EXHIBIT 16
[Filed Under Seal]

From:	Cheema, Raj: Group Tax (LDN) [/O=BZW/OU=EUROPE/CN=LDN AD USERS/CN=USERS/CN=CHEEMARA]
Sent:	Friday, April 11, 2008 11:55:40 AM
To:	Wrafter, Mark: Group Tax (LDN)
CC:	Fyfe, Lucy: Group Tax (LDN)
Subject:	FW: Project Rimu - Pre-Settlement due diligence call Friday, April 11 @ 7:30 AM NY / 12:30 UK
Attachments:	Barclays - Pre-Settlement Bring Down April 2008.pdf

Mark,

A quick summary of the call (which was very short) involved Jon Stone confirming the following answers to the points listed in the attached document:-

1. No Material update.
2. There are none.
3. No.
4. No misstatements and yes Barclays now applicable to the risks.
5. None.

Regards

Raj

From: Ciobanu, Bogdan [mailto:bogdan.ciobanu@citi.com]
Sent: 10 April 2008 14:34
To: Aucutt, Ross: Barclays Treasury (LDN); Lambert, Nick: Barclays Treasury (LDN); Harding, Keith: Barclays Treasury (LDN); Meyer, Leigh: Barclays Treasury (LDN); todd.foreman@barclays.com; victoria.hardy@barclays.com; Cheema, Raj: Group Tax (LDN); Wrafter, Mark: Group Tax (LDN); McLeland, Kathryn: IBD (LDN); Ghori, Yenal: IBD (LDN); Gihr, Tanja: Sales (LDN); Croxford, Simon: Legal (LDN); Johnson, Richard: Legal (LDN); Vickery, Belinda: Legal (LDN); Graham, Mark: IBD (NYK); Ganis, Bret: Legal (NYK); Smith, Richard: Legal (NYK); Aherne, Peter O ; Greve, Leo-Hendrik ; Mason, Peter James ; Drumm, Laura ; Deese, Derrick ; Dickey, John W ; Mcgeary, Simon ; Louie, Stanley ; Keat, Deborah ; Letina, Anastasia ; Stephenson, Laura ; Midander, Jakob ; Walker, David ; Reid, James ; Mcspadden, Jack D ; Harjani, Chandru ; Rose-Smith, Alastair ; Siekel, Peter ; Bridgers, Darrell ; Pakenham, Jane ; siddharth_prasad@ml.com; matthew_pass@ml.com; julien_roman@ml.com; robin_palmer@ml.com; eric_wilson@ml.com; christine_macdonald@ml.com; alvaro_camara@ml.com; sarah_davis@ml.com; richard_doyle@ml.com; aj_davidson@ml.com; joseph_dicapua@ml.com; gary.abrahams@ubs.com; ron.yanagi@ubs.com; sophia.vonta@ubs.com; andrew.templeton@ubs.com; glenn.goggins@ubs.com; Jason.Norton@ubs.com; monica.meo@ubs.com; michael.altschuler@ubs.com; bryant.h.owens@wachovia.com; stuart.aylward@wachovia.com; faye.thorogood@wachovia.com; ken.greer@wachovia.com; edward.boulderstone@wachovia.com; john.papadopulos@wachovia.com; kristina.clark@wachovia.com; Jill.enzman@wachovia.com; fleur.twohig@wachovia.com; kiley.knepp@wachovia.com; carolyn.coan@wachovia.com; laurie.watts@wachovia.com; melanie.panzone@wachovia.com; mike.borut@morganstanley.com; Victoria.Ortiz@morganstanley.com; Alex.MacMahon@morganstanley.com; Dominic.Trusted@morganstanley.com; Yurij.Slyz@morganstanley.com; Jennifer.Moreland@morganstanley.com; simon.sinclair@cliffordchance.com; mabel.tay@cliffordchance.com; Robert.Sartor@cliffordchance.com; Jonathan.Elman@cliffordchance.com; Mark.Persoff@cliffordchance.com; oconnorj@sullcrom.com; vonlanthenc@sullcrom.com; nyattai@sullcrom.com; david.ludwick@linklaters.com; vinay.samani@linklaters.com; joost.vanamelsfort@linklaters.com; sarah.whittington@linklaters.com; jon.gray@linklaters.com; andrew.r.karp@bankofamerica.com; james.m.probert@bankofamerica.com; ken.harris@rbccm.com; shannon.dahl@rbccm.com; richard.bansa@rbccm.com; keith.deleon@db.com; steven.burwell@db.com; donna_thacker@rhco.com; Bethany.bowman@suntrust.com; chris.grumboski@suntrust.com; Michael.l.smith@wellsfargo.com; Autumn.m.roth@wellsfargo.com; edwin.j.sondgroth@wellsfargo.com
Subject: Project Rimu - Pre-Settlement due diligence call Friday, April 11 @ 7:30 AM NY / 12:30 UK

Project Rimu Team:

EXHIBIT NO. 34
DATE: 8/13/15

Please join us for a brief pre-settlement bring down due diligence conference call **Friday, April 11 at 7:30 AM NY / 12:30 UK.**
Please find below the agenda and dial-in information.

Dial-in Information
Date: Friday, April 11, 2008
Time: 7:30 AM NY / 12:30 UK
Dial-in (US) +1-866 376 5281 / (UK) +44 (0) 207 477 2 477
Passcode: 034933#
<<Barclays - Pre-Settlement Bring Down April 2008.pdf>>
Please forward the attached list to other parties that were not included in the current distribution. Thank you

Regards,
Bogdan

Bogdan Ciobanu
Citi Markets and Banking
388 Greenwich St. | 34 Fl. | NY 10013
T: +1.212.816.9429 | F: +1.646.291.3712
M: +1.917.292.1184

BARCLAYS

Barclays Bank
Pre-Settlement Bring Down Due Diligence Outline

Date: April 11, 2008 • **Time:** 7:30 AM NY / 12:30 UK
US: +1 866 376 5281; **UK:** +44 207 477 2 477
Participant code: 034933#

Please note that the last due diligence calls refer to the calls on April 3, 2008 and April 8, 2008.

1. Are there any material updates or issues that have arisen since our last due diligence calls with regard to:
   a) funding or liquidity:
   b) rating agency actions;
   c) anticipated changes in senior management or the Board of Directors;
   d) organizational changes;
   e) corporate governance;
   f) tax matters;
   g) changes in accounting policy or practice;
   h) internal controls;
   i) acquisitions and dispositions;
   j) share buybacks;
   k) litigation;
   l) anti-money laundering or the foreign corrupt practices act:
   m) regulatory actions, investigations or other government actions?

2. Are there any further material updates for YTD earnings, asset quality trends or asset valuation including any updates on exposures within Barclays Capital?

3. Have there been, or are there contemplated, any additional write-downs of assets in any division of Barclays Bank?

4. Have you reviewed the Prospectus Supplement (along with the Prospectus) and are there any misstatements or omissions that you believe should be addressed? Are you comfortable that the Prospectus Supplement, the Prospectus and the incorporated documents fully present the risks now applicable to Barclays Bank?

5. Are there any areas that we have not covered, which may be material in the context of this issuance, which you should bring to our attention?

EXHIBIT 17
[Filed Under Seal]

From: Ciobanu, Bogdan [CMB-GBKG] [bogdan.ciobanu@citi.com]
Sent: Monday, April 21, 2008 2:20:24 PM
To: ross.aucutt@barclaysgt.com; nick.lambert@barclaysgt.com; keith.harding@barclaysgt.com; leigh.meyer@barclaysgt.com; todd.foreman@barclays.com; victoria.hardy@barclays.com; Raj.Cheema@barclayscapital.com; Mark.Wrafter@barclayscapital.com; kathryn.mcleland@barcap.com; yenal.ghori@barcap.com; tanja.gihr@barcap.com; simon.croxford@barcap.com; richard.d.johnson@barcap.com; belinda.vickery@barcap.com; mark.graham@barcap.com; bret.ganis@barcap.com; richard.smith3@barcap.com; Aherne, Peter O [CMB-GFICC]; Greve, Leo-Hendrik [CMB-GFICC]; Mason, Peter James [CMB-GFICC]; Drumm, Laura [CMB-GFICC]; Deese, Derrick [CMB-GFICC]; Dickey, John W [CMB-GFICC]; Mcgeary, Simon [CMB-GFICC]; Louie, Stanley [CMB-GFICC]; Keat, Deborah [CMB-GFICC]; Letina, Anastasia [CMB-GFICC]; Stephenson, Laura [CMB-GFICC]; Midander, Jakob [CMB-GFICC]; Walker, David [CMB-GBKG]; Reid, James [CMB-GBKG]; Mcspadden, Jack D [CMB-GBKG]; Harjani, Chandru [CMB-GBKG]; Rose-Smith, Alastair [CMB-GBKG]; Siekel, Peter [CMB-GBKG]; Bridgers, Darrell [CMB-GCO]; Pakenham, Jane [CMB-GCO]; siddharth_prasad@ml.com; matthew_pass@ml.com; julien_roman@ml.com; robin_palmer@ml.com; eric_wilson@ml.com; christine_macdonald@ml.com; alvaro_camara@ml.com; sarah_davis@ml.com; richard_doyle@ml.com; aj_davidson@ml.com; joseph_dicapua@ml.com; gary.abrahams@ubs.com; ron.yanagi@ubs.com; sophia.vonta@ubs.com; andrew.templeton@ubs.com; glenn.goggins@ubs.com; Jason.Norton@ubs.com; monica.meo@ubs.com; michael.altschuler@ubs.com; bryant.h.owens@wachovia.com; stuart.aylward@wachovia.com; faye.thorogood@wachovia.com; ken.greer@wachovia.com; edward.boulderstone@wachovia.com; john.papadopulos@wachovia.com; kristina.clark@wachovia.com; Jill.enzman@wachovia.com; fleur.twohig@wachovia.com; kiley.knepp@wachovia.com; carolyn.coan@wachovia.com; laurie.watts@wachovia.com; melanie.panzone@wachovia.com; mike.borut@morganstanley.com; Victoria.Ortiz@morganstanley.com; Alex.MacMahon@morganstanley.com; Dominic.Trusted@morganstanley.com; Yurij.Slyz@morganstanley.com; Jennifer.Moreland@MorganStanley.com; simon.sinclair@cliffordchance.com; mabel.tay@cliffordchance.com; Robert.Sartor@CliffordChance.com; Jonathan.Elman@CliffordChance.com; Mark.Persoff@CliffordChance.com; oconnorj@sullcrom.com; vonlanthenc@sullcrom.com; nyattai@sullcrom.com; david.ludwick@linklaters.com; vinay.samani@linklaters.com; joost.vanamelsfort@linklaters.com; sarah.whittington@linklaters.com; jon.gray@linklaters.com
Subject: Project Rimu - Greenshoe pre-settlement bring down call Tuesday 4/22 @ 9.00 AM NY / 14:00 UK
Attachments: Barclays - Greenshoe Pre-Settlement Bring Down April 2008.pdf

Please join us for a brief pre-settlement bring down due diligence conference call **Tuesday, April 22 at 9:00 AM NY / 14:00 UK.** Please find below the agenda and dial-in information.

Dial-in Information
Date: Tuesday, April 22, 2008
Time: 9:00 AM NY / 14:00 UK
Dial-in (US) +1-866 376 5281 / (UK) +44 (0) 207 477 2 477
Passcode: 034933#
<<Barclays - Greenshoe Pre-Settlement Bring Down April 2008.pdf>>

EXHIBIT NO. 37
DATE: 8/13/15
Reporter - Laurie A. Collins

Regards,
Bogdan Ciobanu

Bogdan Ciobanu
Citi Markets and Banking
388 Greenwich St. | 34 Fl. | NY 10013
T: +1.212.816.9429 | F: +1.646.291.3712
M: +1.917.292.1184

BARCLAYS

Barclays Bank
Pre-Settlement Bring Down Due Diligence Outline

Date: April 22, 2008 • **Time:** 9.00 AM NY / 14:00 UK
US: +1 866 376 5281; **UK:** +44 207 477 2 477
Participant code: 034933#

Please note that the last due diligence calls refer to the calls on April 3, 2008, April 8, 2008 and April 11, 2008.

1. Are there any material updates or issues that have arisen since our last due diligence calls with regard to:
   a) funding or liquidity;
   b) rating agency actions;
   c) anticipated changes in senior management or the Board of Directors;
   d) organizational changes;
   e) corporate governance;
   f) tax matters;
   g) changes in accounting policy or practice;
   h) internal controls;
   i) acquisitions and dispositions;
   j) share buybacks;
   k) litigation;
   l) anti-money laundering or the foreign corrupt practices act;
   m) regulatory actions, investigations or other government actions?

2. Are there any further material updates for YTD earnings, asset quality trends or asset valuation including any updates on exposures within Barclays Capital?

3. Have there been, or are there contemplated, any additional write-downs of assets in any division of Barclays Bank?

4. Are there any areas that we have not covered, which may be material in the context of this issuance, which you should bring to our attention?

EXHIBIT 18
[Filed Under Seal]

From:	Lambert, Nick: Barclays Treasury (LDN) [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=LAMBERTN]
Sent:	Tuesday, April 22, 2008 5:10:55 PM
To:	Hardy, Victoria: Barclays PLC; Foreman, Todd: Barclays PLC
Subject:	FW: Circle-up amendment on 20-F
Attachments:	ecblank.gif; 20-F Circle Up - updated.pdf

Redacted:
Redacted For Privilege

Nick

From: Ludwick, David [mailto:david.ludwick@linklaters.com]
Sent: 22 April 2008 18:05
To: Johnson, Richard: Legal (LDN); Lambert, Nick: Barclays Treasury (LDN)
Cc: Aucutt, Ross: Barclays Treasury (LDN); Harding, Keith: Barclays Treasury (LDN); Ludwick, David
Subject: RE: Circle-up amendment on 20-F

The attached summarises the types of numbers that PWC previously agreed to give comfort on in Rimu, which they are now declining to give (i've also attached their markup if you have access to PDFs -- it is the items in red that they are declining to give) -- they are now saying that due the applicable US standards as to what may be comforted (which they argue is more restrictive than in the UK) they are unable to do so -- in effect they are saying that it was a mistake to circle them in Rimu (page references are to the 20-F):

- BGI assets under management, and total clients assets at Barclays Wealth (page 5)
- Barcap average DVAR (p 25, 26)
- BGI total assets under management and movements related thereto (p 27, 28)
- Barclays Wealth total client assets (29, 30)
- called up share capital (42, 114)
- unobservable inputs in respect of total financial instruments stated at fair value (48)
- all data in discussion of CDOs, collateral, funding, interests in third party CDOs (ie SIVs, SIV lites, CP and MTN Conduits) under "Financial Review - Off Balance Sheet Arrangements" (51, 52)
- All data under "Barclays capital credit market positions) -- ie credit exposures (53)
- Certain data re directors' remuneration (130-137)

Kind regards

David

From: Richard.d.Johnson@barclayscapital.com [mailto:Richard.d.Johnson@barclayscapital.com]
Sent: 22 April 2008 18:00
To: Nick.lambert@barclaystreasury.com
Cc: Ross.Aucutt@barclaystreasury.com; Keith.Harding@barclaystreasury.com; Ludwick, David
Subject: RE: Circle-up amendment on 20-F

As David's spoken to PwC on this, he'll get back to you shortly.

From: Lambert, Nick: Barclays Treasury (LDN)
Sent: 22 April 2008 17:59
To: Johnson, Richard: Legal (LDN)

EXHIBIT RME
125
9/15/15

Cc: Aucutt, Ross: Barclays Treasury (LDN); Harding, Keith: Barclays Treasury (LDN)
Subject: RE: Circle-up amendment on 20-F

Redacted: Redacted For Privilege

Nick

From: Johnson, Richard: Legal (LDN)
Sent: 22 April 2008 17:54
To: Lambert, Nick: Barclays Treasury (LDN)
Subject: FW: Circle-up amendment on 20-F

From: sophie.shi@uk.pwc.com [mailto:sophie.shi@uk.pwc.com]
Sent: 22 April 2008 16:58
To: david.ludwick@linklaters.com
Cc: Johnson, Richard: Legal (LDN); Kendall, Pamela: Debt Capital Markets (NYK); oConnorJ@sullcrom.com; yu-liang.ooi@uk.pwc.com
Subject: Circle-up amendment on 20-F

Hi David,

As discussed between Yu-liang and you, please find our revised circle up on the 20-F below. All the figures circled in red mean we are not going to give comfort on in accordance with the guidance in US from the US Shelf and the DIP UT2 issuance.

For the additional circle up for the DIP UT2 you sent over, I will look at it and get back to you as soon as possible.

Sophie Shi | Executive |Assurance | Banking & Capital Markets | PricewaterhouseCoopers LLP

: Hay's Galleria, 1 Hays Lane, London. SE1 2RD | : +44 (0) 20 7804 7224 (office) | : +44 (0) 7894 393 605 (mobile) | : +44 (0) 20 7804 1001 (fax) |
: sophie.shi@uk.pwc.com |
----- Forwarded by Sophie Shi/UK/ABAS/PwC on 22/04/2008 16:40 -----

Yu-liang Ooi/UK/ABAS/PwC

22/04/2008 16:30

Business Related

Action (To) Sophie Shi
Information (cc)
Subject Fw: Comfort Letter

2 Files Attached - [1,201,529] - PLEASE SCAN FOR VIRUSES BEFORE USE

Hi Sophie,

Can you please email the attachment to David, and look at the below thanks.

(See attached file: 20-F Circle Up - updated.pdf)

Kind regards

Yu-Liang Ooi
Senior Manager

PricewaterhouseCoopers LLP
Banking & Capital Markets
Direct Line: +44 (0) 20 7212 3605
Mobile: +44 (0) 78 4149 7167
Fax: +44 (0) 20 7804 1001

----- Forwarded by Yu-liang Ooi/UK/ABAS/PwC on 22/04/2008 16:30 -----

"Ludwick, David" <david.ludwick@linklaters.com>	Action (To) Yu-liang Ooi/UK/ABAS/PwC@EMEA-UK
	Information (cc) "Ludwick, David" <david.ludwick@linklaters.com>
22/04/2008 15:26	Subject Comfort Letter

1 File Attached - [87,233] - PLEASE SCAN FOR VIRUSES BEFORE USE

Yu-Liang
As discussed, here are a couple of points that we would want to have circled up on the comfort letter for this DIP USD2b issuance, in addition to the circle up of the 20-F. Please note that BarCap is actually taking the lead on the comfort letters, so do please include them on any correspondence (including re circled items that PWC does not think it can circle this time).

Kind regards
David
<<Barclays-4221510-0001.pdf>>

-------------------- End of message text --------------------

outgoing and incoming e-mails and other telecommunications on its e-mail and telecommunications systems. By replying to this e-mail you give your consent to such monitoring.

Visit our website http://www.pwc.com/uk

Barclays Commercial Bank delivered profit before tax of £1,371m. Profit before business disposals improved 5%. Income improved 7% driven by very strong growth in fees and commissions and steady growth in net interest income. Non-interest income increased to 32% of total income reflecting continuing focus on cross sales and efficient balance sheet utilisation. Operating expenses rose 6%, reflecting increased investment in product development and support, sales force capability and operational efficiency. Impairment charges increased £38m as a result of asset growth and higher charges in Larger Business.

