole loan portfolio had increased in each of the preceding 11 months. Barclays had also recorded material writedowns in the fair value of its Alt-A credit market exposures during the first quarter of 2008. The failure to disclose, among other things, these material facts and trends, and their likely impact on the Company's financial condition, caused the Offering Documents to be materially untrue and misleading, and concealed, among other things, numerous material risks associated with these credit market positions and their impact on the Company's financial condition.

Defendants also failed to break out the writedowns recorded on Barclays' whole loan and other subprime positions, and failed to report the Company's exposures on a gross basis. For example, when disclosing the size of its exposures to whole loans and other credit market positions, Barclays failed to state that it had offset these exposures by approximately £369 million in purported hedges. Moreover, while the Company recorded writedowns and

impairment charges of approximately £116 million on its whole loan positions, £431 million on subprime residuals, and £496 million on other subprime exposures in 2007 – for a total of £1,043 million – these writedowns were not separately disclosed to investors.

Defendants also failed to disclose that Barclays was not marking its portfolio of leveraged loans to market. Moreover, the 2007 Form 20-F's disclosure of £7,368 million in leveraged finance positions materially understated the Company's true exposure as of year-end 2007, which was actually £9,027 million.

Similarly, Barclays' disclosures in the 2007 Form 20-F regarding its credit market exposures were materially incomplete, and omitted, among other things, certain subprime and other mortgage-related positions residing in Barclays' Portfolio Management banking book.

The Company's failure to disclose these facts rendered the Offering Documents materially untrue and misleading and concealed, among other things, numerous material risks associated with these credit market positions and their impact on the Company's financial condition.

C. Barclays' Statements Regarding Its Exposure to Monoline Insurers

The 2007 Form 20-F stated that "Barclays Capital held assets with insurance protection or other credit enhancements from monoline insurers," and disclosed that "[t]he value of exposure to monoline insurers under these contracts was £1,335 [million] as of year-end 2007." This representation was materially untrue and misleadingly incomplete. For example, the £1,335 million figure materially understated the Company's true monoline exposure. In truth, Barclays was exposed to over £21 billion in assets wrapped by monoline insurers as of year-end 2007, and its credit equivalent exposure to such assets was over \$7 billion. Barclays' Form 20-F disclosure materially understated the Company's true exposure to monoline insurers, and thus rendered the

Offering Documents materially false and misleading and concealed, among other things, numerous material risks associated with the Company's monoline exposures and their impact on the Company's financial condition.

Moreover, Barclays' materially incomplete disclosures became misleading by the time of the Offering. As the monoline insurers were downgraded and the fair market value of the assets wrapped by monoline insurers continued to decline during the first quarter of 2008, the "value" of Barclay's monoline exposure more than doubled to £2.8 billion by March 31, 2008. Likewise, Barclays' failed to disclose that it had recorded a £59 million writedown on the "value" of its monoline exposures during 2007. The failure to disclose, among other things, these facts and negative trends and their likely impact on Barclays' financial condition rendered the Offering Documents materially untrue and misleading and concealed, among other things, numerous material risks associated with Barclays' monoline exposures and their impact on the Company's financial condition.

D. Statement That Barclays' Financial Instruments Are Measured at Fair Value

The 2007 Form 20-F stated that "[f]inancial instruments entered into as trading transactions, together with any associated hedging, are measured at fair value and the resultant profits and losses are included in net trading income, along with interest and dividends arising from long and short positions and funding costs related to trading activities." *See* 2007 Form 20-F at 48. With respect to whole loans, the 2007 Form 20-F went on to state that:

The fair value of mortgage whole loans are determined using observable quoted prices or recently executed transactions for comparable assets. Where observable price quotations or benchmark proxies are not available, fair value is determined using cash flow models where significant inputs include yield curves, collateral specific loss assumptions, asset specific prepayment assumptions, yield spreads and expected default rates.

As noted above, these statements were materially untrue and misleading at the time of the Offering because Defendants materially misstated Barclays' credit market exposures as of year-end 2007. Moreover, the Company failed to value its subprime whole loan positions using observable market data like the ABX index and/or recently executed transactions, and instead relied solely upon a discounted cash flow analysis that artificially inflated the value of these positions.

E. Financial Results, Disclosures Regarding Writedowns and Impairment Charges, and Balance Sheet Metrics for Year-end 2007

Defendants' material misstatements regarding Barclays' credit market exposures as of year-end 2007 also led to an overstatement of the total assets and shareholder equity figures reflected in the 2007 Form 20-F. Further, because mark-to-market writedowns to Barclays' credit market exposures flow through to its income statement, the Company's failure to record adequate writedowns on its credit market positions also led to the material overstatement of, among other things, the Company's reported 2007 profit before tax figure of £7,076 million, and Barclays Capital's reported "5% increase in profit before tax to £2,335m."