Barclaycard profit before tax increased to £540m, 18% ahead of the prior year. Steady income relative to 2006 reflected strong growth in Barclaycard International offset by a reduction in UK card extended credit balances as we re-positioned the UK business and reduced lower credit quality exposures including the sale of the Monument card portfolio. As a result, impairment charges improved 21%, reflecting more selective customer recruitment, client management and improved collections. Operating expenses increased 2% driven by continued investment in Barclaycard International and the non-recurrence of a property gain included in the 2006 results. Barclaycard US continued to make good progress, and for the first time made a profit for the year.

International Retail and Commercial Banking profits declined 23% to £935m. Results in 2006 included a £247m profit on disposals and £41m post tax profit share from FirstCaribbean International Bank. 2007 results reflected a 12% decline in the average value of the Rand.

International Retail and Commercial Banking – excluding Absa delivered a profit before tax of £246m. Income rose 28% as we significantly increased the pace of organic growth across the business, with especially strong growth in Emerging Markets and Spain. Operating expenses grew 32% as we expanded the distribution footprint, opening 324 new branches and 157 new sales centres and also invested in rolling out a common technology platform and processes across the business. Impairment increased to £79m including very strong balance sheet growth and lower releases.

International Retail and Commercial Banking – Absa Sterling profit fell £9m to £689m after absorbing the 12% decline in the average value of the Rand. Retail loans and advances grew 22% and retail deposits grew 20%.

Business Performance – Investment Banking and Investment Management

Barclays Capital delivered a 5% increase in profit before tax to £2,335m. Net income was ahead of last year, reflecting very strong performances in most asset classes including interest rates, currencies, equity products and commodities. Results also included net losses arising from credit market turbulence of £1,635m net of gains from the fair valuation of issued notes of £658m. All geographies outside the US enjoyed significant growth in income and profits. Strong cost control led to operating expenses declining slightly year on year.

Barclays Global Investors (BGI) profit before tax increased 3% to £734m. Income grew 16% driven by very strong growth in management fees and in securities lending revenues. Profit and income growth were both affected by the 8% depreciation in the average value of the US Dollar. BGI costs increased 25% as we continued to build our infrastructure across multiple products and platforms to support future growth.

The cost:income ratio rose to 62%. Assets under management grew US$265bn to US$2.1 trillion, including net new assets of US$88bn.

Barclays Wealth profit before tax rose 25% to £307m. Income growth of 11% was driven by increased client funds and greater transaction volumes. Costs were well controlled as business volumes rose and the cost:income ratio improved three percentage points to 76%. We continued to invest in client facing staff and infrastructure. Redress costs declined. Total client assets increased 14% to £133bn.

Head office functions and other operations

Head Office functions and other operations loss before tax increased 65% to £428m reflecting higher inter-segment adjustments and lower gains from hedging activities.

Capital management

At 31st December 2007, our Basel I Tier 1 Capital ratio was 7.8% (2006: 7.7%). We started managing capital ratios under Basel II from 1st January 2008. Our Basel II Tier 1 Capital ratio was 7.6%. Our Equity Tier 1 ratio was 5.6% under Basel I (2006: 5.3%) and 5.1% under Basel II.

We have increased the proposed dividend payable to shareholders in respect of 2007 by 10%. We maintain our progressive approach to dividends, expecting dividend growth broadly to match earnings growth over time.

Financial review
Analysis of results by business

Investment Banking and Investment Management
Barclays Capital

Who we are

Barclays Capital is a leading global investment bank providing large corporate, institutional and government clients with solutions to their financing and risk management requirements.

What we do

Barclays Capital service a wide variety of client needs, from capital raising and managing foreign exchange, interest rate, equity and commodity risks, through to providing technical advice and expertise.

Activities are organised into three principal areas: Rates, which includes fixed income, foreign exchange, commodities, emerging markets, money markets, prime services and equity products; Credit, which includes primary and secondary activities for loans and bonds for investment grade, high yield and emerging market credit, as well as hybrid capital products, asset based finance, mortgage backed securities, credit derivatives, structured capital markets and large asset leasing; and Private Equity. Barclays Capital includes Absa Capital, the investment banking business of Absa.

Barclays Capital works closely with all other parts of the Group to leverage synergies from client relationships and product capabilities.

Highlights

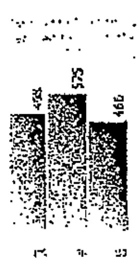
A

£7,119m

£2,335m

Profit before tax

Performance indicators



Performance

2007/06

B A

Barclays Capital delivered profits ahead of the record results achieved in 2006 despite challenging trading conditions in the second half of the year. Profit before tax increased 5% (£119m) to £2,335m (2006: £2,216m). There was strong income growth across the Rates businesses and excellent results in Continental Europe, Asia and Africa demonstrating the breadth of the client franchise. Net income was slightly ahead at £6,273m (2006: £6,225m) and costs were tightly managed, declining slightly year on year. Absa Capital delivered very strong growth in profit before tax to £155m (2006: £71m).

The US sub-prime driven market dislocation affected performance in the second half of 2007. Exposures relating to US sub-prime 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. Impairment charges included £840m against ABS CDO Super Senior exposures, other credit market exposures and drawn leveraged finance underwriting positions.

Income increased 14% (£852m) to £7,119m (2006: £6,267m) as a result of very strong growth in interest rate, currency, equity, commodity and emerging market asset classes. There was excellent income growth in continental Europe, Asia, and Africa. Average DVaR increased 13% to £42m (2006: £37.1m) in line with income.

A B

Secondary income, comprising principal transactions (net trading income and net investment income), is mainly generated from providing client financing and risk management solutions. Secondary income increased 11% (£578m) to £6,871m (2006: £6,293m).

Net trading income increased 5% (£177m) to £3,739m (2006: £3,562m) with strong contributions from fixed income, commodities, equities, foreign exchange and prime services businesses. These were largely offset by net losses in the business affected by sub-prime mortgage related write downs. The general widening of credit spreads that occurred over the course of the second half of 2007 also reduced the carrying value of the £57bn of issued notes held at fair value on the balance sheet, resulting in gains of £658m. Net investment income increased 66% (£380m) to £953m (2006: £573m) as a result of a number of private equity realisations, investment disposals in Asia and structured capital markets transactions. Net interest income increased 2% (£21m) to £1,179m (2006: £1,158m), driven by higher contributions from money markets. The corporate lending portfolio increased 29% to £52.3bn (2006: £40.6bn), largely due to an increase in drawn leveraged finance positions and a rise in drawn corporate loan balances.

Primary income, which comprises net fee and commission income from advisory and origination activities, grew 30% (£283m) to £1,235m (2006: £952m) with good contributions from bonds and loans.

Impairment charges and other credit provisions of £846m included £722m against ABS CDO Super Senior exposures, £60m from other credit market exposures and £58m relating to drawn leveraged finance underwriting positions. Other impairment charges on loans and advances amounted to a release of £7m (2006: £44m release) before impairment charges on available for sale assets of £13m (2006: £8m).

CONFIDENTIAL

BARC-ADS-01616047

	2007 £m	2006 £m	2005 £m
Income statement information			
Net interest income	1,179	1,158	1,065
Net fee and commission income	1,235	952	776
Net trading income	3,739	3,562	2,231
Net investment income	953	573	413
Principal transactions	4,692	4,135	2,644
Other income	13	22	20
Total income	7,119	6,267	4,505
Impairment charges and other credit provisions	(846)	(42)	(111)
Net income	6,273	6,225	4,394
Operating expenses excluding amortisation of intangible assets	(3,919)	(3,996)	(2,061)
Amortisation of intangible assets	(54)	(13)	(2)
Operating expenses	(3,973)	(4,009)	(2,963)
Share of post-tax results of associates and joint ventures	35	–	–
Profit before tax	2,335	2,216	1,431
Balance sheet information			
Total assets	£839.7bn	£657.9bn	£601.2bn
Selected statistical measures			
Cost:income ratio[a]	56%	64%	65%
Risk Tendency[a]	£ 140m	£ 95m	£ 110m
Risk weighted assets	£169.1bn	£137.6bn	£116.7bn
Average DVaR	£ 42.0m	£ 37.1m	£ 32.0m
Corporate lending portfolio	£ 52.3bn	£ 40.6bn	£ 40.1bn

a Defined on page 2.

Operating expenses decreased 1% (£36m) to £3,973m (2006: £4,009m). Performance related pay, discretionary investment spend and short term contractor resources represented 42% (2006: 50%) of the cost base. Amortisation of intangible assets of £54m (2006: £13m) principally related to mortgage service rights.

Total headcount increased 3,000 during 2007 to 16,200 (2006: 13,200) including 800 from the acquisition of EquiFirst. The majority of organic growth was in Asia Pacific.

2006/05

Profit before tax increased 55% (£785m) to £2,216m (2005: £1,431m). This was the result of a very strong income performance, driven by higher business volumes, continued growth in client activity and favourable market conditions. Net income increased 42% (£1,831m) to £6,225m (2005: £4,394m). Profit before tax for Absa Capital was £71m (2005: £39m).

Income increased 39% (£1,762m) to £6,267m (2005: £4,505m) as a result of very strong growth across the Rates, Credit and Private Equity businesses. Income increased in all geographic regions. Average DVaR increased 16% to £37.1m (2005: £32.0m) significantly below the rate of income growth.

Secondary income increased 43% (£1,584m) to £5,293m (2005: £3,709m).

Net trading income increased 60% (£1,331m) to £3,562m (2005: £2,231m) with very strong contributions across the Rates and Credit businesses, in particular, commodities, fixed income, equities, credit derivatives and emerging markets.

The performance was driven by higher volumes of client led activity and favourable market conditions. Net investment income increased 39% (£160m) to £573m (2005: £413m) driven by investment realisations, primarily in Private Equity, offset by reduced contributions from credit products. Net interest income increased 9% (£93m) to £1,158m (2005: £1,065m) driven by a full year contribution from Absa Capital.

Primary income grew 23% (£176m) to £952m (2005: £776m). This reflected higher volumes and continued market share gains in a number of key markets, with strong contributions from issuances in bonds, European leveraged loans and convertibles.

Impairment charges of £42m (2005: £111m), including impairment on available for sale assets of £66m (2005: £nil), were 62% lower than prior year reflecting recoveries and the continued benign wholesale credit environment.

Operating expenses increased 35% (£1,046m) to £4,009m (2005: £2,963m), reflecting higher performance related costs, increased levels of activity and continued investment across the business. Performance related pay, discretionary investment spend and short-term contractor resource costs represented 50% of operating expenses (2005: 45%). Amortisation of intangible assets principally relates to mortgage service rights obtained as part of the purchase of HomEq.

Total headcount increased 3,300 during 2006 to 13,200 (2005: 9,900) and included 1,300 from the acquisition of HomEq. Organic growth was broadly based across all regions and reflected further investments in the front office, systems development and control functions to support continued business expansion.

Investment Banking and Investment Management
Barclays Global Investors

Who we are

Barclays Global Investors (BGI) is one of the world's largest asset managers and a leading global provider of investment management products and services. We are the global leader in assets and products in the exchange traded funds business, with over 320 funds for institutions and individuals trading globally. BGI's investment philosophy is founded on managing all dimensions of performance: a consistent focus on controlling risk, return and cost.

With a 3,000-plus strong workforce, we currently have over £1trn in assets under management, for 3,000 clients around the world.

What we do

BGI offers structured investment strategies such as indexing, global asset allocation and risk controlled active products including hedge funds and provides related investment services such as securities lending, cash management and portfolio transition services.

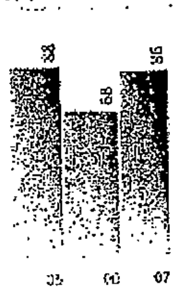
BGI collaborates with the other Barclays businesses, particularly Barclays Capital and Barclays Wealth, to develop and market products and leverage capabilities to better serve the client base.

Highlights

£1,926m
Income

£734m
Profit before tax

Performance indicators



Performance

2007/06

Barclays Global Investors delivered solid growth in profit before tax, which increased 3% (£20m) to £734m (2006: £714m). Very strong US Dollar income and strong profit growth was partially offset by the 8% depreciation in the average value of the US Dollar against Sterling.

Income grew 16% (£261m) to £1,926m (2006: £1,665m).

Net fee and commission income grew 17% (£285m) to £1,936m (2006: £1,651m). This was primarily attributable to increased management fees and securities lending. Incentive fees increased 6% (£12m) to £198m (2006: £186m). Higher asset values, driven by higher market levels and good net new inflows, contributed to the growth in income.

Operating expenses increased 25% (£241m) to £1,192m (2006: £951m) as a result of significant investment in key product and channel growth initiatives and in infrastructure as well as growth in the underlying business. Operating expenses included charges of £80m (2006: £nil) related to selective support of liquidity products managed in the US. The cost:income ratio rose five percentage points to 62% (2006: 57%).

Headcount increased 700 to 3,400 (2006: 2,700). Headcount increased in all geographical regions and across product groups and the support functions, reflecting continued investment to support further growth.

Total assets under management increased 13% (£117bn) to £1,044bn (2006: £927bn) comprising £42bn of net new assets, £12bn attributable to the acquisition of Indexchange Investment AG (Indexchange), £66bn of favourable market movements and £3bn of adverse exchange movements. In US$ terms assets under management increased 15% US$265bn to US$2,079bn (2006: US$1,814bn), comprising US$86bn of net new assets, US$23bn attributable to acquisition of Indexchange, US$127bn of favourable market movements and US$29bn of positive exchange rate movements.

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	2007 £m	2006 £m	2005 £m
Income statement information			
Net interest (expense)/income	(8)	10	15
Net fee and commission income	1,936	1,651	1,297
Net trading income	5	2	2
Net investment (expense)/income	(9)	2	4
Principal transactions	(4)	4	6
Other income	2	–	–
Total income	1,926	1,665	1,318
Operating expenses excluding amortisation of intangible assets	(1,184)	(946)	(775)
Amortisation of intangible assets	(8)	(5)	(4)
Operating expenses	(1,192)	(951)	(779)
Profit before tax	734	714	540
Balance sheet information			
Total assets	£89.2bn	£80.5bn	£80.9bn
Selected statistical measures			
Cost:income ratio[a]	62%	57%	59%
Risk weighted assets	£ 2.0bn	£ 1.4bn	£ 1.5bn

a Defined on page 2.

2006/05

Barclays Global Investors delivered another year of outstanding results. Profit before tax increased 32% (£174m) to £714m (2005: £540m), reflecting very strong income growth and higher operating margins. The performance was broadly based across products, distribution channels and geographies.

Net fee and commission income increased 27% (£354m) to £1,651m (2005: £1,297m). This growth was attributable to increased management fees, particularly in the iShares and active businesses, and securities lending, offset by lower incentive fees. Incentive fees decreased 9% (£18m) to £186m (2005: £204m). Higher asset values, driven by higher market levels and good net new inflows, contributed to the growth in income.

Operating expenses increased 22% (£172m) to £951m (2005: £779m) as a result of significant investment in key growth initiatives, ongoing investment in product development and infrastructure and higher performance-based expenses. The cost:income ratio improved two percentage points to 57% (2005: 59%).

Total headcount rose 400 to 2,700 (2005: 2,300). Headcount increased in all regions, across product groups and the support functions, reflecting continued investment to support strategic initiatives.

Total assets under management increased 5% (£46bn) to £927bn (2005: £881bn) primarily due to net new inflows of £37bn. The positive market move impact of £98bn was largely offset by £89bn of adverse exchange rate movements. In US$ terms assets under management increased by US$301bn to US$1,814bn (2005: US$1,513bn), comprising US$68bn of net new assets, US$177bn of favourable market movements and US$56bn of positive exchange rate movements.

Investment Banking and Investment Management Barclays Wealth

Who we are

Barclays Wealth focuses on high net worth, affluent and intermediary clients worldwide. We have over 6,900 staff in 20 countries and have total client assets of £133bn. Barclays Wealth includes the closed life assurance activities of Barclays and Woolwich, and Walbrook, an independent fiduciary services company acquired in 2007.

What we do

Barclays Wealth provides private banking, asset and investment management, stockbroking, offshore banking, wealth structuring and financial planning services.

We work closely with all other parts of the Group to leverage synergies from client relationships and product capabilities, for example, offering world-class investment solutions with institutional quality products and services from Barclays Capital and Barclays Global Investors.

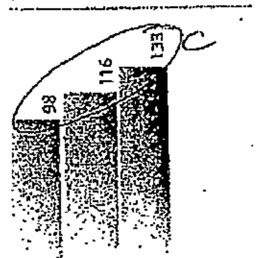
Highlights

£1,287m
Income

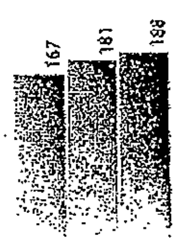
£307m
Profit before tax

Performance indicators

Total client assets
£bn



Average net income generated per member of staff £'000



Performance 2007/06

Barclays Wealth profit before tax showed very strong growth of 25% (£62m) to £307m (2006: £245m). Performance was driven by broadly based income growth, reduced redress costs and tight cost control, partially offset by additional volume related costs and increased investment in people and infrastructure to support future growth.

Income increased 11% (£127m) to £1,287m (2006: £1,160m).

Net interest income increased 10% (£39m) to £431m (2006: £392m) reflecting strong growth in both customer deposits and lending. Average deposits grew 13% to £31.2bn (2006: £27.7bn). Average lending grew 35% to £7.4bn (2006: £5.5bn) driven by increased lending to high net worth, affluent and intermediary clients.

Net fee and commission income grew 10% (£65m) to £739m (2006: £674m). This reflected growth in client assets and higher transactional income from increased sales of investment products and solutions.

Principal transactions decreased £101m to £55m (2006: £156m) as a result of lower growth in the value of unit linked insurance contracts. Net premiums from insurance contracts reduced £15m to £195m (2006: £210m). These reductions were offset by a lower charge for net claims and benefits incurred under insurance contracts of £152m (2006: £288m).

Operating expenses increased 7% to £973m (2006: £919m) with greater volume related costs and a significant increase in investment partially offset by efficiency gains and lower customer redress costs of £19m (2006: £67m). Ongoing investment programmes included increased hiring of client facing staff and improvements to infrastructure with the upgrade of technology and operations platforms. The cost:income ratio improved three percentage points to 76% (2006: 79%).

Total client assets, comprising customer deposits and client investments, increased 14% (£16.4bn) to £132.5bn (2006: £116.1bn) reflecting strong net new asset inflows and the acquisition of Walbrook, an independent fiduciary services company, which completed on 18th May 2007.

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	2007 £m	2006 £m	2005 £m
Income statement information			
Net interest income	431	392	346
Net fee and commission income	739	674	593
Net trading income	3	2	–
Net investment income	52	154	264
Principal transactions	55	156	264
Net premiums from insurance contracts	195	210	195
Other income	19	16	11
Total income	1,439	1,448	1,409
Net claims and benefits incurred on insurance contracts	(152)	(288)	(375)
Total income net of insurance claims	1,287	1,160	1,034
Impairment charges	(7)	(2)	(2)
Net income	1,280	1,158	1,032
Operating expenses excluding amortisation of intangible assets	(967)	(909)	(866)
Amortisation of intangible assets	(6)	(4)	(2)
Operating expenses	(973)	(913)	(868)
Profit before tax	307	245	164
Balance sheet information			
Loans and advances to customers	£ 9.0bn	£ 6.3bn	£ 5.0bn
Customer accounts	£34.4bn	£28.3bn	£25.8bn
Total assets	£18.0bn	£15.0bn	£13.4bn
Selected statistical measures			
Cost:income ratio[a]	76%	79%	84%
Risk Tendency[a]	£ 10m	£ 10m	£ 5m
Risk weighted assets	£ 7.7bn	£ 6.1bn	£ 4.3bn

a Defined on page 2.