F. Statements Concerning the Subprime and Credit Market Disruptions

While the 2007 Form 20-F addressed the disruption in the subprime mortgage markets in 2007, it misleadingly suggested that Barclays had successfully navigated through the credit market downturn and had significantly reduced its credit market exposures. As an example, in its discussion of "Wholesale credit risk," the 2007 Form 20-F, states:

The results of severe disruption in the US sub-prime mortgage market were felt across many wholesale credit markets in the second half of 2007, and were reflected in wider credit spreads, higher volatility, tight liquidity in interbank and commercial paper markets, more constrained debt issuance and lower investor risk appetite. Although impairment and other credit provisions in Barclays Capital rose as a consequence of these difficult market conditions, our risks in these portfolios were identified in the first half and management actions were taken to

reduce limits and positions. Further reductions and increased hedging through the rest of the year continued to bring net positions down and limited the financial effect of the significant decline in market conditions. Our ABS CDO Super Senior positions were reduced during the year and our remaining exposure reflected netting against writedowns, hedges, and subordination. At the end of the year, market conditions remained difficult with reduced liquidity in cash and securitised products, and reflected stress at some counterparties such as monoline insurers.

In discussing purported trends for 2008, Barclays discussed the broader economic environment in general, but did not specifically reference the impact those economic conditions were to have on the Company's financial condition:

Going into 2008, the credit environment reflects concern about weakening economic conditions in our major markets. Credit spreads and other indicators signal that the credit cycle has changed after a long period of stability. We expect some deterioration in credit metrics as default probabilities move toward their medium-term averages. This environment has led to a more cautious approach to credit assessment, pricing and ongoing control in the financial industry, which we believe will continue through the year.

Furthermore, Barclays claimed that with respect to the second half of 2007, "Exposures relating to US subprime were actively managed and declined over the period." These statements and others were materially untrue and misleading because, among other things, Barclays' writedowns and impairment charges were materially misstated, and its credit market positions were materially misstated, as of year-end 2007. The disclosed writedowns and impairment charges were also materially misleading because, while the 2007 Form 20-F notes that such charges were offset by "£658m [in] gains arising from the fair valuation of notes issued by Barclays Capital," it failed to disclose that Barclays also netted these writedowns against more than £700 million in interest and other income earned on these assets. Moreover, Barclays failed to disclose the likely impact of this current and anticipated trend on its future financial condition – or the fact that the continued downturn in the mortgage market had already negatively impacted its first quarter 2008 performance by the time of the Offering. The failure to make

such disclosures rendered the Offering Documents materially untrue and misleading and concealed, among other things, numerous material risks associated with these credit market positions and their continuing impact on the Company's financial condition. Moreover, hedging activity against Barclay's credit market exposures were acknowledged by senior management as being ineffective and the overall credit market exposure to U.S. subprime had not decreased in 2007, but increased.

Similarly, the 2007 Form 20-F's disclosure that "[t]he profitability of Barclays businesses could be adversely affected by a worsening of general economic conditions in the United Kingdom, globally or in certain individual markets such as the US or South Africa," and that a market downturn could "adversely affect the credit quality of Barclays . . . assets" or "cause the Group to incur mark to market losses on its trading portfolios" was materially misleading. By the time of the Offering, these risks had already materialized, the credit quality of its assets had declined markedly and the Company had already internally recorded billions of dollars in undisclosed mark-to-market losses on its credit market positions. Barclays' failure to disclose these facts, among other things, rendered the Offering Documents materially misleading and concealed, among other things, numerous material risks associated with these credit market positions and their impact on the Company's financial condition.

G. Statements Concerning Barclays' Capital Position and RWAs

The 2007 Form 20-F also contained a series of materially misleading statements regarding the Company's capital position and RWAs. For example, the Company reported a Basel II Tier 1 capital ratio of 7.6%, Basel II Equity Tier 1 ratio of 5.1%, and total RWAs of £353.476 billion. In addition, with respect to Barclays Capital, the 2007 Form 20-F disclosed that "[r]isk weighted assets increased 23% to £169.1bn . . . reflecting growth in fixed income,

equities and credit derivatives.” Additionally, the 2007 Form 20-F discussed Barclays’ “internal targets for its key capital ratios,” which purportedly accounted for “[p]ossible volatility of reported profits and other capital resources compared with forecast.”