2006/05

Barclays Wealth profit before tax showed very strong growth of 49% (£81m) to £245m (2005: £164m). Performance was driven by broadly based income growth and favourable market conditions. This was partially offset by additional volume related costs and a significant increase in investment in people and infrastructure to support future growth.

Income increased 12% (£126m) to £1,160m (2005: £1,034m).

Net interest income increased 13% (£46m) to £392m (2005: £346m) reflecting growth in both customer deposits and customer lending. Average deposits grew 6% (£1.6bn) to £27.7bn (2005: £26.1bn). Average lending grew 17% to £5.5bn (2005: £4.7bn), driven by increased lending to offshore and private banking clients. Asset and liability margins were higher relative to 2005.

Net fee and commission income increased 14% (£81m) to £674m (2005: £593m). This reflected growth in client assets and higher transactional income, including increased sales of investment products to high net worth and affluent clients, and higher stockbroking volumes.

Operating expenses increased 5% (£45m) to £913m (2005: £868m) with greater volume related and investment costs more than offsetting efficiency gains. Investment costs included increased hiring of client-facing staff and improvements to infrastructure with the upgrade of technology and operations platforms. The cost:income ratio improved five percentage points to 79% (2005: 84%).

Total client assets, comprising customer deposits and client investments, increased 19% (£18.6bn) to £116.1bn (2005: £97.5bn) reflecting good net new asset inflows and favourable market conditions. Multi-Manager assets increased 68% (£4.1bn) to £10.1bn (2005: £6.0bn); this growth included transfers of existing client assets.

Financial review
Capital management

Total shareholders' equity

	2007 £m	2006 £m	2005 £m
Barclays PLC Group			
Called up share capital	1,651	1,634	1,623
Share premium account	56	5,818	5,650
Available for sale reserve	154	132	225
Cash flow hedging reserve	28	(230)	70
Capital redemption reserve	384	309	309
Other capital reserve	617	617	617
Currency translation reserve	(307)	(438)	156
Other reserves	874	390	1,377
Retained earnings	20,970	12,169	8,957
Less: Treasury shares	(260)	(212)	(181)
Shareholders' equity excluding minority interests	23,291	19,799	17,426
Minority interests	9,185	7,591	7,004
Total shareholders' equity	32,476	27,390	24,430

2007/06

Total shareholders' equity increased £5,086m to £32,476m (2006: £27,390m).

Called up share capital comprises 6,600 million (2006: 6,535 million) ordinary shares of 25p each and 1 million (2006: 1 million) staff shares of £1 each. Called up share capital increased by £17m representing the nominal value of shares issued to Temasek Holdings, China Development Bank (CDB) and employees under share option plans largely offset by a reduction in nominal value arising from share buy-backs. Share premium reduced by £5,762m, the reclassification of £7,223m to retained earnings resulting from the High Court approved cancellation of share premium was partly offset by additional premium arising on the issuance to CDB and on employee options. The capital redemption reserve increased by £75m representing the nominal value of the share buy-backs.

Retained earnings increased by £8,801m. Increases primarily arose from profit attributable to equity holders of the parent of £4,417m, the reclassification of share premium of £7,223m and the proceeds of the Temasek issuance in excess of nominal value of £941m. Reductions primarily arose from external dividends paid of £2,079m and the total cost of share repurchases of £1,802m.

Movements in other reserves, except the capital redemption reserve, reflect the relevant amounts recorded in the consolidated statement of recognised income and expense on page 162.

Minority interests increased £1,594m to £9,185m (2006: £7,591m). The increase was primarily driven by preference share issuances of £1,322m and an increase in the minority interest in Absa of £225m.

The Group's authority to buy-back equity shares was renewed at the 2007 AGM.

2006/05

Total shareholders' equity increased £2,960m to £27,390m (2005: £24,430m).

Called up share capital and share premium increased by £11m and £168m respectively representing the issue of shares to employees under share option plans.

Retained earnings increased by £3,212m primarily reflecting profit attributable to equity holders of the parent of £4,571m partly offset by dividends paid of £1,771m.

Movements in other reserves reflect the relevant amounts recorded in the consolidated statement of recognised income and expense.

Minority interests increased £587m primarily reflecting the issuance of preference shares by Barclays Bank PLC and Absa.

Barclays Bank PLC

Preference shares issued by Barclays Bank PLC are included within share capital and share premium in the Barclays Bank PLC Group but represent minority interests in the Barclays PLC Group. Certain issuances of reserve capital instruments and capital notes by Barclays Bank PLC are included within other shareholders' equity in the Barclays Bank PLC Group but represent minority interests in Barclays PLC Group.

	2007 £m	2006 £m	2005 £m
Barclays Bank PLC Group			
Called up share capital	2,382	2,363	2,348
Share premium account	10,751	9,452	8,882
Available for sale reserve	111	184	257
Cash flow hedging reserve	28	(230)	70
Currency translation reserve	(307)	(438)	156
Other reserves	(170)	(484)	483
Other shareholders' equity	2,687	2,534	2,490
Retained earnings	14,222	11,556	8,462
Shareholders' equity excluding minority interests	29,872	25,421	22,665
Minority interests	1,949	1,685	1,578
Total shareholders' equity	31,821	27,106	24,243

Financial review
Critical accounting estimates

The Group's accounting policies are set out on pages 149 to 157. Certain of these policies, as well as estimates made by management, are considered to be important to an understanding of the Group's financial condition since they require management to make difficult, complex or subjective judgements and estimates, some of which may relate to matters that are inherently uncertain. The following accounting policies include estimates which are particularly sensitive in terms of judgements and the extent to which estimates are used. Other accounting policies involve significant amounts of judgements and estimates, but the total amounts involved are not significant to the financial statements. Management has discussed the accounting policies and critical accounting estimates with the Board Audit Committee.

Fair value of financial instruments

Some of the Group's financial instruments are carried at fair value through profit or loss such as those held for trading, designated by management under the fair value option and non-cash flow hedging derivatives.

Other non-derivative financial assets may be designated as available for sale. Available for sale financial investments are initially recognised at fair value and are subsequently held at fair value. Gains and losses arising from changes in fair value of such assets are included as a separate component of equity. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Financial 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 relating to trading activities. Assets and liabilities resulting from gains and losses on financial instruments held for trading are reported gross in trading portfolio assets and liabilities or derivative financial instruments, reduced by the effects of netting agreements where there is an intention to settle net with counterparties.

Valuation methodology

The method of determining the fair value of financial instruments can be analysed into the following categories:

(a) Unadjusted quoted prices in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's length basis.

(b) Valuation techniques using market observable inputs. Such techniques may include:

– using recent arm's length market transactions;

– reference to the current fair value of similar instruments;

– discounted cash flow analysis, pricing models or other techniques commonly used by market participants.

(c) Valuation techniques used above, but which include significant inputs that are not observable. On initial recognition of financial instruments measured using such techniques the transaction price is deemed to provide the best evidence of fair value for accounting purposes.

The valuation techniques in (b) and (c) use inputs such as interest rate yield curves, equity prices, commodity and currency prices/yields, volatilities of underlyings and correlations between inputs. The models used in these valuation techniques are calibrated against industry standards, economic models and to observed transaction prices where available.

The following tables set out the total financial instruments stated at fair value as at 31st December 2007 and those fair values are calculated with valuation techniques using unobservable inputs.

	Unobservable inputs £m	Total £m
Assets stated at fair value		
Trading portfolio assets	4,457	193,691
Financial assets designated at fair value:		
– held on own account	16,819	56,629
– held in respect of linked liabilities to customers under investment contracts	–	90,851
Derivative financial instruments	2,707	248,088
Available for sale financial investments	810	43,072
Total	24,793	632,331

	Unobservable inputs £m	Total £m
Liabilities stated at fair value		
Trading portfolio liabilities	42	65,402
Financial liabilities designated at fair value	6,172	74,489
Liabilities to customers under investment contracts	–	92,639
Derivative financial instruments	4,382	248,288
Total	10,596	480,818

Various factors influence the availability of observable inputs and these may vary from product to product and change over time. Factors include for example, the depth of activity in the relevant market, the type of product, whether the product is new and not widely traded in the market place, the maturity of market modelling and the nature of the transaction (bespoke or generic).

To the extent that valuation is based on models or inputs that are not observable in the market, the determination of fair value can be more subjective, dependant on the significance of the unobservable input to the overall valuation. Unobservable inputs are determined based on the best information available, for example by reference to similar assets, similar maturities, appropriate proxies, or other analytical techniques. The effect of changing the assumptions for those financial instruments for which the fair values were measured using valuation techniques that are determined in full or in part on assumptions that are not supported by observable inputs to a range of reasonably possible alternative assumptions, would be to provide a range of £1.2bn (2006: £0.1bn) lower to £1.5bn (2006: £0.1bn) higher than the fair values recognised in the financial statements.

The size of this range will vary over time in response to market volatility, market uncertainty and changes to benchmark proxy relationships of similar assets and liabilities. The calculation of this range is performed on a consistent basis each period.

Further information on the fair value of financial instruments is provided in Note 49 to the accounts.

The following summary sets out those instruments which use inputs where it may be necessary to use valuation techniques as described above.

Corporate bonds

Corporate bonds are generally valued using observable quoted prices or recently executed transactions. Where observable price quotations are not available, the fair value is determined based on cash flow models where significant inputs may include yield curves, bond or single name credit default swap spreads.

Financial review
Off-balance sheet arrangements

In the ordinary course of business and primarily to facilitate client transactions, the Group enters into transactions which may involve the use of off-balance sheet arrangements and special purpose entities (SPEs). These arrangements include the provision of guarantees, loan commitments, retained interests in assets which have been transferred to an unconsolidated SPE or obligations arising from the Group's involvements with such SPEs.

Guarantees

The Group issues guarantees on behalf of its customers. In the majority of cases, the Group will hold collateral against the exposure, have a right of recourse to the customer or both. In addition, the Group issues guarantees on its own behalf. The main types of guarantees provided are: financial guarantees given to banks and financial institutions on behalf of customers to secure loans; overdrafts; and other banking facilities, including stock borrowing indemnities and standby letters of credit. Other guarantees provided include performance guarantees, advance payment guarantees, tender guarantees, guarantees to Her Majesty's Revenue and Customs and retention guarantees. The nominal principal amount of contingent liabilities with off-balance sheet risk is set out in Note 34 and in the table on page 46.

Loan commitments

The Group enters into commitments to lend to its customers subject to certain conditions. Such loan commitments are made either for a fixed period, or are cancellable by the Group subject to notice conditions. Information on loan commitments and similar facilities is set out in Note 34 and in the table on page 46.

Special purpose entities

Transactions entered into by the Group may involve the use of SPEs. SPEs are entities that are created to accomplish a narrow and well defined objective. There are often specific restrictions or limits around their ongoing activities.

Transactions with SPEs take a number of forms, including:

- The provision of financing to fund asset purchases, or commitments to provide finance for future purchases.
- Derivative transactions to provide investors in the SPE with a specified exposure.
- The provision of liquidity or backstop facilities which may be drawn upon if the SPE experiences future funding difficulties.
- Direct investment in the notes issued by SPEs.

Depending on the nature of the Group's resulting exposure, it may consolidate the SPE on to the Group's balance sheet. The consolidation of SPEs is considered at inception based on the arrangements in place and the assessed risk exposures at that time. In accordance with IFRS, SPEs are consolidated when the substance of the relationship between the Group and the entity indicates control. Potential indicators of control include, amongst others, an assessment of the Group's exposure to the risks and benefits of the SPE. The initial consolidation analysis is revisited at a later date if:

(i) the Group acquires additional interests in the entity;

(ii) the contractual arrangements of the entity are amended such that the relative exposures to risks and rewards change; or if

(iii) the Group acquires control over the main operating and financial decisions of the entity.

A number of the Group's transactions have recourse only to the assets of unconsolidated SPEs. Typically, the majority of the exposure to these assets is borne by third parties and the Group's risk is mitigated through over-collateralisation, unwind features and other protective measures. The Group's involvement with unconsolidated third party conduits, collateralised debt obligations and structured investment vehicles is described further below.

Collateralised Debt Obligations

The Group has structured and underwritten CDOs. At inception, the Group's exposure principally takes the form of a liquidity facility provided to support future funding difficulties or cash shortfalls in the vehicles. If required by the vehicle, the facility is drawn with the amount advanced included within loans and advances in the balance sheet. Upon an event of default or other triggering event, the Group may acquire control of a CDO and, therefore, be required to fully consolidate the vehicle for accounting purposes. The potential for transactions to hit default triggers before the end of 2008 has been assessed and included in the determination of impairment charges and other credit provisions (£782m in relation to ABS CDO Super Senior and other credit market exposures for the year ended 31st December 2007).

The Group's exposure to ABS CDO Super Senior positions before hedging was £6,018m as at 31st December 2007. This includes £1,149m of undrawn facilities provided to mezzanine transactions (exposure stated net of writedowns and charges). Undrawn facilities provided to unconsolidated CDOs are included as part of commitments in Note 34 to the accounts.

The remaining £4,869m is the Group's exposure to High Grade CDOs, stated net of writedowns and charges. £3,782m of drawn balances are included within loans and advances on the balance sheet, with the remaining £1,087m representing consolidated High Grade CDOs accounted for on a fair value basis.

Collateral

The collateral underlying unconsolidated CDOs comprised 77% residential mortgage backed securities, 6% non-residential asset backed securities and 17% in other categories, including 10% ABS CDO exposure (a proportion of which will be backed by residential mortgage collateral).

The remaining Weighted Average Life (WAL) of all collateral is 3.9 years. The combined Net Asset Value (NAV) for all of the CDOs was £2.8bn below the nominal amount, equivalent to an aggregate 40.2% decline in value on average for all investors.

Funding

The CDOs were funded with senior unrated notes and rated notes up to AAA. The capital structure senior to the AAA notes on cash CDOs was supported by a liquidity facility provided by the Group. On mezzanine CDOs, this portion of the capital structure is unfunded, but a liquidity facility is provided to support the level of synthetic instruments within each transaction. The senior portion covered by liquidity facilities is on average 79% of the capital structure.

The initial WAL of the notes in issue averaged 7.1 years. The full contractual maturity is 37.8 years.

Financial review
Off-balance sheet arrangements

Interests in Third Party CDOs

The Group has purchased securities in and entered into derivative instruments with third party CDOs. These interests are held as trading assets or liabilities on the Group's balance sheet and measured at fair value. The Group has not provided liquidity facilities or similar agreements to third party CDOs.

Structured Investment Vehicles (SIVs)

The Group has not structured or managed SIVs. Group exposure to third party SIVs comprised:

- £317m of senior liquidity facilities, of which £19m was drawn and included in loans and advances as at 31st December 2007. The Group is one of between two and eight independent liquidity providers on each transaction.
- Derivative exposures included on the balance sheet at their net fair value of £264m.
- Bonds issued by the SIVs included within trading portfolio assets at their fair value of £21m.
- £2.6bn repo funding facilities. £1.3bn has been utilised and included within loans and advances to customers in the balance sheet.

Other than the repo facilities, which when drawn are more than 100% collateralised by assets held by the Group with the collateral being valued daily, the items above are included in the credit market positions discussed on page 53.

SIV-Lites

The Group structured and helped to underwrite three SIV-Lite transactions. The Group is not involved in their ongoing management.

The Group provided £0.55bn in liquidity facilities as partial support to the £2.6bn of CP programmes on these transactions. These facilities have now been fully drawn or are terminated, such that no further drawings are possible. One of the three vehicles has been restructured into a cash CDO. As part of this restructuring, the Group acquired the £800m senior note in the CDO which is held at fair value within trading portfolio assets. The credit risk on this note has been transferred to a third party investment bank. For the remaining facilities, the amount drawn totalled £152m and is included on the balance sheet within loans and advances to customers and included in the credit market positions discussed on page 53.

Commercial Paper and Medium-term Note Conduits

The Group provided £19bn in undrawn backstop liquidity facilities to its own sponsored CP conduits. The Group fully consolidates these entities such that the underlying assets are reflected on the Group balance sheet.

The Group provided backstop facilities to support the paper issued by six third party conduits. These facilities totalled £1bn with underlying collateral comprising auto loans (81%), bank-guaranteed residential mortgages (11%), bank-guaranteed commercial and project finance loans (5%) and UK consumer finance receivables (3%). Drawings on these facilities were £46m as at 31st December 2007 and are included within loans and advances to customers.

The Group provided backstop facilities to six third-party SPEs that fund themselves with medium term notes. These notes are sold to investors as a series of 12 month securities and remarketed to investors annually. If investors decline to renew their holdings at a price below a pre-agreed spread, the backstop facility requires the Group to purchase the outstanding notes at scheduled maturity. The group has provided facilities of £2.9bn to SPEs holding prime UK and Australian owner-occupied Residential Mortgage Back Securities (RMBS) assets. As at 31st December 2007, the Group had acquired notes of £90m under these backstop facilities (included as available for sale assets in the balance sheet) and further acquisitions are expected through 2008 as other notes are remarketed. The notes generally rank pari passu with the other term AAA+ rated notes from the same issuer. The facilities have been designated at fair value and are reflected in the balance sheet at their current fair value.

The Group's own CP conduits provided facilities of £1.3bn to third party conduits containing prime UK buy-to-let RMBS. As at 31st December 2007, £290m of this facility had been drawn. The undrawn facilities are included within the commitments disclosed in Note 34 to the accounts, while the drawn elements are included within loans and advances to customers.

Asset securitisations

The Group has assisted companies with the formation of asset securitisations, some of which are effected through the use of SPEs. These entities have minimal equity and rely on funding in the form of notes to purchase the assets for securitisation. As these SPEs are created for other companies, the Group does not usually control these entities and therefore does not consolidate them. The Group may provide financing in the form of senior notes or junior notes and may also provide derivatives to the SPE. These transactions are included on the balance sheet.

The Group has used SPEs to securitise part of its originated and purchased retail and commercial lending portfolios and credit card receivables. These SPEs are usually consolidated and derecognition only occurs when the Group transfers its contractual right to receive cash flows from the financial assets, or retains the contractual rights to receive the cash flows, but assumes a contractual obligation to pay the cash flows to another party without material delay or reinvestment, and also transfers substantially all the risks and rewards of ownership, including credit risk, prepayment risk and interest rate risk. The carrying amount of securitised assets together with the associated liabilities are set out in Note 29.

Client intermediation

The Group has structured transactions as a financial intermediary to meet investor and client needs. These transactions involve entities structured by either the Group or the client and they are used to modify cash flows of third party assets to create investments with specific risk or return profiles or to assist clients in the efficient management of other risks. Such transactions will typically result in a derivative being shown on the balance sheet, representing the Group's exposure to the relevant asset.

The Group also invests in lessor entities specifically to acquire assets for leasing. Client intermediation also includes arrangements to fund the purchase or construction of specific assets (most common in the property industry).

Fund management

The Group provides asset management services to a large number of investment entities on an arm's-length basis and at market terms and prices. The majority of these entities are investment funds that are owned by a large and diversified number of investors. These funds are not consolidated because the Group does not own either a significant portion of the equity, or the risks and rewards inherent in the assets.

During 2007, Group operating expenses included charges of £80m (2006: £nil) related to selective support of liquidity products managed by Barclays Global Investors and not consolidated by the Group. The Group has continued to provide further selective support to liquidity products subsequent to 31st December 2007.