These representations were materially misleading because, unbeknownst to investors, the growth in RWAs in 2007 was due, in large part, to the impact of the mortgage meltdown on the Company’s credit market positions. In addition, Barclays Capital’s RWAs had increased dramatically in the months prior to the Offering, and was negatively impacting the Company’s capital position at the time of the Offering. In fact, by the time of the Offering, among other things: (i) Barclays Capital would be unable to meet its RWA target for year-end 2008; (ii) the FSA had already informed the Company that it expected Barclays’ equity Tier 1 ratio to meet its internal target of 5.25% by year-end 2008; and (iii) as a result, the Company was already discussing the need to raise further capital in 2008 in addition to the capital raised in the Offering by way of further equity offerings. None of these facts were disclosed to investors in the Offering.

Defendants’ failure to disclose these material facts and negative trends, among others, rendered the Offering Documents materially false and misleading and concealed, among other things, Barclays’ growing unbudgeted RWAs, declining Tier 1 equity ratio and Tier 1 capital ratios, and the material fact that Barclays would need to raise additional capital in the months following the Offering.

H. Statements Regarding Barclays’ Risk Management Practices

As set forth in the Complaint, the 2007 Form 20-F represented that Barclays “actively manages its credit exposures and when weakness in exposures are detected – either in individual exposures or in groups of exposures – action is taken to mitigate risk.” This statement was

materially untrue and misleading because, among other things, rather than actively managing Barclays' subprime risks in 2007 as the credit markets deteriorated: (i) Barclays fired the traders and executives responsible for managing the Company's subprime and Alt-A risks, (ii) there was no trader in charge of the subprime and other credit market positions that were responsible for the Company's 2007 writedowns and impairments several months prior to and following year-end 2007, and (iii) instead of seeking to divest Barclays' subprime risks, the Company's executives embarked upon a strategy to "portfolio" certain of these positions – *i.e.*, rather than reducing its exposure to certain subprime positions, Barclays merely transferred the positions to the Company's banking book in an effort to avoid marking them at fair value.

INTERROGATORY NO. 2:

With respect to each statement identified in Your response to Interrogatory No. 1, identify (a) each individual whom You contend subjectively disbelieved the statement, and (b) for each such individual, all facts and evidence that You rely on to support Your contention that the individual subjectively disbelieved the statement.

RESPONSE TO INTERROGATORY NO. 2:

Plaintiffs object to this Interrogatory to the extent that it seeks information that is not relevant to the claims or defenses of any party, or reasonably calculated to lead to the discovery of admissible evidence. Specifically, Plaintiffs are not required to prove that one or more Defendants subjectively disbelieved each and every statement identified in response to Interrogatory No. 1 in order to establish the Defendants' liability under the Securities Act of 1933. Plaintiffs object to this Interrogatory as overbroad and unduly burdensome to the extent that it seeks: (i) disclosure of "all statements" and "all facts and evidence" supporting Plaintiffs' claims; (ii) information that was pled in the Complaint and, thus, is known to the Barclays Defendants, or is otherwise within Defendants' possession, custody and control; and (iii)

disclosure of information beyond that required by the Federal and Local Rules and applicable caselaw. Plaintiffs further object to this Interrogatory on the grounds that it is premature, as fact discovery is ongoing. *See* Pretrial Order (Dkt. #126). Plaintiffs also object to this Interrogatory on the grounds that it calls for the disclosure of information that is the subject of expert testimony at a time when expert discovery has not yet commenced. *Id.*

Accordingly, it would be unduly burdensome for Plaintiffs to identify each and every individual who Plaintiffs contend subjectively disbelieved each and every statement set forth in Plaintiffs' response to Interrogatory No. 1, and all facts and evidence supporting this contention. Nor is such disclosure required, *inter alia*, because many of the alleged misstatements were not opinions, and given that much of the evidence supporting Plaintiffs' claims is within the Barclays Defendants' possession, custody or control, including but not limited to Barclays' public statements and filings with the SEC, the documents produced in this Action by Defendants and third parties, the deposition testimony obtained in this Action and the documents marked as exhibits at those depositions, to which the Barclays Defendants have equal access. Furthermore, Plaintiffs object to this request to the extent that it exceeds the 25-interrogatory limit (including subparts) under FED. R. CIV. P. 33.