Financial review
Barclays Capital credit market positions

Barclays Capital credit market positions

Barclays Capital credit market exposures resulted in net losses of £1,635m in 2007, due to dislocations in the credit markets. The net losses primarily related to ABS CDO super senior exposures, with additional losses from other credit market exposures partially offset by gains from the general widening of credit spreads on issued notes held at fair value.

Credit market exposures in this note are stated relative to comparatives as at 30th June 2007, being the reporting date immediately prior to the credit market dislocations.

	As at 31st December 2007 £m	As at 30th June 2007 £m
ABS CDO Super Senior		
High Grade	4,869	6,151
Mezzanine	1,149	1,629
Exposure before hedging	6,018	7,780
Hedges	(1,347)	(348)
Net ABS CDO Super Senior	4,671	7,432
Other US sub-prime		
Whole loans	3,205	2,900
Other direct and indirect exposures	1,832	3,146
Other US sub-prime	5,037	6,046
Alt-A	4,916	3,760
Monoline insurers	1,335	140
Commercial mortgages	12,399	8,282
SIV-lite liquidity facilities	152	692
Structured Investment vehicles	590	925

ABS CDO Super Senior exposure

ABS CDO Super Senior net exposure was £4,671m (30th June 2007: £7,432m). Exposures are stated net of writedowns and charges of £1,412m (30th June 2007: £86m) and hedges of £1,347m (30th June 2007: £348m).

The collateral for the ABS CDO Super Senior exposures primarily comprised Residential Mortgage Backed Securities. 79% of the RMBS sub-prime collateral comprised 2005 or earlier vintage mortgages. On ABS CDO super senior exposures, the combination of subordination, hedging and writedowns provide protection against loss levels to 72% on US sub-prime collateral as at 31st December 2007. None of the above hedges of ABS CDO Super Senior exposures as at 31st December 2007 were held with monoline insurer counterparties.

Other credit market exposures

Barclays Capital held other exposures impacted by the turbulence in credit markets, including: whole loans and other direct and indirect exposures to US sub-prime and Alt-A borrowers; exposures to monoline insurers; and commercial mortgage backed securities. The net losses in 2007 from these exposures were £823m.

Other US sub-prime whole loan and net trading book exposure was £5,037m (30th June 2007: £6,046m). Whole loans included £2,843m (30th June 2007: £1,888m) acquired since the acquisition of EquiFirst in March 2007, all of which were subject to Barclays underwriting criteria. As at 31st December 2007 the average loan to value of these EquiFirst loans was 80% with less than 3% at above 95% loan to value. 99% of the EquiFirst inventory was first lien.

Net exposure to the Alt-A market was £4,916m (30th June 2007: £3,760m), through a combination of securities held on the balance sheet including those held in consolidated conduits and residuals. Alt-A exposure is generally to borrowers of a higher credit quality than sub-prime borrowers. As at 31st December 2007 99% of the Alt-A whole loan exposure was performing, and the average loan to value ratio was 81%. 96% of the Alt-A securities held were rated AAA or AA.

Barclays Capital held assets with insurance protection or other credit enhancement from monoline insurers. The value of exposure to monoline insurers under these contracts was £1,335m (30th June 2007: £140m). There were no claims due under those contracts as none of the underlying assets were in default.

Exposures in our commercial mortgage backed securities business comprised commercial real estate loans of £11,103m (30th June 2007: £7,653m) and commercial mortgage backed securities of £1,296m (30th June 2007: £629m). The loan exposures were 54% US and 43% European. The US exposures had an average loan to value of 65% and the European exposures had an average loan to value of 71%. 87% of the commercial mortgage backed securities held as at 31st December 2007 were AAA or AA rated.

Loans and advances to customers included £152m (30th June 2007: £692m) of drawn liquidity facilities in respect of SIV-lites. Total exposure to other structured investment vehicles, including derivatives, undrawn commercial paper backstop facilities and bonds held in trading portfolio assets was £590m (30th June 2007: £925m).

Leveraged Finance

At 31st December 2007, drawn leveraged finance positions were £7,368m (30th June 2007: £7,317m). The positions were stated net of fees of £130m and impairment of £58m driven by widening of corporate credit spreads.

Own Credit

At 31st December 2007, Barclays Capital had issued notes held at fair value of £57,162m (30th June 2007: £44,622m). The general widening of credit spreads affected the carrying value of these notes and as a result revaluation gains of £658m were recognised in trading income.

Directors' report

Profit Attributable

The profit attributable to equity shareholders of Barclays PLC for the year amounted to £4,417m compared with £4,571m in 2006.

Dividends

The final dividends for the year ended 31st December 2007 of 22.5p per ordinary share of 25p each and 10p per staff share of £1 each have been agreed by the Directors. The final dividends will be paid on 25th April 2008 in respect of the ordinary shares registered at the close of business on 7th March 2008 and in respect of the staff shares so registered on 31st December 2007. With the interim dividends of 11.5p per ordinary share and of 10p per staff share that were paid on 1st October 2007, the total distribution for 2007 is 34.0p (2006: 31.0p) per ordinary share and 20p (2006: 20p) per staff share. The dividends for the year absorb a total of £2,253m (2006: £1,973m).

Dividend Reinvestment Plan

Ordinary shareholders may have their dividends reinvested in Barclays PLC ordinary shares by participating in the Dividend Reinvestment Plan. The plan is available to all ordinary shareholders provided that they do not live in, and are not subject to the jurisdiction of, any country where their participation in the plan would require Barclays or The Plan Administrator to take action to comply with local government or regulatory procedures or any similar formalities. Any shareholder wishing to obtain details of the plan and a mandate form should contact The Plan Administrator to Barclays at Aspect House, Spencer Road, Lancing BN99 6DA. Those wishing to participate for the first time in the plan should send their completed mandate form to The Plan Administrator so as to be received by 4th April 2008 for it to be applicable to the payment of the final dividend on 25th April 2008. Existing participants should take no action unless they wish to alter their current mandate instructions, in which case they should contact The Plan Administrator.

Share Capital

During ~~the year~~ Barclays PLC purchased in the market for cancellation 299,547,610 of its ordinary shares of 25p each, at a total cost of £1,802,173,355, in order to minimise the ~~dilutive effect~~ on existing shareholders of the issuance of a total of 336,805,556 Barclays ordinary shares to Temasek Holdings and China Development Bank. These transactions represent 4.5% of the issued share capital at 31st December 2007. As at 27th February 2008 (the latest practicable date for inclusion in this report), the Company had an unexpired authority to repurchase shares up to a maximum of 645.1 million ordinary shares.

The issued ordinary share capital was increased by 65.5m ordinary shares during the year as a result of the exercise of options under the Sharesave and Executive Share Option Schemes. At 31st December 2007 the issued ordinary share capital totalled 6,600,181,801 shares. Ordinary shares represent 99.99% of the total issued share capital and Staff shares represent the remaining 0.01% as at 31st December 2007.

The Barclays PLC Memorandum and Articles of Association, a summary of which can be found in the Shareholder Information section on pages 269-270, contain the following details, which are incorporated into this report by reference:

- The structure of the Company's capital, including the rights and obligations attaching to each class of shares.
- Restrictions on the transfer of securities in the Company, including limitations on the holding of securities and requirements to obtain approvals for a transfer of securities.
- Restrictions on voting rights.
- The powers of the Directors, including in relation to issuing or buying back shares in accordance with the Companies Act 1985. It will be proposed at the 2008 AGM that the Directors be granted new authority to allot under the Companies Act 1985.
- Rules that the Company has about the appointment and removal of Directors or amendments to the Company's Articles of Association.

Employee Benefit Trusts ('EBTs') operate in connection with certain of the Group's Employee Share Plans ('Plans'). The Trustees of the EBTs may exercise all rights attached to the shares in accordance with their fiduciary duties other than as specifically restricted in the relevant Plan governing documents. Further information on the EBTs' voting policy can be found on page 132.

Substantial Shareholdings

As at 27th February 2008, the Company had been notified under Rule 5 of the Disclosure and Transparency Rules of the FSA of the following holdings of voting rights in its shares:

China Development Bank (via its subsidiary Upper Chance Group Ltd)	3.02%
Legal & General Group plc	4.02%
Lloyds TSB Group Plc	5.01%

Substantial shareholders do not have different voting rights from those of other shareholders. As at 27th February 2008, the Company had been notified that Lloyds TSB Group Plc held voting rights over 329,648,746 of its ordinary shares, amounting to 5.01% of the Company's total voting rights, as shown above.

Board Membership

The membership of the Boards of Directors of Barclays PLC and Barclays Bank PLC is identical and biographical details of the Board members are set out on pages 112 and 113.

Chris Lucas joined the Board as Group Finance Director on 1st April 2007 and Naguib Kheraj left the Board on 31st March 2007.

David Booth joined the Board as a non-executive Director on 1st May 2007 and Patience Wheatcroft and Sir Michael Rake were appointed as non-executive Directors with effect from 1st January 2008.

Retirement and Re-election of Directors

In accordance with its Articles of Association, one-third (rounded down) of the Directors of Barclays PLC are required to retire by rotation at each Annual General Meeting (AGM), together with Directors appointed by the Board since the last AGM. The retiring Directors are eligible to stand for re-election. In addition, the UK Combined Code on Corporate Governance (the Code), recommends that every Director should seek re-election by shareholders at least every three years.

The Committee reviews the elements of remuneration relative to the policies stated in this report and to the practice of other comparable organisations. Remuneration is benchmarked against the markets in which we compete for talent. This includes benchmarking against other leading international banks and financial services organisations, and other companies of similar size to Barclays in the FTSE 100 Index.

The component parts for each executive Director are detailed in the tables accompanying this report.

The Committee guideline that executive Directors should hold, as a minimum, the equivalent of one times their base salary in Barclays shares, including shares held under award through ESAS, was met by all executive Directors.

Each element of remuneration is important and has a specific role in achieving the aims of the remuneration policy. The combined potential remuneration from bonus and PSP outweighs the other elements, and is subject to personal and Group performance, thereby placing the majority of total remuneration at risk.

Of the key elements of remuneration (salary, annual performance bonus, ESAS and PSP), salary made up a maximum of 30% of the 2007 remuneration for executive Directors and 1.4% in respect of Robert E Diamond Jr's arrangements, which reflects general practice in the investment banking and investment management industry. The remaining proportion of the key compensation elements for executive Directors is at risk. The relative weighting summarised in this paragraph does not include pension and benefits.

The purpose of each element of remuneration for executive Directors is summarised in the table below and discussed in greater detail in the sections that follow.

Remuneration element	Purpose	Delivery	Programme detail
Base salary	To reflect the market value of the individual and their role	– Cash – Monthly – Pensionable	– Reviewed annually, with changes typically effective on 1st April
Annual performance bonus and ESAS	To incentivise the delivery of annual goals at the Group, business division and individual levels	– Typically 75% cash [a] – Typically 25% deferred Barclays shares under ESAS – Annual – Non-pensionable	– Based on annual business unit performance, performance of the Group as a whole and leadership contribution
PSP [b]	To reward the creation of above median, sustained growth in shareholder value	– Free shares subject to a performance condition – Annual awards that vest after three years – Non-pensionable	– Discretionary awards – Participation reviewed annually – Barclays performance over three years determines the number of performance shares eligible for release to each individual – For awards made in 2007, and awards to be made in 2008, EP threshold, thereafter 50% under a TSR performance condition and 50% under an EP performance condition
Pension [c]	To provide market competitive post-retirement benefit	– Deferred cash or cash allowance – Monthly	– Non-contributory, defined benefit scheme and/or defined contribution scheme, or cash allowance in lieu of pension contributions

Changes to Group Chairman and executive Directors

Marcus Agius was appointed Group Chairman with effect from 1st January 2007.

Marcus Agius receives a fee of £750,000 (inclusive of Director's fees). He is also eligible for private health insurance. The minimum time commitment is equivalent to 60% of a full time role. Marcus Agius is not eligible to participate in Barclays bonus and share incentive plans, nor will he participate in Barclays pension plans or receive any pension contributions. The letter of appointment provides for a notice period of 12 months from Barclays and six months from Marcus Agius.

Naguib Kheraj ceased to be an executive Director on 31st March 2007. Naguib Kheraj was succeeded by Chris Lucas, who was appointed to the position of Group Finance Director with effect from 1st April 2007. The key terms of executive Directors' service contracts are on page 133.

Base Salary

The annual base salaries for the current executive Directors are shown in the table below:

	As at 31st Dec 2007	As at 1st April 2008	Date of previous increase
John Varley	£1,000,000	£1,100,000	1st Apr 2007
Robert E Diamond Jr	£250,000	£250,000	1st Mar 1999
Gary Hoffman	£625,000	£625,000	1st Apr 2006
Frits Seegers	£700,000	£700,000	n/a
Chris Lucas	£600,000	£650,000	n/a

In respect of John Varley and Chris Lucas, having regard to the levels of salary and total compensation in comparable organisations, the Committee approved an increase to base salary effective from 1st April 2008.

Notes

a Eligible executives may request that all or part of the cash bonus to which they would otherwise become entitled, be granted in the form of an additional award under ESAS or as a pension contribution by way of Special Company Contribution (Bonus Sacrifice). For 2007 Robert E Diamond Jr received 43% of his annual bonus in cash and 57% as a recommendation for an award of Barclays shares under Mandatory ESAS.

b Please refer to Note 44 to the accounts for further information on PSP.

c Please refer to Note 30 to the accounts for further information on the Group's pension plans.

2007 Annual Remuneration[a]

	Salary and fees £000	Benefits[b] £000	Annual cash bonus £000	2007 Total £000	2006 Total £000
Group Chairman					
Marcus Agius[c]	750	1	–	751	22
Executive Directors					
John Varley[d]	975	18	1,425	2,418	2,516
Robert E Diamond Jr[d,e]	250	14	6,500	6,764	10,692
Gary Hoffman[d]	625	15	506	1,146	1,108
Chris Lucas[f]	450	135	450	1,035	–
Frits Seegers[d,g]	700	199	1,313	2,212	1,630
Non-executive Directors[h]					
David Booth[i]	43	–	–	43	–
Sir Richard Broadbent	180	–	–	180	147
Leigh Clifford	80	–	–	80	76
Fulvio Conti	85	–	–	85	54
Dr Danie Cronjé	217	–	–	217	328
Professor Dame Sandra Dawson	85	–	–	85	81
Sir Andrew Likierman	100	–	–	100	96
Sir Nigel Rudd	200	–	–	200	200
Stephen Russell	145	–	–	145	137
Sir John Sunderland	95	–	–	95	81
Former Director					
Naguib Kheraj[d,j]	175	44	438	657	2,565

Forthcoming ESAS and PSP awards[k]

	Mandatory ESAS – 2007 results £000	March 2008 PSP – value of shares under initial allocation £000	Mandatory ESAS – 2006 results £000	March 2007 PSP – value of shares under initial allocation £000
Executive Directors				
John Varley	618	1,200	699	1,200
Robert E Diamond Jr[l]	11,375	3,000	4,518	8,850
Gary Hoffman	219	625	203	625
Chris Lucas	195	800	–	600
Frits Seegers	569	1,600	520	1,000

Notes

a Emoluments include amounts, if any, payable by subsidiary undertakings. Amounts payable to Dr Danie Cronjé include an amount of ZAR1,926,400 (£136,774) in respect of his Chairmanship of Absa Group Limited from which he retired on 31st July 2007 (2006: ZAR3,114,800 (£249,829)).

b The Group Chairman and executive Directors receive benefits in kind, which may include life and disability cover, the use of a Company owned vehicle or cash equivalent, medical insurance and tax advice. Benefits are provided on similar terms to other senior executives. No Director has an expense allowance.

c Marcus Agius was appointed as a non-executive Director on 1st September 2006 and as Group Chairman from 1st January 2007.

d In 2007 John Varley was a Director of Ascot Authority (Holdings) Limited (Directorship ceased on 31st December 2007) and British Grolux Investments Limited for which he received fees of £20,085 and £7,613 respectively (2006: £28,000 and £7,500 respectively). John Varley is a non-executive Director of AstraZeneca plc for which he received fees of £56,486 in 2007 (2006: £21,075). John Varley is also a member of the International Advisory Panel of the Monetary Authority of Singapore for which he received fees of US$10,000 in 2007 (2006: US$10,000). John Varley is Chairman of Business Action on Homelessness and President of the Employers' Forum on Disability for which he receives no fees. Robert E Diamond Jr is Chairman of Old Vic Productions plc for which he received no fees in 2007. Gary Hoffman is a Director of Visa (Europe) Limited and Visa (International) Limited for which he receives no fees. Gary Hoffman is also a Director of Trinity Mirror plc for which he received fees of £62,754 in 2007 (2006: £50,000). During the course of his Directorship Naguib Kheraj was a member of the Board of Governors of the Institute of Ismaili Studies and Chairman of the National Committee of the Aga Khan Foundation for which he received no fees in 2007. Naguib Kheraj (up to 31st March 2007) and Frits Seegers are non-executive Directors of Absa Group Limited and Absa Bank Limited. They have both waived their fees, which were paid to Barclays. Their respective fees in 2007 were ZAR136,533 (£9,694) and ZAR469,900 (£33,363) (2006: ZAR425,100 (£34,096) and ZAR75,400 (£6,048) respectively).

e The remuneration for 2007 for Robert E Diamond Jr was based on the performance of Barclays Group, Barclays Capital, Barclays Global Investors and Barclays Wealth, both on an absolute and industry relative basis. The composition of this package continues to be heavily weighted towards elements that are 'at risk' and reflects practice in the investment banking and investment management industry.

f Chris Lucas was appointed as an executive Director with effect from 1st April 2007. In addition to the amount shown in the 'Salary and fees' column above, Chris Lucas received an award under ESAS in recognition of forfeited compensation from his previous employment. Bonus shares are not applicable to this award. Details of this ESAS award are shown in the table on page 137 and the first table on page 138, and are not included in the table above. In addition, Chris Lucas received an award under the PSP which is shown in the table above (footnote k on this page provides further information). Chris Lucas received an allowance of 25% of base salary (£112,500) in lieu of pension contributions. This amount is included in the column for 'Benefits' in the table above.

Executive Directors: illustration of change in value of Barclays PLC shares owned beneficially, or held under option or awarded under employee share plans as at 31st December 2007[a]

	Number at 31st December 2007									
	Shares owned beneficially[b]	ESAS[c]	PSP[d]	Executive Share Option Scheme (ESOS)[e]	ISOP[e]	Sharesave	Total	Notional value based on share price of £7.30[f] £000	Notional value based on share price of £5.04[g] £000	Change in notional value £000
Executive Directors										
John Varley	470,650	344,711	459,503	–	920,000	3,638	2,198,502	11,976	7,056	(4,920)
Robert E Diamond Jr	3,402,192	4,863,749	1,755,335	100,000	560,000	–	10,681,276	75,033	50,942	(24,091)
Gary Hoffman	431,761	274,402	257,116	–	540,000	6,150	1,509,429	8,555	5,187	(3,368)
Chris Lucas	38,003	69,091	82,910	–	–	3,638	193,642	1,382	958	(424)
Frits Seegers	699,870	231,383	294,154	–	–	3,390	1,228,797	8,954	6,177	(2,777)

E

Notes

a Under PSP, ESAS, ISOP, ESOS and Sharesave, nothing was paid by the participants on the grant of options or awards.

b The number shown includes shares held under Sharepurchase.

c ESAS includes the maximum potential 30% bonus share element where applicable, and any voluntary ESAS awards.

d The number of shares shown represents the initial allocation of shares.

e The number of shares shown represents the vested shares under option.

f With the exception of Chris Lucas, the notional value is based on the share price as at 31st December 2006. The notional value for Chris Lucas is based on a share price of £7.23, which was the share price as at 2nd April 2007, the first working day after he was appointed executive Director.

g The notional value is based on the share price as at 31st December 2007. The highest and lowest market prices per share during the year were £7.90 and £4.775 respectively.