Subject to and without waiver of the foregoing objections, Plaintiffs refer Defendants to their responses and objections to Interrogatory No. 1 set forth herein. By way of further response, Plaintiffs state the following:

To the extent that Plaintiffs are required to prove that any individual subjectively disbelieved any of the materially false or misleading statements contained in the Offering Documents, including, but not limited to, Barclays' valuations of its credit market provisions as of year-end 2007, Plaintiffs contend that Barclays' officers, directors, executives and employees,

including but not limited to the following individuals, were aware of the falsity of those statements: Marcus Agius, David G. Booth, Sir Richard Broadbent, Richard Leigh Clifford, Fulvio Conti, Daniel Cronje, Dame Sandra J.N. Dawson, Robert Edward Diamond, Jr., Gary A. Hoffman, Sir Andrew Likierman, Dr. Christopher Lucas, Sir Nigel Rudd, Stephen George Russell, Frederik Seegers, John Michael Sunderland, John Silvester Varley, Rich Ricci, Paul Menefee, Michael Wade, Adam Godden, John Kreidler, John Carroll, Tom Hamilton, Vincent Balducci, Stephen King, Sean Teague, Richard Landreman, Nick Lambert, Joseph Kaczka, Christopher Kraus, Eric Bommensath, Grant Kvalheim, Michael Keegan, Keith Harding, Patrick Clackson, Paul Copson, Eric Yoss, Tom McCosker, James Walker, Gavin Chapman, and Marcus Morton.

INTERROGATORY NO. 3:

Identify (a) each fact that You contend was omitted from the Offering Documents and whose omission You contend rendered the Offering Documents materially false or misleading, and (b) for each such fact, all facts and evidence You rely on to support Your contention that the omission of such fact rendered the Offering Documents materially false or misleading.

RESPONSE TO INTERROGATORY NO. 3:

Plaintiffs object to this Interrogatory as overbroad and unduly burdensome to the extent that: (i) it seeks disclosure of “each fact” and “all facts and evidence” supporting Plaintiffs’ claims; (ii) the information sought to be disclosed was pled in the Complaint and, thus, is known to the Barclays Defendants, or is otherwise within Defendants’ possession, custody and control; and (iii) it seeks the disclosure of information beyond that required by the Federal and Local Rules and applicable caselaw. Plaintiffs further object to this Interrogatory on the grounds that it is premature, as fact discovery is ongoing. *See* Pretrial Order (Dkt. #126). Plaintiffs also object

to this Interrogatory on the grounds that it calls for the disclosure of information that is the subject of expert testimony at a time when expert discovery has not yet commenced. *Id.*

Accordingly, it would be unduly burdensome for Plaintiffs to identify at this time every fact that Plaintiffs contend was omitted from the Offering Documents and all facts and evidence supporting their contention that the omission of such fact rendered the Offering Documents materially false and misleading. Nor is such disclosure required, particularly given that much of the evidence supporting Plaintiffs' claims is within the Barclays Defendants' possession, custody or control, including but not limited to Barclays' public statements and filings with the SEC, the documents produced in this Action by Defendants and third parties, the deposition testimony obtained in this Action and the documents marked as exhibits at those depositions, to which the Barclays Defendants have equal access. Furthermore, Plaintiffs object to this request to the extent that it exceeds the 25-interrogatory limit (including subparts) under FED. R. CIV. P. 33.

Subject to and without waiver of the foregoing objections, Plaintiffs refer the Barclays Defendants to their responses and objections to Interrogatory Nos. 1 and 2 set forth herein. By way of further response, Plaintiffs contend that the omission of the following material facts, among others, caused the Offering Documents to be materially false and misleading.

A. Failure to Disclose Material Facts Concerning Barclays' Credit Market Exposures

As set forth more fully in Plaintiffs' response to Interrogatory No. 1, the Offering Documents were materially false and misleading because Defendants failed to disclose material facts concerning Barclays' credit market exposures, including, among other things, the Company's gross credit market exposures, gross writedowns and charges, notional and credit equivalent exposure to monoline insurers and writedowns on these monoline exposures, the amount of Barclays' exposures to each of the asset classes wrapped by monoline insurers (e.g.,

ABS CDO super senior positions, CLOs, etc.), and the components of its “other” subprime exposures and writedowns recorded on these exposures. In addition, Defendants failed to disclose that Barclays was not marking its leveraged loan portfolio to market, and failed to disclose certain subprime and mortgage-related positions residing in the Company’s Portfolio Management banking book. Furthermore, the Offering Documents failed to disclose the portion of Defendants’ credit market exposures which were not marked to fair value because they were classified as loans and receivables, including portions of the Company’s whole loan portfolio, and when such assets were classified as loans and receivables.

B. Failure to Disclose First Quarter 2008 Developments and Negative Trends Concerning Barclays’ Subprime Credit Market Exposures

As set forth more fully in Plaintiffs’ response to Interrogatory No. 1, the Offering Documents were materially false and misleading because Defendants failed to disclose numerous material facts and negative trends concerning Barclays’ credit market exposures that materialized between year-end 2007 and the time of the Offering, including, among other things, the large first quarter writedowns internally booked on these assets, the rapidly deteriorating credit quality of these assets, and the likely impact of these negative facts and trends on the Company’s financial condition. The failure to disclose these material facts and trends, among other things, concealed material risks associated with these credit market positions and Barclays’ financial condition.

C. Failure to Disclose Material Growth in RWAs and Materially Declining Capital and Equity Ratios

As set forth more fully in Plaintiffs’ response to Interrogatory No. 1, the Offering Documents were materially false and misleading because Defendants failed to disclose material facts, negative trends and risks concerning Barclays’ materially growing RWAs and declining

capital and equity ratios, which existed at the time of the Offering. These material facts, negative trends and risks include, among other things, Barclays' and Barclays Capital's rising RWAs prior to the Offering and the negative impact of these RWAs on the Company's Tier 1 capital and Tier 1 equity ratios, the Company's inability to reduce Barclays Capital's RWAs in order to meet internal capital and equity ratios, the FSA's indication prior to the Offering that Barclays would need to raise its equity Tier 1 equity ratio to 5.25% by year-end 2008, the internal efforts to reduce RWAs and the likely impact of such reductions on Barclays' profitability, and the need to raise additional capital following the Offering to offset the Company's growing RWAs. The failure to make these disclosures concealed material risks regarding, among other things, Barclays' financial position and capital needs.

INTERROGATORY NO. 4:

Identify all facts and evidence that You rely on to support Your allegation in Paragraph 12 of the Complaint that "[t]he evidence demonstrating that defendants over-valued Barclays' assets was objectively verifiable, known to defendants, and directly tied to Barclays' assets," including but not limited to the specific "assets" to which that paragraph refers and the "objectively verifiable" evidence to which that paragraph refers.

RESPONSE TO INTERROGATORY NO. 4:

Plaintiffs object to this Interrogatory as overbroad and unduly burdensome to the extent that it seeks: (i) disclosure of "all statements" and "all facts and evidence" supporting Plaintiffs' claims; (ii) information that was pled in the Complaint and, thus, is known to the Barclays Defendants, or is otherwise within Defendants' possession, custody and control; and (iii) disclosure of information beyond that required by the Federal and Local Rules and applicable caselaw. Plaintiffs further object to this Interrogatory on the grounds that it is premature, as fact discovery is ongoing. *See* Pretrial Order (Dkt. #126). Plaintiffs also object to this Interrogatory

on the grounds that it calls for the disclosure of information that is the subject of expert testimony at a time when expert discovery has not yet commenced. *Id.*

Accordingly, it would be unduly burdensome for Plaintiffs to identify at this time all facts and evidence supporting the contention set forth in Interrogatory No. 4. Nor is such disclosure required, particularly given that much of the evidence supporting Plaintiffs' claims is within the Barclays Defendants' possession, custody or control, including but not limited to Barclays' public statements and filings with the SEC, the documents produced in this Action by Defendants and third parties, the deposition testimony obtained in this Action and the documents marked as exhibits at those depositions, to which the Barclays Defendants have equal access. Furthermore, Plaintiffs object to this request to the extent that it exceeds the 25-interrogatory limit (including subparts) under FED. R. CIV. P. 33. Plaintiffs also object to this Interrogatory on the grounds that it is subsumed within and therefore duplicative of Interrogatory Nos. 1 and 2.

Subject to and without waiver of the foregoing objections, Plaintiffs refer the Barclays Defendants to their responses and objections to Interrogatory Nos. 1 and 2 set forth herein.

INTERROGATORY NO. 5:

Identify all facts and evidence that You rely on to support Your contention in Paragraph 135(a) of the Complaint that "Barclays knowingly failed to properly write down its exposure to U.S. subprime and Alt-A mortgages, CDOs, monoline insurers and RMBS in accordance with applicable accounting standards, and failed to adequately disclose the risks posed by these assets," including but not limited to the amount by which You contend that Barclays "failed to properly write down its exposure" to each listed asset class.