EXHIBIT 19
[Filed Under Seal]

From:	Yoss, Eric: Market Risk (NYK) [/O=BZW/OU=USA/CN=NYK AD USERS/CN=USERS/CN=YOSSERI]
Sent:	Thursday, April 03, 2008 10:18:44 PM
To:	NY Market Risk
Subject:	FW: FORMAL P&L Apr 2nd - US Portfolio Asset Book
Attachments:	Formal 04-02-08.xls

From: Anderson, Elida: Product Control (NYK)
Sent: Thursday, April 03, 2008 6:18:40 PM
To: Bommensath, Eric: Markets (NYK); Ornstein, David: Markets (LDN); King, Stephen: CDO (NYK); MIS Product Control (NYK); Patel, Rahil: Product Control (LDN); Morton, Marcus: Product Control (NYK); Smith, Richard: Finance (LDN); Kaczka, Joseph: Product Control (NYK); Clackson, Patrick: Finance (LDN); Walker, James: Finance (NYK); Copson, Paul: Finance (LDN); Yoss, Eric: Market Risk (NYK); Martin, David: Markets (NYK); Agency CDO PCG; Martin, David: Markets (NYK); Sell, Stephen: Markets (NYK); McCosker, Tom: Product Control (NYK); Robinson, William: CDO (NYK); Agrawal, Kapil: Credit Derivatives (NYK)
Subject: FORMAL P&L Apr 2nd - US Portfolio Asset Book
Auto forwarded by a Rule

Barclays Capital **GMIS - Global MIS P&L**

2 Apr 2008 - USD ('000s)	Formal Daily	Flash Vs Formal	Formal MTD	Formal YTD
US ABS Portfolio				
CDO	2,821	121	2,679	(193,049)
Alt-A	(196)	(196)	(196)	(784,727)
CMBS	(3,326)	(676)	(3,967)	(9,015)
Other ABS	(1,381)	(1)	(3,043)	(2,264)
Relative Value	0	0	0	0
Reserves - Trading	0	0	181	38,926
Subprime	(1,650)	1,858	(4,201)	(56,032)
US ABS Portfolio Total	**(3,731)**	**1,107**	**(8,547)**	**(1,006,160)**
US Cash Portfolio				
Whole Loans (US)	7,855	0	18,644	(141,162)
Impairment	(3,000)	0	(6,000)	(340,466)
NBT	(166)	(38)	(299)	(54,882)

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NIMs	0	0	0	(73,083)
Post NIMs	74	0	(11)	(64,196)
US Cash Portfolio Total	**4,764**	**(38)**	**12,334**	**(673,789)**
Net Revenue Total	**1,033**	**1,069**	**3,787**	**(1,679,949)**

FORMAL Commentary:

CDO: +$2.8mm gain on CDO positions remark

CMBS: ($3.3mm) loss on CMBX positions due to index rally and our net short positions.

Other: ($1.4mm) due to interest rate moving up 7-14 bps on our IR01 of -130K.

Subprime: ($1.6mm) loss in Subprime as prices went up across the board.

Whole Loans (US): Daily MTM PnL relating to the WL Interest Rate Swaps for +$7,877,083 and 1 day of daily funding expense on Uncollateralized Loan for ($21,637).

Impairment: ($3mm) Daily cash flow impairment reserve.

NBT: ($166k) loss on swap curve widening partially offset by the gains on monoline spread steepening

Post NIMs: 1 day of daily funding expense on Uncollateralized Loan for $10,801

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US Portfolio Asset Book (ABS and Cash) Summary Report

2 Apr 2008 - USD ('000s)	Formal Daily	Flash Vs Formal	Formal MTD	Formal YTD	P&L Comment	FL Vs FM Comment
US ABS Portfolio						
CDO	2,821	121	2,679	(193,049)	$2.8MM gain in CDO CRE positions remark	
Alt-A	(196)	(196)	(196)	(784,727)		
CMBS	(3,326)	(676)	(3,967)	(9,015)	($3.3MM) loss on CMBX positions due to index rally and our net short positions	Difference in NAV super senior calculation, new deal P&L, and cash flow change on bonds
Other ABS	(1,381)	(1)	(3,043)	(2,264)	($1.4mm) due to interest rate moving up 7-14 bps on our IR01 of -130K	
Relative Value	0	0	0	0		
Reserves - Trading	0	0	181	38,926		
Subprime	(1,650)	1,858	(4,201)	(56,032)	$(1.6)mm loss in Subprime as prices went up across the board	Difference in NAV super senior calculation, new deal P&L, and cash flow change on bonds
US ABS Portfolio Total	**(3,731)**	**1,107**	**(8,547)**	**(1,006,160)**		
US Cash Portfolio						
Whole Loans (US)	7,855	0	18,644	(141,162)	Daily MTM PnL relating to the WL Interest Rate Swaps for $7,877,083 and 1 day of daily funding expense on Uncollaterlized Loan for ($21,637)	
Impairment	(3,000)	0	(6,000)	(340,466)	Daily impairment reserve for cash flow SS deals	
NBT	(166)	(38)	(299)	(54,882)	Loss on swap curve widening partially offset by the gains on monoline spread steepening	
NIMs	0	0	0	(73,083)		
Post NIMs	74	0	(11)	(64,196)	1 day of daily funding expense on Uncollaterlized Loan for $10,801	
US Cash Portfolio Total	**4,764**	**(38)**	**12,334**	**(673,789)**		
Net Revenue Total	**1,033**	**1,069**	**3,787**	**(1,679,949)**		

US Portfolio Asset Book (ABS and Cash) Detail Report

2 Apr 2008 - USD ('000s)	Formal Daily	Flash Vs Formal	Formal MTD	Formal YTD	P&L Comment	FL Vs FM Comment
US ABS Portfolio						
CDO						
Cash	2,821	121	2,683	(142,807)	$2.8MM gain in CDO CRE positions remark	
Reserve - NAV Impairment	0	0	(4)	(50,242)		
Synthetic	0	0	0	0		
CDO Total	2,821	121	2,679	(193,049)		
Alt-A						
Cash	(196)	(196)	(190)	(779,147)		
Impairment Reserve	0	0	(6)	(5,580)		
Synthetic	0	0	0	0		
Alt-A Total	(196)	(196)	(196)	(784,727)		
CMBS						
Cash	(3,326)	(676)	(3,325)	(20,742)	($3.3MM) loss on CMBX positions due to index rally and our net short positions	Difference in NAV super senior calculation, new deal P&L, and cash flow change on bonds
Impairment Reserve	0	0	0	(4,514)		
Synthetic	0	0	(642)	16,241		
CMBS Total	(3,326)	(676)	(3,967)	(9,015)		
Other ABS						
Cash	(1,381)	(1)	(3,043)	(2,264)	($1.4mm) due to interest rate moving up 7-14 bps on our IR01 of -130K	
Synthetic	0	0	0	0		
Other ABS Total	(1,381)	(1)	(3,043)	(2,264)		
Relative Value						
ABX	0	0	0	0		
Cash	0	0	0	0		
Synthetic	0	0	0	0		
Relative Value Total	0	0	0	0		
Reserves - Trading	0	0	181	38,926		
Subprime						
ABX	0	0	0	0		
Cash	(5,742)	(2,234)	(13,597)	217,958	$(1.6)mm loss in Subprime as prices went up across the board	Difference in NAV super senior calculation, new deal P&L, and cash flow change on bonds
Reserve	4,092	4,092	8,019	(47,327)		
Reserves - NAV Impairment	0	0	1,378	(226,663)		
Synthetic	0	0	0	0		
Subprime Total	(1,650)	1,858	(4,201)	(56,032)		
US ABS Portfolio Total	(3,731)	1,107	(8,547)	(1,006,160)		
US Cash Portfolio						
Whole Loans (US)						
Cash	7,855	0	18,644	(141,162)	Daily MTM PnL relating to the WL Interest Rate Swaps for $7,877,083 and 1 day of daily funding expense on Uncollaterlized Loan for ($21,637)	
Synthetic	0	0	0	0		
Whole Loans (US) Total	7,855	0	18,644	(141,162)		
Impairment	(3,000)	0	(6,000)	(340,466)	Daily impairment reserve for cash flow SS deals	
NBT						
Cash	0	0	0	0		
Synthetic	(166)	(38)	(299)	(54,882)	Loss on swap curve widening partially offset by the gains on monoline spread steepening	
NBT Total	(166)	(38)	(299)	(54,882)		
NIMs						
Cash	0	0	0	(73,083)		
Synthetic	0	0	0	0		
NIMs Total	0	0	0	(73,083)		
Post NIMs						
Post NIM	74	0	(11)	(64,196)	1 day of daily funding expense on Uncollaterlized Loan for $10,801	
Post NIMs Total	74	0	(11)	(64,196)		
US Cash Portfolio Total	4,764	(38)	12,334	(673,789)		
Net Revenue Total	1,033	1,069	3,787	(1,679,949)		

EXHIBIT 20

[Filed Under Seal]

From:	King, Stephen: CDO (NYK) [/O=BZW/OU=USA/CN=NYK AD USERS/CN=USERS/CN=KINGST]
Sent:	Monday, November 19, 2007 12:51:56 PM
To:	del Missier, Jerry: Barclays Capital (LDN); Bommensath, Eric: Markets (NYK); Yoss, Eric: Market Risk (NYK); Balducci, Vince: Credit Derivatives (NYK); Carroll, John: Credit Trading (NYK); Garcha, Sarvjeet: Credit Derivatives (NYK); Guy, Lee: GFRM (LDN); Keegan, Mike : Barclays Capital
Subject:	NotionalRiskbyProduct_111507 (with non-mtm and other books)
Attachments:	NotionalRiskbyProduct_111507 with Non-MTM SS New.xls

All,

Attached is a draft of the summary risk report for the various rmbs/cdos books. Also, in the file is summary of the negative basis book by monoline and product type, and a mtd pandl estimate based on abx mapping.

Thanks

NotionalRiskbyPr
oduct_111507...

PLAINTIFF'S
EXHIBIT
356

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SUMMARY RISK REPORT (DRAFT)

COB 11/15/2007 (Notionals & MID MVs in USD mm)

	NY CDO Trading (SK)		SUPER SENIOR MTM		SUPER SENIOR NAV		SUPER SENIOR CF PV		RMBS Warehouses		NY RMBS Trading (EB/TH)		NY ABS Trading (JC)		Aggregate	
SubPrime RMBS via Single Names/Index	**Notional**	**MV**	**Notional**	**MV**	**Notional**	**MV**	**Notional**	**MV**	**Notional**	**MV**	**Notional**	**MV**	**Notional**	**MV**	**Notional**	**MV**
AAA	(400)	(324)	48	36	-	-	160	218	1,852	1,466	-	-	157	136	**1,817**	**1,532**
AA	(898)	(497)	488	260	67	46	1,339	1,085	756	601	-	-	-	-	**1,751**	**1,495**
A	(2,265)	(930)	2,132	899	167	92	1,337	812	8	162	-	-	(213)	(186)	**1,166**	**848**
BBB	64	15	-	-	1,128	495	529	468	0	-	-	-	-	-	**1,720**	**977**
BBB-	66	26	-	-	690	234	185	129	0	-	-	-	-	-	**941**	**389**
Total	(3,434)	(1,710)	2,668	1,195	2,052	867	3,549	2,711	2,616	2,228	-	-	(55)	(50)	**7,396**	**5,241**
Non-Subprime RMBS																
AAA	(31)	(28)	315	283	22	13	2,721	2,180	388	335	5,067	4,573	-	-	**8,482**	**7,356**
AA	(37)	(28)	318	246	23	15	1,284	977	38	28	-	-	-	-	**1,627**	**1,238**
A	-	-	-	-	40	17	430	314	8	2	251	179	-	-	**729**	**512**
BBB	-	-	-	-	37	21	9	7	-		-	-	-	-	**46**	**29**
BBB-	-	-	-	-	18	10	-		-		-	-	-	-	**18**	**10**
Total	(68)	(56)	633	529	140	77	4,445	3,478	434	365	5,318	4,752	-	-	**10,902**	**9,145**
CDO																
AAA	311	106	314	85	250		569		36	18	-	-	-	-	**1,480**	
AA	(182)	(94)	566	194	35		405		-		-	-	-	-	**825**	
A	(21)	(6)	175	24	206		4		-		-	-	-	-	**364**	
BBB	49	2	-	-	304		100		-		-	-	-	-	**453**	
BBB-	-	0	-	-	-		33		-		-	-	-	-	**33**	
Equity	5	0	-	-	-		-		-		-	-	-	-	**5**	
Total	163	9	1,055	303	795	162	1,112	208	36	18	-	-	-	-	**3,160**	**700**
CMBS																
AAA	-	-	114	109	-		72		30	28	-	-	-	-	**215**	
AA	-	-	32	31	-		265		-		-	-	-	-	**297**	
A	(25)	(21)	4	4	8		80		-		-	-	-	-	**66**	
BBB	(25)	(18)	-	-	36		13		-		-	-	-	-	**24**	
BBB-	-	-	-	-	17		148		-		-	-	-	-	**165**	
Total	(50)	(38)	149	143	60	32	578	403	30	28	-	-	-	-	**767**	**568**
Other ABS																
AAA	-		-		-		32		62		-	-	-	-	**94**	**-**
AA	-		-		-		37		26		-	-	-	-	**63**	**-**
A	-		-		2		91		4		-	-	-	-	**97**	**-**
BBB	-		-		5		-		-		-	-	-	-	**5**	**-**
Total	-	-	-	-	7	-	160	-	92	-	-	-	-	-	**259**	**-**
Whole Loans																
Whole Loans	-		-		-		-		-		1,857	1,884	6,391	6,304	**8,248**	**8,188**
Resids / NIMs																
Resids	-		-		-		-		-	-	85	85	-	-	**85**	**85**
NIMs	-		-		-		-		-	-	-	-	455	444	**455**	**444**
Post NIMs	-		-		-		-		-	-	-	-	940	688	**940**	**688**
Total	-	-	-	-	-	-	-	-	-	-	85	85	1,395	1,132	**1,480**	**1,217**
Credit Cards																
AAA	596	593													**596**	**593**

Notes: For Subprime RMBS the reported notional is the ABX index delta equivalent based on the relevant index CS01.

SUPER SENIOR - MTM: PAMPELONNE I, PAMPELONNE II, MARKOV
SUPER SENIOR NAV: CAMBER VI, BFC SILVERTON, TENORITE, STACK 05-2 (Ratings for Non-Subprime assets are current ratings).
SUPER SENIOR CF PV: LIBERTY HARBOUR I, BUCKINGHAM I, II & III, CITIUS I & II, TOURMALINE I & II (Ratings for Non-Subprime assets are current ratings).
WAREHOUSE: EIGER, PRU M&G, MAINSAIL, COLLIENO (FOR EIGER, Non-US RMBS assets excluded)

SUMMARY RISK REPORT (DRAFT) continued

COB 11/15/2007 (Notionals & MID MVs in USD mm)

	Risk Finance		Syndicate		UK Trading		CAIRN		CDO Swaps (Spencer Kelly) ? *	
SubPrime RMBS via Single Names/Index	**Notional**	**MV**	**Notional**	**MV**	**Notional**	**MV**	**Notional**	**MV**	**Notional**	**MV**
AAA	(50)	(30)	-	-	-	-	4	-	261	261
AA	-	-	-	-	-	-	130	-	-	-
A	(188)	(93)	-	-	-	-	148	-	59	59
BBB	-	-	-	-	-	-	-	-	-	-
BBB-	-	-	-	-	-	-	-	-	-	-
Total	(238)	(123)	-	-	-	-	282	-	320	320
Non-Subprime RMBS										
AAA	-	-	-	-	-	-	9	-	380	380
AA	-	-	-	-	-	-	230	-	-	-
A	-	-	-	-	-	-	142	-	-	-
BBB	-	-	-	-	-	-	-	-	-	-
BBB-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	381	-	380	380
CDO										
AAA	-	-	-	-	-	-	47	-	16	16
AA	-	-	-	-	-	-	157	-	-	-
A	100	96	-	-	130	57	-	-	-	-
BBB	-	-	-	-	-	-	-	-	-	-
BBB-	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-	-	-
Total	100	96	-	-	130	57	204	-	16	16
CMBS										
AAA	-	-	-	-	19	19	-	-	-	-
AA	-	-	-	-	-	-	-	-	-	-
A	-	-	-	-	80	76	1	-	-	-
BBB	-	-	-	-	-	-	-	-	-	-
BBB-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	99	95	1	-	-	-
Other ABS										
AAA	-	-	-	-	-	-	-	-	-	-
AA	-	-	-	-	-	-	-	-	-	-
A	-	-	-	-	-	-	-	-	-	-
BBB	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Whole Loans										
Whole Loans	-	-	-	-	-	-	-	-	-	-
Resids / NIMs										
Resids	12	12	-	-	-	-	-	-	-	-
NIMs	-	-	-	-	-	-	-	-	-	-
Post NIMs	-	-	-	-	-	-	-	-	-	-
Total	12	12	-	-	-	-	-	-	-	-
Credit Cards										
AAA										

* CDO SWAPS: Are these additive?

Summary Risk Report by Product as of COB November 15 (DRAFT)

	NY CDO TRADING						SUPER SENIOR									RMBS WAREHOUSES			TOTAL		
	Cash + Single Names:				ABX Index:		MTM			NAV			CF PV								
SubPrime Single Names/Index	Notional (USD mm)	Equiv Index Notional (USD mm)	CS01 (USD 1000/bp)	Net MV[3]	Notional (USD mm)	11-15 COB Index Price	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV[3]	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV[3]	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV[3]	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV[3]	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV[3]
06-1 AAA	-	-	-		-	95.4	-	-			-			74	95.5		11	98.0		85	
06-1 AA	-	-	-		(60)	86.9	58	64	85.1		18	94.5		1,061	86.9		171	87.7		1,254	
06-1 A	(175)	(195)	26	65.0	(350)	62.3	563	561	62.7		88	46.4		477	62.4		-	72.2		581	
06-1 BBB	263	277	(19)	43.0	(315)	37.6	-	-			737	52.4		432	55.2		0			1,131	
06-1 BBB-	373	341	(17)	31.9	(360)	30.5	-	-			472	36.7		159	58.8		0			612	
06-2 AAA	-	-	-		(125)	86.5	-	-			-			33	92.6		607	88.7		515	
06-2 AA	(17)	(17)	3	61.4	(345)	61.4	156	155	61.5		-			140	61.6		408	56.4		341	
06-2 A	(78)	(64)	6	32.9	(970)	38.8	987	939	36.4		27	18.5		534	31.6		0			467	
06-2 BBB	280	305	(14)	22.1	(267)	20.2	-	-	30.3		236	30.6		40	42.2		0			314	
06-2 BBB-	172	178	(6)	19.0	(101)	18.1	-	-			156	16.9		10			0			244	
07-1 AAA	-	-	-		(275)	78.3	47	48	77.4		-			53	83.1		1,234	82.7		1,060	
07-1 AA	(32)	(31)	5	46.7	(445)	46.7	266	270	43.1		49	57.3		137	49.7		177	48.4		157	
07-1 A	58	29	(3)	15.5	(716)	28.7	701	631	26.6		52			326	24.2		8	58.7		331	
07-1 BBB	81	75	(4)	17.5	(10)	18.6	-	-			155	53.9		56	72.3		0			276	
07-1 BBB-	29	9	(0)	11.2	(1)	18.5	-	-			62			16	63.0		0			86	
07-2 AAA	-	-	-		-	73.8	-	-			-			-			-			-	
07-2 AA	-	-	-		-	43.0	-	-			-			-			-			-	
07-2 A	-	-	-		-	30.4	-	-			-			-			-			-	
07-2 BBB	-	-	-		-	22.3	-	-			-			-			-			-	
07-2 BBB-	-	-	-		-	21.0	-	-		-	-		-	-			-		-	-	
06-1 Subtotal	461	423	(10)		(1,085)		620	625		-	1,314		-	2,203		-	182		-	3,662	
06-2 Subtotal	357	402	(11)		(1,808)		1,142	1,094		-	419		-	758		-	1,015		-	1,880	
07-1 Subtotal	136	82	(2)		(1,447)		1,014	949		-	319		-	588		-	1,419		-	1,910	
07-2 Subtotal	-	-	-		-		-	-		-	-		-	-		-	-		-	-	
Single Names/Index To	953	907	(23)		(4,341)		2,777	2,668		-	2,052		-	3,549		-	2,616		-	7,452	

Non-SubPrime RMBS	Notional (USD mm)	Equiv Index Notional (USD mm)	CS01 (USD 1000/bp)	Net MV[3]		Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV[3]	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV[3]	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV[3]	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV[3]	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV[3]
Negam AAA	-		-	-		26		89.9				-			-			26		
Negam AA	(32)		9	77.3		289		77.3				-			-			257		
Alt-A AAA	(26)		6	89.9		139		89.9	22			1,968			360			2,464		
Alt-A AA	(5)		1	77.3		29		77.3	12			812			38			887		
Alt-A A									40			258			-			298		
Alt-A BBB									37			9			-			46		
Alt-A BBB-									18			-			-			18		
Alt-B AAA	(5)		1	89.9		92		89.9				-			-			87		
Alt-B AA	-		-	-		-		-				-			-			-		
Jumbo AAA	-		-	-		57		89.9				-			-			57		
Jumbo AA	-		-	-		-		-				-			-			-		
2nd Lien AA												150			-			150		
2nd Lien A												118			10			128		
Prime RMBS AAA									-			753			-			753		
Prime RMBS AA									11			322			-			333		
Prime RMBS A									-			55			-			55		
Non-SubPrime RMBS T	(68)		17			633			140			4,445			408			5,558		
ABS CDO	Notional (USD mm)	Equiv Index Notional (USD mm)	CS01 (USD 1000/bp)	Net MV3		Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3
High Grade AAA	41		(1)	6.4		37		9.1	-			216			20			314		
High Grade AA	43		(2)	3.4		6		41.5	-			92			-			141		
High Grade A	25		(0)	11.1		-		-	15			-			-			40		
High Grade BBB	45		(0)	6.0		-		-	-			-			-			45		
High Grade Equity	2		N/A	5.0		-		-	-			-			-			2		
Mezz AAA	143		(19)	30.9		272		29.0	250			232			16			913		
Mezz AA	(235)		39	42.4		561		34.2	35			110			-			471		
Mezz A	(45)		1	18.9		175		13.8	191						-			320		
Mezz BBB	(12)		(0)	31.6		-		-	301			97			-			386		
Mezz Equity	3		N/A	5.0		-		-	-			-			-			3		
CDO^2 AAA	128		(30)	46.2		5		45.7	-			-			-			133		
CDO^2 AA	10		(2)	42.3		-		-	-			-			-			10		
CDO^2 A	-		(1)	-		-		-	-			-			-			-		
CDO^2 BBB	16		(1)	20.9		-		-	-			-			-			16		
CDO^2 Equity	-		-	-		-		-	-			-			-			-		
ABS CDO Total [2]	163	-	(17)		-	1,055	-		792			748			36			2,792	-	

Non RMBS CDO	Notional (USD mm)	Equiv Index Notional (USD mm)	CS01 (USD 1000/bp)	Net MV3		Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3
Non RMBS CDO AAA									-			121			-			121		
Non RMBS CDO AA									-			203			-			203		
Non RMBS CDO A									-			4			-			4	-	
Non RMBS CDO BBB									3			3			-			6		
Non RMBS CDO BBB-												33			-			33		
Non RMBS CDO Total	-	-	-		-	-	-		3			364			-			367	-	
CMBS	Notional (USD mm)	Equiv Index Notional (USD mm)	CS01 (USD 1000/bp)	Net MV3		Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3
CMBS AAA Series 1	-		-	-		-		-	-			23			-			23		
CMBS AA Series 1	-		-	-		-		-	-			29			-			29		
CMBS A Series 1	(10)		6	89.1		-		-	4			2			-			(4)	-	
CMBS BBB Series 1	(5)		3	78.1		-		-	-			1			-			(4)		
CMBS BBB- Series 1						-		-	-			101			-			101		
CMBS AAA Series 2	-		-	-		46		95.3	-						-			46		
CMBS AA Series 2	-		-	-		7		84.5	-			23			-			30		
CMBS A Series 2	(5)		3	80.7		-		-	2			17			-			13		
CMBS BBB Series 2	(5)		2	67.4		-		-	8			10			-			13		
CMBS BBB- Series 2						-		-	2			27			-			29		
CMBS AAA Series 3	-		-	-		55		96.0	-			-			20			75		
CMBS AA Series 3	-		-	-		-		-	-			142			-			142		
CMBS A Series 3	(10)		5	76.7		-		-	1			61			-			52		
CMBS BBB Series 3	(15)		7	69.0		-		-	23			-			-			8		
CMBS BBB- Series 3						-		-	15			20			-			35		
CMBS Total	(50)	-	25		-	108	-		53			455			20			587	-	
CRE CDO	Notional (USD mm)	Equiv Index Notional (USD mm)	CS01 (USD 1000/bp)	Net MV3		Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3
CRE CDO AAA	-		-	-		13		98.6	-			48			10			71		
CRE CDO AA	-		-	-		25		98.7	-			72			-			97		
CRE CDO A	-		-	-		4		99.7	2			-			-			6		
CRE CDO BBB									5			3			-			8		
CRE CDO Total	-	-	-		-	41	-		7			123			10			181	-	
Other ABS	Notional (USD mm)	Equiv Index Notional (USD mm)	CS01 (USD 1000/bp)	Net MV3		Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3
Other ABS AAA									-			32			62			94		
Other ABS AA									-			37			26			63		
Other ABS A									2			91			4			97		
Other ABS BBB									5			-			-			5		
Other ABS Total									7			160			92			259		
Crdit Cards	Notional (USD mm)	Equiv Index Notional (USD mm)	CS01 (USD 1000/bp)	Net MV3		Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3	Notional (USD mm)	Equiv Index Notional (USD mm)	Net MV3
Credit Cards AAA	596			95.0														596		

1.) BBB+ Notional and CS01 allocated 60% to A and 40% to BBB
2.) ABS CDOs Only - Excludes CLOs and TRUPS
3.) Net MV = Net Market Value in %. Calculated as Total NPV of positions + Notional net of Longs and Shorts.
SUPER SENIOR MTM: PAMPELONNE I, PAMPELONNE II, MARKOV, **WAREHOUSES:** EIGER, PRU M&G, MAINSAIL, COLLIENO NAV: CAMBER VI, BFC SILVERTON, TENORITE, STACK 05-2, **CF PV:** LIBERTY HARBOUR I, BUCKINGHAM I, II, & III, CITIUS I & II, TOURMALINE I & II
TABX Notional and CS01 assumed to be 25mm each of ABX 06-2 & 07-1 BBB-

Combined MTM Super Senior and Trading Book Subprime Risk

Net Equivalent Index Notional (in USD mm's) (Bespokes, Single Names, and Index)

	06-1	06-2	07-1	07-2	Total
AAA	-	(125)	(227)	-	(352)
AA	4	(207)	(206)	-	(410)
A	16	(94)	(56)	-	(133)
BBB	(38)	38	65	-	64
BBB-	(19)	77	8	-	66
Total	(37)	(312)	(416)	-	(765)

BBB+ Notional and CS01 allocated 60% to A and 40% to BBB

Combined Trading Book + Super Senior + Warehouse + Mezz ITM + Non MTM Super Senior Subprime Risk

Net Equivalent Index Notional (in USD mm's) (Bespokes, Single Names, and Index)

	06-1	06-2	07-1	07-2	Total
AAA	85	515	1,060	-	1,660
AA	1,254	341	157	-	1,751
A	581	467	331	-	1,379
BBB	1,131	314	276	-	1,720
BBB-	612	244	86	-	941
Total	3,662	1,880	1,910	-	7,452

BBB+ Notional and CS01 allocated 60% to A and 40% to BBB

MTM/ITM P&L ESTIMATE (Preliminary Draft)

ABX Prices	Price 10/31	Price 11/15	Diff 11/15-10/31	Price 11/16	Diff 11/16-11/15
ABX-HE-AAA 06-1	97.00	95.38	(1.62)	94.70	(0.68)
ABX-HE-AA 06-1	88.14	86.91	(1.23)	85.84	(1.07)
ABX-HE-A 06-1	63.69	62.34	(1.35)	60.19	(2.15)
ABX-HE-BBB 06-1	43.08	37.57	(5.51)	32.53	(5.04)
ABX-HE-BBB- 06-1	34.69	30.5	(4.19)	27.13	(3.37)
ABX-HE-AAA 06-2	89.83	86.53	(3.30)	85.45	(1.08)
ABX-HE-AA 06-2	64.06	61.41	(2.65)	59.97	(1.44)
ABX-HE-A 06-2	37.89	38.78	0.89	37.81	(0.97)
ABX-HE-BBB 06-2	20.72	20.23	(0.49)	19.78	(0.45)
ABX-HE-BBB- 06-2	19.94	18.11	(1.83)	17.84	(0.27)
ABX-HE-AAA 07-1	82.72	78.33	(4.39)	76.06	(2.27)
ABX-HE-AA 07-1	49.57	46.69	(2.88)	46.00	(0.69)
ABX-HE-A 07-1	28.94	28.72	(0.22)	28.00	(0.72)
ABX-HE-BBB 07-1	19.86	18.56	(1.30)	18.66	0.10
ABX-HE-BBB- 07-1	18.94	18.5	(0.44)	18.13	(0.37)

P&L Estimate by Book (10/31-11/16)

		SUPER SENIOR			
Date	NY CDO Trading	MTM	NAV	RMBS Warehouses	Total
Subprime	85,746,266	(46,550,013)	(126,989,869)	(136,022,072)	**(223,815,689)**
Non-Subprime	3,060,058	(26,433,785)	(5,032,905)	(36,520,061)	**(64,926,693)**
Total	88,806,324	(72,983,798)	(132,022,774)	(172,542,133)	**(288,742,382)**

Negative Basis Exposure by Counterparty - Entire Global Portfolio
Notional Exposure by Asset Type
All Figures in USD - Transactions through 11/1/07

Counterparty Type	Counterparty	High Grade ABS CDO	Mezz ABS CDO	CDO of CDO	CLO	CRE CDO	Distressed Loans	Emerging Market Securities	Infrastructure	REIT TRUPs	Synthetic CDO Corporate Bonds	Trust Preferred Certificates	Grand Total
Monoline	AIG FP NEGATIVE BASIS	1,176,048,260	1,500,000,000		288,176,567								2,964,224,827
	AMBAC ASSURANCE CORPORATION	610,000,000	349,112,799	185,000,000	5,932,814,321				918,496,944				7,995,424,064
	ASSURED GUARANTY CORPORATION				3,288,648,171	1,470,853,800				224,140,438		94,965,779	5,078,608,188
	CIFG				2,889,934,860							147,000,000	2,836,934,860
	FINANCIAL GUARANTY INSURANCE COMPANY	161,068,289			3,690,737,180								3,851,805,469
	FINANCIAL SECURITY ASSURANCE INC				5,956,862,571						67,000,000	95,388,601	6,119,251,172
	MBIA INSURANCE CORPORATION	4,330,984,902	1,847,000,000		1,050,105,746	2,805,000,000	350,000,000						10,383,090,648
	SWISS RE FINANCIAL PRODUCTS CORPORATION								91,802,333				91,802,333
	XL CAPITAL ASSURANCE INC				1,394,997,529	620,000,000		191,500,000					2,206,497,529
Monoline Total		6,278,101,451	3,696,112,799	185,000,000	24,292,276,944	4,895,853,800	350,000,000	191,500,000	1,010,299,278	224,140,438	67,000,000	337,354,380	41,627,639,090
Bank	ACA CREDIT PRODUCTS 2004-B LLC			37,229,850									37,229,850
	AUSTRALIA & NEW ZEALAND BANKING GROUP LIMITED								780,319,833				780,319,833
	BANCA INTESA SPA-NEGATIVE BASIS TRADES		200,000,000										200,000,000
	CANADIAN IMPERIAL BANK OF COMMERCE-LONDON BRANCH			140,055,150	91,326,795				187,195,118			444,480,693	863,057,756
	DEXIA BANK BELGIUM SA								738,872,712				738,872,712
	DEXIA CREDIT LOCAL SA								721,502,000				721,502,000
	DRESDNER BANK AG-LONDON BRANCH								2,484,911,188				2,484,911,188
	GOLDMAN SACHS INTERNATIONAL		415,195,212								150,000,000	99,000,000	664,195,212
	IXIS CORPORATE & INVESTMENT BANK								268,057,168				268,057,168
	MERRILL LYNCH INTERNATIONAL		199,074,985									173,929,558	373,004,543
	TOKIO MARINE & NICHIDO FIRE INSURANCE COMPANY LIMITEO								656,386,683				656,386,683
	WESTLB AG (FOR HOEF II ONLY)	1,240,983,440											1,240,983,440
Bank Total		1,240,983,440	814,270,197	177,285,000	91,326,795				5,837,244,703		150,000,000	717,410,251	9,028,520,386
Grand Total		7,519,084,891	4,510,382,996	362,285,000	24,383,603,739	4,895,853,800	350,000,000	191,500,000	6,847,543,980	224,140,438	217,000,000	1,054,764,631	50,556,159,476

EXHIBIT 21
[Filed Under Seal]

From: Hill, Nick [nick_hill@standardandpoors.com]
Sent: Friday, March 28, 2008 11:28:52 AM
To: Harding, Keith: Barclays Treasury (LDN)
CC: Aucutt, Ross: Barclays Treasury (LDN); Lambert, Nick: Barclays Treasury (LDN); Meyer, Leigh: Barclays Treasury (LDN)
Subject: RE: Confidential - Project Rimu
Attachments: Barclays Bank PLC USD Non-cumulative callable preference shares (draft) NEH 28032008.pdf

Dear Keith

Please find attached the indicative rating letter for this Core Tier 1 issue. Hard copy follows in the mail.

As usual, grateful for final documents when available in order that we can issue the final rating letter.

Best regards

Nick Hill
Western European Group | Financial Institutions Ratings
Standard & Poor's
20 Canada Square | Canary Wharf
London E14 5LH | United Kingdom
Tel. +44 (0)20 7176 7216 | Fax +44 (0)20 7176 7002
www.standardandpoors.com

-----Original Message-----
From: Keith.Harding@barclaystreasury.com
[mailto:Keith.Harding@barclaystreasury.com]
Sent: 17 March 2008 16:59
To: Hill, Nick
Cc: Ross.Aucutt@barclaystreasury.com; Nick.lambert@barclaystreasury.com; Leigh.Meyer@barclaystreasury.com
Subject: Confidential - Project Rimu

Dear Nick,

Barclays is planning on making a benchmark issue of US$ denominated Non-Cumulative Callable Dollar Preference Shares to count as Core Tier 1 capital for FSA capital adequacy purposes.

This will be a NYSE listed, SEC Registered transaction and sold to primarily retail investors, although some sales may also be made to institutional investors. It is expected that the coupon will be fixed for life and that the issue will have a first call after 5 years. In essence it is a repeat of the Series 4 Preference Shares issue (Project Sycamore) that was made in December 2007.

Current timings are that we wish to be in a position to launch in the week commencing 7 April 2008 (but obviously dependent on market

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conditions at that time), with pricing one or two days after that and with close and proceeds being received 5 days after pricing. As this is a retail transaction, it would be appreciated if we could have an indicative rating by close of business on 28 March 2008. In this connection please find attached the current draft of the Prospectus Supplement which has been marked up with the minor changes from the Series 4 issue.

Please let Ross Aucutt, Nick Lambert or me know if you have any questions.

Many thanks and kind regards

Keith

Keith Harding
Assistant Director, Capital Issuance
Barclays Treasury
Barclays PLC
1 Churchill Place
London E14 5HP

tel. +44 (0)20 7773 3720
fax. +44 (0)20 7773 1626
email keith.harding@barclaystreasury.com

Please note new email address

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&POOR'S

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Keith Harding
Assistant Director, Capital Issuance
Barclays Treasury
Barclays PLC
10 The South Colonnade
Canary Wharf
London E14 4PU

March 28, 2007

Dear Keith,

Proposed Barclays Bank PLC USD Non-Cumulative Callable Preference Shares, Series 5

Pursuant to your request, I write to confirm that, based on the draft documentation received from Barclays (dated March 13, 2008), Standard & Poor's Ratings Services would assign a rating of "A+" to the above-captioned issue.

This proposed issue would qualify for our 'Category 2: Strong' classification and therefore be eligible for inclusion in Adjusted Total Equity up to the limit of 33% of Adjusted Common Equity, subject to there being sufficient capacity.

As usual, please would you send us the final documentation as soon as it becomes available. Naturally, our rating assessment could change if the final documentation should differ substantially from the draft version provided.

We hope that this letter meets your immediate requirements. Please contact us should you require any further assistance.

Yours sincerely,

Nick Hill
Director
Financial Services Ratings

Richard Barnes
Director
Financial Services Ratings

McGraw-Hill International (U.K.) Limited
Registered Office: As above
Incorporated in England & Wales under No 64070.

EXHIBIT 22

[Filed Under Seal]

From: Harding, Keith: Barclays Treasury (LDN) [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=HARDINGK]
Sent: Tuesday, April 08, 2008 7:04:58 PM
To: drew.haigh@uk.pwc.com
CC: chris.h.taylor@uk.pwc.com; sophie.shi@uk.pwc.com; victoria.hardy@barclays.com; todd.foreman@barclays.com
Subject: RE: PwC Executed US Eng Letter
Attachments: Project Rimu - Signed US Eng Letter.pdf

Drew,

Please find attached the signed US engagement letter.

Kind regards

Keith

From: drew.haigh@uk.pwc.com [mailto:drew.haigh@uk.pwc.com]
Sent: 08 April 2008 19:23
To: Harding, Keith: Barclays Treasury (LDN); victoria.hardy@barclays.com; todd.foreman@barclays.com
Cc: chris.h.taylor@uk.pwc.com; sophie.shi@uk.pwc.com
Subject: PwC Executed US Eng Letter

Keith,

Please find the executed US engagement letter... please sign, scan and return

(See attached file: Project Rimu - US Eng Letter - Executed FinalFinal.pdf)

Drew

-------------------- End of message text --------------------

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PRICEWATERHOUSECOOPERS

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London SE1 2RD
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pwc.com/uk

The Directors
Barclays PLC
1 Churchill Place
London
E 14 5HP

and

The Directors
Barclays Bank PLC
1 Churchill Place
London
E 14 5HP

8 April 2008

Dear Sirs

US offering of American Depositary Shares, Series 5 of Barclays Bank PLC Representing Non-Cumulative Callable Dollar Preference Shares, Series 5 (the "Preference Shares").