RESPONSE TO INTERROGATORY NO. 5:

Plaintiffs object to this Interrogatory as overbroad and unduly burdensome to the extent that it seeks: (i) disclosure of "all statements" and "all facts and evidence" supporting Plaintiffs' claims; (ii) information that was pled in the Complaint and, thus, is known to the Barclays

Defendants, or is otherwise within Defendants' possession, custody and control; and (iii) disclosure of information beyond that required by the Federal and Local Rules and applicable caselaw. Plaintiffs further object to this Interrogatory on the grounds that it is premature, as fact discovery is ongoing. *See* Pretrial Order (Dkt. #126). Plaintiffs also object to this Interrogatory on the grounds that it calls for the disclosure of information that is the subject of expert testimony at a time when expert discovery has not yet commenced. *Id.*

Accordingly, it would be unduly burdensome for Plaintiffs to identify at this time all facts and evidence supporting the contention set forth in Interrogatory No. 5. Nor is such disclosure required, particularly given that much of the evidence supporting Plaintiffs' claims is within the Barclays Defendants' possession, custody or control, including but not limited to Barclays' public statements and filings with the SEC, the documents produced in this Action by Defendants and third parties, the deposition testimony obtained in this Action and the documents marked as exhibits at those depositions, to which the Barclays Defendants have equal access. Furthermore, Plaintiff objects to this request to the extent that it exceeds the 25-interrogatory limit (including subparts) under FED. R. CIV. P. 33. Plaintiffs also object to this Interrogatory on the grounds that it is subsumed within and therefore duplicative of Interrogatory Nos. 1, 2 and 4.

Subject to and without waiver of the foregoing objections, Plaintiffs refer the Barclays Defendants to their responses and objections to Interrogatory Nos. 1 and 2 set forth herein.

INTERROGATORY NO. 6:

Identify all facts and evidence that You rely on to support Your contention in Paragraph 135(c) of the Complaint that "Barclays failed to disclose the substantial and material risk that the Company's U.S. subprime and Alt-A exposure had on its stated capital ratio, shareholder's equity and the risk that the same posed to the Company's future capital ratio and liquidity."

RESPONSE TO INTERROGATORY NO. 6:

Plaintiffs object to this Interrogatory as overbroad and unduly burdensome to the extent that it seeks: (i) disclosure of “all statements” and “all facts and evidence” supporting Plaintiffs’ claims; (ii) information that was pled in the Complaint and, thus, is known to the Barclays Defendants, or is otherwise within Defendants’ possession, custody and control; and (iii) disclosure of information beyond that required by the Federal and Local Rules and applicable caselaw. Plaintiffs further object to this Interrogatory on the grounds that it is premature, as fact discovery is ongoing. *See* Pretrial Order (Dkt. #126). Plaintiffs also object to this Interrogatory on the grounds that it calls for the disclosure of information that is the subject of expert testimony at a time when expert discovery has not yet commenced. *Id.*

Accordingly, it would be unduly burdensome for Plaintiffs to identify at this time all facts and evidence supporting the contention set forth in Interrogatory No. 6. Nor is such disclosure required, particularly given that much of the evidence supporting Plaintiffs’ claims is within the Barclays Defendants’ possession, custody or control, including but not limited to Barclays’ public statements and filings with the SEC, the documents produced in this Action by Defendants and third parties, the deposition testimony obtained in this Action and the documents marked as exhibits at those depositions, to which the Barclays Defendants have equal access. Furthermore, Plaintiff objects to this request to the extent that it exceeds the 25-interrogatory limit (including subparts) under FED. R. CIV. P. 33. Plaintiffs also object to this Interrogatory on the grounds that it is subsumed within and therefore duplicative of Interrogatory Nos. 1 and 3.

Subject to and without waiver of the foregoing objections, Plaintiffs refer the Barclays Defendants to their responses and objections to Interrogatory Nos. 1 and 3 set forth herein.

INTERROGATORY NO. 7:

Identify all facts and evidence that You rely on to support Your contention in Paragraph 135(d) of the Complaint that the “Company’s failure to disclose and comply” with items identified in Paragraph 135 “was in contravention of Barclays’ stated risk management policies and public recommendations,” including but not limited to the specific “stated risk management policies and public recommendations” to which that paragraph refers and the manner in which You contend that Barclays contravened such policies and recommendations.