Introduction

1. This letter and the attached Terms and Conditions (together the "**Contract**") set out the scope of certain work to be performed by us as independent accountants in connection with the proposed public offering of preference shares of Barclays Bank PLC (together with its subsidiaries, the "**Issuer**") in the United States of America (the "**US Offering**") and the Prospectus No. 333-145845 on Form F-3 filed by the Issuer under the U.S. Securities Act of 1933, as amended (the "Act") on 31 August 2007, the Preliminary Prospectus Supplement dated 7 April 2008 and the Final Prospectus Supplement dated 8 April 2008 (together the "**Registration Statement**") with the US Securities and Exchange Commission (the "**SEC**") pursuant to the requirements of the US Securities Act of 1933 as amended (the "**Securities Act**"), and the terms on which we are to provide those services. The Contract also summarises the respective areas of responsibility of Barclays PLC (together with its subsidiaries, the "**Group**") and the directors of Barclays Bank PLC, Barclays PLC (the "**Directors**"), and ourselves.

2. The services we will provide in connection with the US Offering (the "**US Services**") will comprise:

    - provision of a comfort letter addressed to the Issuer, the Group, and Barclays Capital Securities Limited and Citigroup Global Capital Markets Inc. (the "**Representatives**") in their role as the representatives of the Underwriters as defined in Prospectus Supplement (the "**Underwriters**") in connection with the Registration Statement (the "**US Comfort Letter**"); and
    - provision of other assistance to the Representatives in connection with their due diligence regarding the Registration Statement, including having meetings and discussions with them and responding orally or

otherwise to questions raised by them or by their counsel (the "**Other Assistance**").

Financial Content of the Registration Statement

3. We understand that the Registration Statement will incorporate by reference the following consolidated financial information of the Issuer and the Group:

   Consolidated financial statements as of 31 December 2007 and 2006 and for each of the three years in the period ended 31 December 2007, prepared in accordance with International Financial reporting Standards as adopted by European Union ("**IFRS**") (together called the "**Historical Financial Information**").

4. We have audited, in accordance with Public Company Accounting Oversight Board Standards) ("**PCAOB Standards**") issued by the PCAOB in the United States, the consolidated financial statements of the Issuer and the Group as of 31 December 2007 and 2006 and for each of the three years in the period ended 31 December 2007.

US Services

5. Solely in connection with the due diligence process of the Underwriters to enable them to establish a due diligence defence under Section 11 of the Securities Act, we are requested to prepare the US Comfort Letter relating to certain financial information related to the Issuer and the Group set out in the Registration Statement. The US Comfort Letter will be addressed to the Group, Issuer and the Representatives in their role as the representatives of the Underwriters provided that the Representatives are required under the signed underwriting agreement to perform due diligence review procedures.

6. The US Comfort Letter will state that it is intended for use within the United States in connection with the offering or sale of securities, and that it is not to be used in any other jurisdiction whatsoever.

7. The US Comfort Letter will be provided at the date of pricing. We will also, if requested, provide an updating comfort letter or reissue the US Comfort Letter at the date of closing of the issue. We are not obliged to issue the US Comfort Letter if for any reason we are not able to complete our work to our satisfaction.

8. The US Comfort Letter will be prepared following the guidance in Statement on Auditing Standards 72 "Letters for Underwriters and Certain Other Requesting Parties" issued by the American Institute of Certified Public Accountants ("**SAS 72**").

9. The scope of the procedures we will carry out and the form the US Comfort Letter will take will be requested by the Representatives. It should be understood that we have no responsibility for establishing (and will not establish) the scope and nature of the procedures we carry out in preparing the US Comfort Letter. Accordingly, we make no representation regarding the sufficiency of the procedures for the US Comfort Letter addressees' purposes. We will address ourselves solely to the data requested for comment and will make no representation regarding the adequacy of disclosures in the Registration Statement or whether any material facts have been omitted. There is no guarantee that these procedures will result in the identification of all matters which may be of interest to the addressees of the US Comfort Letter. Further, we make no, nor will make any, representation regarding any questions of legal interpretation.

10. The procedures we will carry out will not constitute an audit or review in accordance with any generally accepted auditing standards. Accordingly the procedures may not reveal any misstatement of the amounts or percentages indicated in the US Comfort Letter.

11. Our work to provide the US Services will be carried out on the assumption that information provided to us by the management of the Issuer and of the Group is reliable, accurate and complete. We will not subject the information contained in the US Comfort Letter to checking or verification procedures except to the extent expressly stated. You will therefore understand that the US Services are not designed to and are not likely to reveal fraud or misrepresentation by the management of the Issuer or the Group. In no circumstances shall we be responsible, other than in the event of our own fraud or dishonesty, for any loss or damage, of whatsoever nature, arising from information material to our work being withheld or concealed from us or misrepresented to us by the Directors, employees, or agents of the Group or the Issuer or any other person of whom we may make enquiries.

Directors' responsibilities in connection with the Registration Statement

12. The Directors acknowledge that they have consulted with and will continue to consult with competent United States securities law counsel for advice with respect to their responsibilities in connection with the Registration Statement under the Securities Act and any other applicable rule or regulation.

13. The Historical Financial Information referred to above of the Group and the Issuer are the responsibility of the Directors. In this regard, the Directors are responsible for properly recording transactions in the accounting records and maintaining internal controls sufficient to permit the preparation of Historical Financial Information in conformity with IFRS.

14. The Directors are responsible for the design and implementation of programmes and controls to prevent and detect fraud, and for informing us (i) about all known or suspected fraud affecting the entity involving (a) management, (b) employees who have significant roles in internal controls over financial reporting and (c) others where the fraud could have a material effect on the consolidated financial statements; and (ii) of its knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, short sellers, or others.

15. The Directors are also responsible for (i) adjusting the consolidated financial statements to correct material misstatements and for affirming to us that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the years under audit are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole; and (ii) notifying us of all material weaknesses, including other significant deficiencies, in the design or operation of the Group and the Issuer's internal controls over financial reporting that are reasonably likely to adversely affect the Group and the Issuer's ability to record, process, summarise and report external financial data reliably in accordance with IFRS. The Directors are also responsible for identifying and ensuring that the Group and the Issuer complies with the laws and regulations applicable to its activities.

Other responsibilities

16. Auditing Standards require that we read any report (such as the Registration Statement) that contains our report. The purpose of this procedure is to consider whether other information in the Registration Statement, including the manner of its presentation, is materially inconsistent with information appearing in the Historical Financial Information. We shall undertake the aforementioned procedure but assume no obligation to perform further procedures to corroborate such other information as part of the US Services.

17. You may ask us to accompany you and to participate in meetings and discussions with other of your advisors to discuss practical matters arising from the offering of the Preference Shares (the "**Meetings**"). We agree to attend the Meetings on the basis that (i) you agree and accept that you will be present at all the Meetings; (ii) you release PwC

from all duties of confidentiality owed to you in respect to information disclosed by PwC at the Meetings; (iii) PwC's liability in respect of the US Services set out in this engagement letter, including without limitation its audit and review of the Historical Financial Information, shall not be extended to any party by virtue of PwC's attendance at the Meetings and (iv) PwC neither accepts nor assumes any liability or responsibility to any party, including the Group and the Issuer, for its oral comments, advice or explanations made or given at the Meetings, provided however, that this shall not apply to any claims, liabilities, losses, damages or costs arising from fraud, dishonesty wilful misconduct or in respect of liabilities which cannot lawfully be limited or excluded.

18. To keep you informed of our progress and to facilitate discussions between us, we may, in the course of providing the non-US Services, provide you with oral comments or letters in draft form. As these represent work in progress and are not our final conclusions, we do not assume a duty of care to you (or anyone else) in respect of their content. The final results of our work will be contained solely in our final issued non-US comfort letter, and nowhere else.

Timetable

19. Our US Comfort Letter is to be provided in accordance with a timetable to be agreed between us. Our work will depend upon receiving without undue delay full co-operation from all relevant officials of the Issuer and of the Group and disclosure to us of all accounting records of the Issuer and of the Group and all other records and related information (including certain representations) we may need for the purposes of our work.

Staffing

20. Chris Taylor will be the partner in charge of providing the US Services. The engagement team may call upon PricewaterhouseCoopers LLP specialist staff as appropriate.

Fees

21. Our fees will be based on the time spent at our usual rates for specialist work of this nature and will reflect the importance and difficulty of the work and the seniority and professional experience of the partners and staff concerned. Our out of pocket expenses and VAT will be added to our fees. Our fees, out of pocket expenses and VAT will be paid by the Issuer.

22. Details of our fees and proposed billing arrangements will be set out in a separate letter to you.

Safeguarding service

23. If at any time you would like to discuss with us how our service to you could be improved or if you are dissatisfied with any aspect of our services, please raise the matter immediately with the partner responsible for that aspect of our services to you. If for any reason you would prefer to discuss these matters with someone other than that partner, please contact Richard Sexton in our office at 1 Embankment Place, London, WC2N 6RH. In this way we are able to ensure that your concerns are dealt with carefully and promptly. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. This will not affect your right to complain to the Institute of Chartered Accountants in England and Wales.

PRICEWATERHOUSECOOPERS

Governing law and jurisdiction

24. The Contract when accepted by you shall be governed by, and construed in accordance with, English law and it is hereby irrevocably agreed and accepted that the Courts of England and Wales shall have exclusive jurisdiction to settle any claim, difference or dispute (including, without limitation, claims for set-off or counterclaims) which may arise out of or in connection with the Contract. Each party irrevocably waives any right it may have to object to an action being brought in such Courts, to claim that the action has been brought in an inconvenient forum or to claim that such Courts do not have jurisdiction.

Independence

25. We confirm that in undertaking this engagement

    - that this type of work is not a "prohibited service" within the meaning as set out in the Barclays PLC policy on the provision of services by the Group's statutory auditor. This piece of work is a US Comfort Letter in relation to securities offerings as listed in Schedule B, Allowable services, other attest and assurance services; and
    - that the provision of such services would not impair or bring into question our independence under applicable SEC regulations and generally accepted auditing standards; and
    - that the expected fees and expenses for the provisions of the services shall not exceed £100,000 and therefore would not need pre-approval by the Barclays Board Audit Committee or authorised member.

Acknowledgement and acceptance

26. Please acknowledge your acceptance of the terms of our engagement under the Contract by signing the confirmation below and returning a copy of this letter and the attached Terms and Conditions to us at the above address marked for the attention of Chris Taylor, whereupon this Contract will take effect from the date of the commencement by us of the US Services.

If you have any questions regarding the Contract, please do not hesitate to contact us.

Yours faithfully

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

PRICEWATERHOUSECOOPERS

Confirmation of the Contract

Having read the Contract (comprising the letter of engagement and the attached Terms and Conditions) with PricewaterhouseCoopers LLP dated 8 April 2008, we acknowledge acceptance of and agree to engage PricewaterhouseCoopers LLP upon the provisions of the same.

Signed: N J K Lam

Name and position: NICK LAMBERT, DIRECTOR, CAPITAL ISSUANCE & SECURITISATION

On behalf of Barclays PLC

Date: 08/04/2008

Signed: N J K Lam

Name and position: NICK LAMBERT, DIRECTOR, CAPITAL ISSUANCE & SECURITISATION

On behalf of Barclays Bank PLC

Date: 08/04/2008

PRICEWATERHOUSECOOPERS

TERMS AND CONDITIONS

The following are the terms and conditions (the "**Terms and Conditions**") on which we will provide to you the US Services set out within the attached letter of engagement (the "**Letter of Engagement**"). The Letter of Engagement and the Terms and Conditions together form the Contract between us.

In these Terms and Conditions "**we**", "**our**", "**the Firm**" or "PwC" means PricewaterhouseCoopers LLP, a limited liability partnership incorporated in England (number OC303525) and whose registered office is at 1 Embankment Place, London, WC2N 6RH.

Unless otherwise indicated either expressly or by the context, "**Partner**" or "**partner**" means both in these Terms and Conditions and more generally in our dealings with you, a member of PwC in their capacity as such.

Use and distribution of the Comfort Letter

1. No reliance should be placed on any draft of the US Comfort Letter which may be provided by us. Any such drafts will not constitute our definitive opinion(s) and conclusion(s); these will be contained in the signed US Comfort Letter.

2. We will send the US Comfort Letter to you and to the Representatives. Other than as provided by paragraph 3 below or unless required by law or by relevant regulatory authority or where it is reasonably necessary to do so for the purposes of resolving any dispute to which you are a party relating to the US Offering or the Registration Statement, you will not provide the US Comfort Letter, or a copy thereof, to any third party or refer to us or the US Services without our prior written consent which we may at our discretion grant, withhold or grant subject to conditions.

3. Copies of the US Comfort Letter may be made available to your advisers provided you make clear that:
   (a) they enjoy such receipt for information only in connection with the US Offering and that we accept no duty of care to them in respect of the US Comfort Letter; and
   (b) such receipt is strictly on the basis that they will not provide the US Comfort Letter, or a copy thereof, to any other third party or refer to us or the US Services without our prior written consent.

Oral comments or explanations

4. Our responsibility pursuant to the Contract is solely for the contents of the signed US Comfort Letter and we shall have no liability in contract or in tort (including negligence) for any oral comments or explanations.

Our employees

5. It is agreed that, having regard to our interest in limiting the personal liability and exposure to litigation of our employees, you will not bring any claim in respect of any Damage (being the aggregate of all losses or damages (including interest thereon if any) and costs suffered or incurred, directly or indirectly, by you under or in connection with the Contract or its subject matter (as the same may be amended or varied) and any report or letter prepared pursuant to it, including as a result of breach of contract, breach of statutory duty, tort (including negligence), or other act or omission by this firm) against any of our employees personally but this will not limit or exclude the liability of PricewaterhouseCoopers LLP or its partners for the acts or omissions of its employees.

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Other PricewaterhouseCoopers Firms

6. PricewaterhouseCoopers is a worldwide organisation of individual partnerships and companies. This engagement is between the Group and the Issuer and the UK firm of PricewaterhouseCoopers only. In the course of our engagement for the Group and the Issuer, we may draw upon the resources of other PricewaterhouseCoopers partnerships or companies, including but not limited to the Global Capital Markets Group of the US firm of PricewaterhouseCoopers, to assist us in the course of our performing our work and for our benefit.

7. While from time to time members of other PricewaterhouseCoopers partnerships and companies may communicate directly with the Group and the Issuer, those other PricewaterhouseCoopers partnerships or companies do so in their capacity as advisers to us and we assume all responsibility for the services provided under this letter.

Responsibilities for consolidated financial statements

8. In providing the US Services it is understood and agreed that:
   (a) we do not accept any responsibility for any financial statements in the Registration Statement that were not audited by us; and
   (b) we do not accept any responsibility for any financial statements audited by us beyond that owed by us to those to whom our reports were/are issued at the date of their issue.

Changes in scope

9. Unless otherwise agreed by us in writing the terms of this Contract will apply to any further work we may be asked to carry out in connection with the US Services, whether or not it is the subject of a supplementary engagement letter.

Termination

10. Any party to the Contract may at any time terminate the Contract for whatever reason upon written notice to the other parties.

11. Where any of us terminates the Contract, the Group and the Issuer will pay us reasonable fees for time spent in providing the US Services up to the date of termination. Each of us will, on request, return any property belonging to another that it then has in its possession or control. We may retain one copy of any documentation upon which the US Services are based to enable us to maintain a professional record of our involvement.

12. Termination of the Contract shall be without prejudice to any accrued rights of the parties to the Contract. The provisions of the Contract which expressly or by implication are intended to survive its termination or expiry will survive and continue to bind each party to the Contract.

Data protection

13. In connection with this engagement letter, each party will comply with and warrants that it has complied with all applicable data protection and privacy legislation and regulations in any relevant jurisdiction.

14. You agree that we may share your confidential information and personal data with any firm within the PricewaterhouseCoopers global network of member firms, and any subcontractors, we use to provide the services set out in this engagement letter (or more generally to support our office administration and management) on the understanding that we shall ensure that all appropriate confidentiality obligations and technical and organisational security measures are in place to prevent any unauthorised or unlawful disclosure or processing of such information and data and the accidental loss or destruction of or damage to such information and data.

Client identification

15. As with other professional services firms, we are under stringent requirements to identify our clients for the purposes of the anti-money laundering legislation. We are likely to request from you, and retain some information and documentation for these purposes and/or make searches of appropriate databases. If satisfactory evidence of your identity is not provided within a reasonable time, there may be circumstances in which we are not able to proceed with the engagement appointment.

Money laundering reporting

16. The provision of accounting services is a business in the regulated sector under The Proceeds of Crime Act 2002 and as such, partners and staff in accounting firms are required to report all knowledge or suspicion, or reasonable grounds to know or suspect, that a criminal offence giving rise to any direct or indirect benefit from criminal conduct has been committed, regardless of whether that offence has been committed by their client or by a third party. If as part of our work we have knowledge or suspicion, or have reasonable grounds to know or suspect, that such offences have been committed we are required to make a report to the National Criminal Intelligence Service. In such circumstances it is not our practice to discuss such reports with you because of the restrictions imposed by the tipping off provisions of the anti-money laundering legislation.

Providing services to other clients

17. We will not be prevented or restricted by virtue of our relationship with you, including anything in the Contract, from providing services to other clients. Our standard internal procedures are designed to ensure that confidential information communicated to us during the course of the Contract will be maintained confidentially and that the advice and opinions which you receive from us are wholly independent. Just as we will not use information confidential to you for the advantage of a third party, we will not use confidential information obtained from any other party for your advantage.

Non-solicitation of employees

18. During the period of the Contract or within six months of its termination or completion, neither you nor the Firm will employ any person who is or was involved in providing or receiving the International Services or is or was otherwise connected with the Contract (a "Contract Team Member") following solicitation for employment which was intentionally or knowingly initiated by another Contract Team Member.

Our partners and staff

19. Independence rules impose restrictions on our audit team members subsequently being employed by an audit client. You should be aware that if, within a period of two years from the date of our audit report, you or any of the entities whose audits form the subject of this letter employ any PwC audit team member in a position which could influence the Group and the Issuer's accounting policies or the content of its financial statements and information, then this may represent a threat to our independence so significant that we may be required to resign our audit appointment.

Electronic communications

20. During the engagement we may wish to communicate electronically with each other. However, the electronic transmission of information cannot be guaranteed to be secure or virus or error free and consequently such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. We recognise that systems and procedures cannot be a guarantee that transmissions will be unaffected by such hazards, but we each agree to use commercially reasonable procedures to check for the then most commonly known viruses before sending information electronically.

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21. We confirm that we each accept these risks and authorise electronic communications between us. We will each be responsible for protecting our own systems and interests in relation to electronic communications and neither the Group, the Issuer, the Representatives nor the Firm (in each case including our respective partners, employees, sub-contractors or agents) will have any liability to each other on any basis, whether in contract, tort (including negligence) or otherwise, in respect of any error, damage, loss or omission arising from or in connection with the interception, corruption, loss, destruction, late or incomplete arrival of information communicated electronically or from information communicated electronically being otherwise adversely affected or unsafe to use.