RESPONSE TO INTERROGATORY NO. 7:

Plaintiffs object to this Interrogatory as overbroad and unduly burdensome to the extent that it seeks: (i) disclosure of “all statements” and “all facts and evidence” supporting Plaintiffs’ claims; (ii) information that was pled in the Complaint and, thus, is known to the Barclays Defendants, or is otherwise within Defendants’ possession, custody and control; and (iii) disclosure of information beyond that required by the Federal and Local Rules and applicable caselaw. Plaintiffs further object to this Interrogatory on the grounds that it is premature, as fact discovery is ongoing. *See* Pretrial Order (Dkt. #126). Plaintiffs also object to this Interrogatory on the grounds that it calls for the disclosure of information that is the subject of expert testimony at a time when expert discovery has not yet commenced. *Id.*

Accordingly, it would be unduly burdensome for Plaintiffs to identify at this time all facts and evidence supporting the contention set forth in Interrogatory No. 7. Nor is such disclosure required, particularly given that much of the evidence supporting Plaintiffs’ claims is within the Barclays Defendants’ possession, custody or control, including but not limited to Barclays’ public statements and filings with the SEC, the documents produced in this Action by Defendants and third parties, the deposition testimony obtained in this Action and the documents marked as exhibits at those depositions, to which the Barclays Defendants have equal access. Furthermore, Plaintiff objects to this request to the extent that it exceeds the 25-interrogatory

limit (including subparts) under FED. R. CIV. P. 33. Plaintiffs also object to this Interrogatory on the grounds that it is subsumed within and therefore duplicative of Interrogatory Nos. 1 and 3.

Subject to and without waiver of the foregoing objections, Plaintiffs refer the Barclays Defendants to their responses and objections to Interrogatory Nos. 1 and 3 set forth herein.

INTERROGATORY NO. 8:

Identify all facts and evidence that you rely on to support your contention in paragraph 184 of the complaint that “Barclays’ writedowns of its risky assets contained in the 2007 20-F were knowingly or recklessly inadequate,” including but not limited to the extent to which you contend that such “writedowns” were “inadequate.”

RESPONSE TO INTERROGATORY NO. 8:

Plaintiffs object to this Interrogatory as overbroad and unduly burdensome to the extent that it seeks: (i) disclosure of “all statements” and “all facts and evidence” supporting Plaintiffs’ claims; (ii) information that was pled in the Complaint and, thus, is known to the Barclays Defendants, or is otherwise within Defendants’ possession, custody and control; and (iii) disclosure of information beyond that required by the Federal and Local Rules and applicable caselaw. Plaintiffs further object to this Interrogatory on the grounds that it is premature, as fact discovery is ongoing. *See* Pretrial Order (Dkt. #126). Plaintiffs also object to this Interrogatory on the grounds that it calls for the disclosure of information that is the subject of expert testimony at a time when expert discovery has not yet commenced. *Id.*

Accordingly, it would be unduly burdensome for Plaintiffs to identify at this time all facts and evidence supporting the contention set forth in Interrogatory No. 8. Nor is such disclosure required, particularly given that much of the evidence supporting Plaintiffs’ claims is within the Barclays Defendants’ possession, custody or control, including but not limited to Barclays’ public statements and filings with the SEC, the documents produced in this Action by

Defendants and third parties, the deposition testimony obtained in this Action and the documents marked as exhibits at those depositions, to which the Barclays Defendants have equal access. Furthermore, Plaintiff objects to this request to the extent that it exceeds the 25-interrogatory limit (including subparts) under FED. R. CIV. P. 33. Plaintiffs also object to this Interrogatory on the grounds that it is subsumed within and therefore duplicative of Interrogatory Nos. 1 and 2.

Subject to and without waiver of the foregoing objections, Plaintiffs refer the Barclays Defendants to their responses and objections to Interrogatory Nos. 1 and 2 set forth herein.

INTERROGATORY NO. 9:

Identify all statements in the Offering Documents or in Barclay's Financial Statements that you contend violated any applicable accounting rules or principles, including but not limited to (a) the specific statements that you contend violated those rules or principles, (b) the accounting rules or principles that you contend were violated and the manner in which they were violated, and (c) all facts and evidence that you rely on to support these contentions.

RESPONSE TO INTERROGATORY NO. 9:

Plaintiffs object to the use of the term "Financial Statements" in this Interrogatory, as defined by the Barclays Defendants, on the grounds that such term it is so vague and ambiguous as to render a meaningful response not possible, is so broad as to comprise information not relevant to the parties' claims and defenses, or reasonably likely to lead to the discovery of admissible evidence, and would impose upon Plaintiffs an undue burden in responding to this Interrogatory. Plaintiffs object to this Interrogatory as overbroad and unduly burdensome to the extent that it seeks: (i) disclosure of "all statements" and "all facts and evidence" supporting Plaintiffs' claims; (ii) information that was pled in the Complaint and, thus, is known to the Barclays Defendants, or is otherwise within Defendants' possession, custody and control; and (iii) disclosure of information beyond that required by the Federal and Local Rules and

applicable caselaw. Plaintiffs further object to this Interrogatory on the grounds that it is premature, as fact discovery is ongoing. *See* Pretrial Order (Dkt. #126). Plaintiffs also object to this Interrogatory on the grounds that it calls for the disclosure of information that is the subject of expert testimony at a time when expert discovery has not yet commenced. *Id.*

Accordingly, it would be unduly burdensome for Plaintiffs to identify at this time all facts and evidence supporting the contention set forth in Interrogatory No. 8. Nor is such disclosure required, particularly given that much of the evidence supporting Plaintiffs' claims is within the Barclays Defendants' possession, custody or control, including but not limited to Barclays' public statements and filings with the SEC, the documents produced in this Action by Defendants and third parties, the deposition testimony obtained in this Action and the documents marked as exhibits at those depositions, to which the Barclays Defendants have equal access. Furthermore, Plaintiff objects to this request to the extent that it exceeds the 25-interrogatory limit (including subparts) under FED. R. CIV. P. 33. Plaintiffs also object to this Interrogatory on the grounds that it is subsumed within and therefore duplicative of Interrogatory Nos. 1 and 2.

Subject to and without waiver of the foregoing objections, Plaintiffs refer the Barclays Defendants to their responses and objections to Interrogatory Nos. 1 and 2 set forth herein.

INTERROGATORY NO. 10:

Identify the date and amount of every dividend payment that You have received with respect to Series 5 ADS.

RESPONSE TO INTERROGATORY NO. 10:

Plaintiffs object to this Interrogatory on the grounds that it calls for the disclosure of information that is neither relevant to either party's claims or defenses, nor reasonably calculated to lead to the discovery of admissible evidence. Plaintiffs further object to this Interrogatory as

unduly burdensome the extent that the information sought is within the Barclays Defendants' possession, custody and control, and was the subject of the Barclays Defendants' questioning at the deposition of Lead Plaintiff Askelson in this matter.

Subject to and without waiver of the foregoing objection, Lead Plaintiff Askelson responds as follows:

DATE	AMOUNT OF DIVIDEND
June 15, 2008	\$879.00
September 15, 2008	\$1,219.00
December 15, 2008	\$1,229.68
March 15, 2009	\$1,219.39
June 15, 2009	\$1,218.75
September 15, 2009	\$1,218.75
December 15, 2009	\$1,218.75
March 15, 2010	\$1,218.75
June 15, 2010	\$1,218.75
September 15, 2010	\$1,218.75
December 15, 2010	\$1,218.75
March 18, 2011	\$1,218.75
June 2011	\$1,218.75
September 2011	\$1,218.75
December 2011	\$1,218.75
March 2012	\$1,218.75
June 2012	\$1,218.75
September 2012	\$2,229.30
December 2012	\$2,617.27
March 2013	\$2,617.27
June 2013	\$2,616.76
September 2013	\$2,616.76
December 2013	\$2,616.76
March 2014	\$2,616.76
June 2014	\$2,616.76
September 2014	\$2,616.76
December 2014	\$2,616.76
March 2015	\$2,616.76
June 2015	\$2,616.76
September 2015	\$2,616.76

Subject to and without waiving the foregoing objections, Lead Plaintiff Fait responds as follows:

Refer to the documents produced to date by Lead Plaintiff Fait, Bates nos. BARC-AF-0000001-17. Mr. Fait believes he received all dividends he was entitled to receive during the time he owned Series 5 ADS.

Dated: November 16, 2015

**KESSLER TOPAZ
MELTZER & CHECK, LLP**

/s/ Sharan Nirmul

Sharan Nirmul

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Co-Lead Counsel for Lead Plaintiffs

DECLARATION OF SERVICE BY E-MAIL

I, Kevin S. Sciarani, not a party to the within action, hereby declare that on November 16, 2015, I served the attached LEAD PLAINTIFFS' OBJECTIONS AND RESPONSES TO THE BARCLAYS DEFENDANTS' FIRST SET OF INTERROGATORIES on the parties in the within action by e-mail addressed as follows:

COUNSEL FOR DEFENDANTS:

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I declare under penalty of perjury that the foregoing is true and correct. Executed on November 16, 2015, at San Diego, California.


 KEVIN S. SCIARANI