Contracts (Rights of Third Parties) Act 1999

22. Notwithstanding any rights conferred on third parties by the Contract under the Contracts (Rights of Third Parties) Act 1999, the Group and the Issuer and the Firm retain the right by agreement to rescind or vary the terms of the Contract without the consent of any such third party.

Validity of contract provisions

23. If any term or terms of the Contract shall be held to be invalid, illegal or unenforceable, such term or terms shall be deemed not to form part of the Contract without prejudice to the enforceability of the remaining terms of the Contract, provided always that if any such deletion substantially affects or alters the commercial basis of the Contract, the parties to the Contract will negotiate in good faith to amend and modify them as may be necessary or desirable in the circumstances.

Entire contract

24. The Contract is the entire contract for the provision of the US Services to the exclusion of any other express or implied terms, whether expressed orally or in writing, including any conditions, warranties and representations and shall supersede all previous contracts, letters of engagement, undertakings, agreements and correspondence regarding the US Services.

EXHIBIT 23
[Filed Under Seal]

From:	drew.haigh@uk.pwc.com [drew.haigh@uk.pwc.com]
Sent:	Tuesday, April 08, 2008 7:20:17 PM
To:	Harding, Keith: Barclays Treasury (LDN)
CC:	chris.h.taylor@uk.pwc.com; sophie.shi@uk.pwc.com; victoria.hardy@barclays.com; todd.foreman@barclays.com; sarah.whittington@linklaters.com; david.ludwick@linklaters.com
Subject:	RE: PwC Executed US Eng Letter
Attachments:	graycol.gif; pic27530.gif; ecblank.gif; Project Rimu Executed US Comfort Letter Final.pdf; Appendix B - 20-F.pdf; Appendix A - Prospectus.pdf

Keith,

Now we have received the signed US engagement letter and the signed management representation letter we are now able to release the Executed US comfort letter...

(See attached file: Project Rimu Executed US Comfort Letter Final.pdf)

Appendices

(See attached file: Appendix B - 20-F.pdf)(See attached file: Appendix A - Prospectus.pdf)

Drew

<Keith.Harding@barclaystreasury.com>

<Keith.Harding@barclaystreasury.com>
08/04/2008 20:04

Action (To)Drew Haigh/UK/ABAS/PwC@EMEA-UK
Information (cc)Chris H Taylor/UK/ABAS/PwC@EMEA-UK, Sophie Shi/UK/ABAS/PwC@EMEA-UK, <victoria.hardy@barclays.com>, <todd.foreman@barclays.com>
SubjectRE: PwC Executed US Eng Letter

1 File Attached - [257,474] - PLEASE SCAN FOR VIRUSES BEFORE USE

Drew,

Please find attached the signed US engagement letter.

Kind regards

Keith

From: drew.haigh@uk.pwc.com [mailto:drew.haigh@uk.pwc.com]
Sent: 08 April 2008 19:23
To: Harding, Keith: Barclays Treasury (LDN); victoria.hardy@barclays.com; todd.foreman@barclays.com
Cc: chris.h.taylor@uk.pwc.com; sophie.shi@uk.pwc.com
Subject: PwC Executed US Eng Letter

Keith,

EXHIBIT RMC
370
10/28/15

Please find the executed US engagement letter... please sign, scan and return

(See attached file: Project Rimu - US Eng Letter - Executed FinalFinal.pdf)

Drew

------------------- End of message text -------------------

Insight is always preferable to hindsight. To find out more visit http://www.pwc.co.uk/monitor

Visit our website http://www.pwc.com/uk

--[attachment "Project Rimu - Signed US Eng Letter.pdf" deleted by Drew Haigh/UK/ABAS/PwC]

------------------- End of message text -------------------

Insight is always preferable to hindsight. To find out more visit http://www.pwc.co.uk/monitor

CAPITALIZATION AND INDEBTEDNESS

The following table sets out the authorised and issued share capital of Barclays Bank PLC and the Barclays Bank PLC Group's total shareholders' equity, indebtedness and contingent liabilities as of December 31, 2007, and as adjusted to reflect the issuance of the preference shares (without giving effect to any exercise of the over-allotment option). The figures set out in the following table were extracted from our audited financial statements for the year ended December 31, 2007, which were prepared in accordance with International Financial Reporting Standards. The adjustments to reflect the issuance of the preference shares have been converted to pounds sterling at an exchange rate of £1=$.

	As of December 31, 2007	Adjusted for the issuance of the preference shares
E	'000	'000
Share capital of Barclays Bank PLC		
Authorized ordinary share capital — shares of £1 each	3,000,000	3,000,000
Authorized preference share capital — shares of £100 each	400	400
Authorized preference share capital — shares of £1 each	1	1
Authorized preference share capital — shares of U.S.$100 each	400	400
Authorized preference share capital — shares of U.S.$0.25 each	150,000	150,000
Authorized preference share capital — shares of €100 each	400	400
Ordinary shares — issued and fully paid shares of £1 each	2,337,161	2,337,161
Preference shares — issued and fully paid shares of £100 each	75	75
Preference shares — issued and fully paid shares of £1 each	1	1
Preference shares — issued and fully paid shares of U.S$100 each	100	100
Preference shares — issued and fully paid shares of U.S.$0.25 each	131,000	
Preference shares — issued and fully paid shares of €100 each	240	240
A	£ million	£ million
Group shareholders' equity		
Called up share capital	2,382	
Share premium account	10,751	
Other reserves	(170)	(170)
Other shareholders' funds	2,687	2,687
Retained earnings	14,222	14,222
Shareholders' equity excluding minority interests	29,872	
Minority interests	1,949	1,949
Total shareholders' equity	31,821	
Group indebtedness[1]		
Subordinated liabilities[2]	18,150	18,150
Debt securities in issue[3]	120,228	120,228
Total indebtedness B	138,378	138,378
Total capitalization and indebtedness	170,199	
Group contingent liabilities		
Acceptances and endorsements	365	365
Guarantees and assets pledged as collateral security	35,692	35,692
Other contingent liabilities A	9,717	9,717
Total contingent liabilities	45,774	45,774

Notes:

[(1) "Group indebtedness" includes interest accrued as at [June 30], 2007, in accordance with International Financial Reporting Standards.]

(2) On January 23, 2008, Barclays Bank PLC issued €1,750,000,000 6.00% Fixed Rate Subordinated Notes due 2018. On January 25, 2008, Barclays Bank PLC issued €100,000,000 CMS-Linked Subordinated Notes due 2018. On February 29, 2008, Barclays Bank PLC issued £1,000,000,000 8.25% Undated Subordinated Notes. On March 12, 2008, Barclays Bank PLC redeemed €255,645,941 (formerly DEM 500,000,000) 5.50% Subordinated Notes due 2013. On March 20, 2008, Barclays Bank PLC issued €135,000,000 CMS-Linked Subordinated Notes due 2018.

(3) In addition, there were £52,320 million of debt securities in issue accounted on a fair value basis as at December 31, 2007.

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Hays Galleria
1 Hays Lane,
London SE1 2RD
Telephone +44 (0) 20 7583 5000
Facsimile +44 (0) 20 7804 1001
www.pwc.com/uk

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

PRICEWATERHOUSECOOPERS

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 end 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

PRICEWATERHOUSECOOPERS

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

PricewaterhouseCoopers LLP

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☑ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934, FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _________ to _________.

Commission file numbers:	Barclays PLC	1-09246
	Barclays Bank PLC	1-10257

BARCLAYS PLC
BARCLAYS BANK PLC

(Exact names of registrants as specified in their charters)

ENGLAND
(Jurisdictions of incorporation)

1 CHURCHILL PLACE, LONDON, E14 5HP, ENGLAND
(Address of principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

	Title of each class	Name of each exchange on which registered
Barclays PLC	25p ordinary shares	New York Stock Exchange*
	American Depositary Shares, each representing four 25p ordinary shares	New York Stock Exchange
Barclays Bank PLC	7.4% Subordinated Notes 2009	New York Stock Exchange
	Callable Floating Rate Notes 2035	New York Stock Exchange
	Non-Cumulative Callable Dollar Preference Shares, Series 2	New York Stock Exchange*
	American Depositary Shares, Series 2, each representing one Non-Cumulative Callable Dollar Preference Share, Series 2	New York Stock Exchange
	Non-Cumulative Callable Dollar Preference Shares, Series 3	New York Stock Exchange*
	American Depositary Shares, Series 2, each representing one Non-Cumulative Callable Dollar Preference Share, Series 3	New York Stock Exchange

Non-Cumulative Callable Dollar Preference Shares, Series 4	New York Stock Exchange*
American Depositary Shares, Series 2, each representing one Non-Cumulative Callable Dollar Preference Share, Series 4	New York Stock Exchange
iPath℠ CBOE S&P 500 BuyWrite Index℠	American Stock Exchange
iPath® Dow Jones – AIG Grains Total Return Sub-Index℠ ETN	NYSE Arca
iPath® Dow Jones – AIG Livestock Total Return Sub-Index℠ ETN	NYSE Arca
iPath® Dow Jones – AIG Nickel Total Return Sub-Index℠ ETN	NYSE Arca
iPath® Dow Jones – AIG Copper Total Return Sub-Index℠ ETN	NYSE Arca
iPath® Dow Jones – AIG Energy Total Return Sub-Index℠ ETN	NYSE Arca
iPath® Dow Jones – AIG Agriculture Total Return Sub-Index℠ ETN	NYSE Arca.
iPath® Dow Jones – AIG Natural Gas Total Return Sub-Index℠ ETN	NYSE Arca
iPath® Dow Jones – AIG Industrial Metals Total Return Sub-Index℠ ETN	NYSE Arca
iPath® GBP/USD Exchange Rate ETN	NYSE Arca
iPath® Dow Jones – AIG Commodity Index Total Return℠ ETN	NYSE Arca
iPath® EUR/USD Exchange Rate ETN	NYSE Arca
iPath® S&P GSCI™ Total Return Index ETN	NYSE Arca
iPath® MSCI India Index℠ ETN	NYSE Arca
iPath® S&P GSCI™ Crude Oil Total Return Index ETN	NYSE Arca
iPath® JPY/USD Exchange Rate ETN	NYSE Arca

* Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

Securities registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuers' classes of capital or common stock as of the close of the period covered by the annual report.

Barclays PLC	25p ordinary shares	6,534,698,021
	£1 staff shares	875,000
Barclays Bank PLC	£1 ordinary shares	2,337,161,000
	£1 preference shares	1,000
	£100 preference shares	75,000
	€100 preference shares	240,000
	$0.25 preference shares	131,000,000
	$100 preference shares	100,000

Indicate by check mark if each registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☑ No ☐

If this report is an annual or transition report, indicate by check mark if each registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☑

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports) and (2) have been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether each registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Barclays PLC:

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐

Barclays Bank PLC:

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☑

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☑ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 ☐ Item 18 ☐

If this is an annual report, indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrants have fifed all documents and reports required to be filed by Section 12,13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes ☐ No ☐

Financial review

Group Performance

Barclays delivered profit before tax of £7,076m. Earnings per share were 68.9p and we increased the full year dividend payout to 34p, a rise of 10%.

Income grew 7% to £23,000m. Growth was well spread by business, with strong contributions from International Retail and Commercial Banking, Barclays Global Investors and Barclays Wealth. Net income, after impairment charges, grew 4% and included net losses of £1,635m relating to credit market turbulence, net of £658m of gains arising from the fair valuation of notes issued by Barclays Capital and settlements on overdraft fees in relation to prior years of £116m in UK Retail Banking.

Impairment charges and other credit provisions rose 30% to £2,795m. Impairment charges relating to US sub-prime mortgages and other credit market exposures were £782m. Excluding these sub-prime related charges, impairment charges improved 7% to £2,013m. In UK Retail Banking and Barclaycard, impairment charges improved significantly, as a consequence of reductions in flows into delinquency and arrears balances in UK cards and unsecured loans. UK mortgage impairment charges remained negligible, with low levels of defaults, and the wholesale and corporate sector remained stable. The significant increase in impairment charges in International Retail and Commercial Banking was driven by very strong book growth.

Operating expenses increased 6% to £13,199m. We invested in growing the branch network and distribution channels in International Retail and Commercial Banking and in infrastructure development in Barclays Global Investors. Costs were lower in UK Banking and broadly flat in Barclays Capital. Gains from property disposals were £267m (2006: £432m). The Group cost:income ratio improved two percentage points to 57%.

Business Performance – Global Retail and Commercial Banking

In UK Banking we improved the cost:income ratio a further two percentage points to 46% excluding settlements on overdraft fees in relation to prior years of £116m. On this basis we have delivered a cumulative eight percentage point improvement in the past three years, well ahead of our target of six percentage points.

UK Retail Banking profit before tax grew 9% to £1,282m. Income grew 2% excluding settlements on overdraft fees in relation to prior years of £116m, reflecting a very strong performance in Personal Customer Retail Savings and good performances in Current Accounts, Local Business and Home Finance, partially offset by lower income from loan protection insurance. Enhancements in product offering and continued improvements in processing capacity enabled a strong performance in mortgage origination, with a share of net new lending of 8%. Operating expenses were well controlled and improved 3%. Impairment charges improved 12% reflecting lower charges in unsecured consumer lending and Local Business. This was driven by improvements in the collection process which led to reduced flows into delinquency, lower levels of arrears and stable charge-offs. Mortgage impairment charges remained negligible.

Barclays Commercial Bank delivered profit before tax of £1,371m. Profit before business disposals improved 5%. Income improved 7% driven by very strong growth in fees and commissions and steady growth in net interest income. Non-interest income increased to 32% of total income reflecting continuing focus on cross sales and efficient balance sheet utilisation. Operating expenses rose 6%, reflecting increased investment in product development and support, sales force capability and operational efficiency. Impairment charges increased £38m as a result of asset growth and higher charges in Larger Business.

Barclaycard profit before tax increased to £540m, 8% ahead of the prior year. Steady income relative to 2006 reflected strong growth in Barclaycard International offset by a reduction in UK card extended credit balances as we re-positioned the UK business and reduced lower credit quality exposures including the sale of the Monument card portfolio. As a result, impairment charges improved 21%, reflecting more selective customer recruitment, client management and improved collections. Operating expenses increased 12% driven by continued investment in Barclaycard International and the non-recurrence of a property gain included in the 2006 results. Barclaycard US continued to make good progress, and for the first time made a profit for the year.

International Retail and Commercial Banking profits declined 23% to £935m. Results in 2006 included a £247m profit on disposals and £47m post tax profit share from FirstCaribbean International Bank. 2007 results reflected a 12% decline in the average value of the Rand.

International Retail and Commercial Banking – excluding Absa delivered a profit before tax of £276m. Income rose 28% as we significantly increased the pace of organic growth across the business, with especially strong growth in Emerging Markets and Spain. Operating expenses grew 32% as we expanded the distribution footprint, opening 324 new branches and 157 new sales centres and also invested in rolling out a common technology platform and processes across the business. Impairment increased to £79m including very strong balance sheet growth and lower releases.

International Retail and Commercial Banking – Absa Sterling profit fell £9m to £659m after absorbing the 12% decline in the average value of the Rand. Retail loans and advances grew 22% and retail deposits grew 20%.

Business Performance – Investment Banking and Investment Management

Barclays Capital delivered a 6% increase in profit before tax to £2,335m. Net income was ahead of last year, reflecting very strong performances in most asset classes including interest rates, currencies, equity products and commodities. Results also included net losses arising from credit market turbulence of £1,635m net of gains from the fair valuation of issued notes of £658m. All geographies outside the US enjoyed significant growth in income and profits. Strong cost control led to operating expenses declining slightly year on year.

Barclays Global Investors (BGI) profit before tax increased 3% to £734m. Income grew 16% driven by very strong growth in management fees and in securities lending revenues. Profit and income growth were both affected by the 8% depreciation in the average value of the US Dollar. BGI costs increased 25% as we continued to build our infrastructure across multiple products and platforms to support future growth.

The cost:income ratio rose to 62%. Assets under management grew US$265bn to US$2.1 trillion, including net new assets of US$86bn.

Barclays Wealth profit before tax rose 25% to £307m. Income growth of 11% was driven by increased client funds and greater transaction volumes. Costs were well controlled as business volumes rose and the cost:income ratio improved three percentage points to 76%. We continued to invest in client facing staff and infrastructure. Redress costs declined. Total client assets increased 14% to £133bn.

Head office functions and other operations

Head Office functions and other operations loss before tax increased 85% to £428m reflecting higher inter-segment adjustments and lower gains from hedging activities.

Capital management

At 31st December 2007, our Basel I Tier 1 Capital ratio was 7.8% (2006: 7.7%). We started managing capital ratios under Basel II from 1st January 2008. Our Basel II Tier 1 Capital ratio was 7.6%. Our Equity Tier 1 ratio was 5.0% under Basel I (2006: 5.3%) and 5.1% under Basel II.

We have increased the proposed dividend payable to shareholders in respect of 2007 by 10%. We maintain our progressive approach to dividends, expecting dividend growth broadly to match earnings growth over time.

Financial data

Consolidated income statement summary
For the year ended 31st December

	2007 £m	2006 £m	2005 £m	2004 £m [a]
Net interest income	9,610	9,143	8,075	6,833
Net fee and commission income	7,708	7,177	5,705	4,847
Principal transactions	4,975	4,576	3,179	2,514
Net premiums from insurance contracts	1,011	1,060	872	1,042
Other income	188	214	147	13:
Total income	23,492	22,170	17,978	15,367
Net claims and benefits incurred on insurance contracts	(492)	(575)	(645)	(1,259)
Total income net of insurance claims	23,000	21,595	17,333	14,108
Impairment charges and other credit provisions	(2,795)	(2,154)	(1,571)	(1,093)
Net income	20,205	19,441	15,762	13,015
Operating expenses	(13,199)	(12,674)	(10,527)	(8,536)
Share of post-tax results of associates and joint ventures	42	46	45	56
Profit before business disposals	7,048	6,813	5,280	4,535
Profit on disposal of subsidiaries, associates and joint ventures	28	323	–	45
Profit before tax	7,076	7,136	5,280	4,580
Tax	(1,981)	(1,941)	(1,439)	(1,279)
Profit after tax	5,095	5,195	3,841	3,301
Profit attributable to minority interests	678	624	394	47
Profit attributable to equity holders of the parent	4,417	4,571	3,447	3,254
	5,095	5,195	3,841	3,301

Selected financial statistics	2007	2006	2005	2004
Basic earnings per share	68.9p	71.9p	54.4p	51.0p
Diluted earnings per share	66.7p	69.8p	52.6p	49.8p
Dividends per ordinary share	34.0p	31.0p	26.6p	24.0p
Dividend payout ratio	49.3%	43.1%	48.9%	47.1%
Profit attributable to the equity holders of the parent as a percentage of:				
average shareholders' equity	20.3%	24.7%	21.1%	21.7%
average total assets	0.3%	0.4%	0.4%	0.5%

Selected statistical measures	2007	2006	2005	2004
Cost:income ratio[b]	57%	59%	61%	61%
Average United States Dollar exchange rate used in preparing the accounts	2.00	1.84	1.82	1.83
Average Euro exchange rate used in preparing the accounts	1.46	1.47	1.46	1.47
Average Rand exchange rate used in preparing the accounts	14.11	12.47	11.57	11.83

The financial information above is extracted from the published accounts for the last three years. This information should be read together with, and is qualified by reference to, the accounts and notes included in this report.

Note
a Does not reflect the application of IAS 32, IAS 39 and IFRS 4 which became effective from 1st January 2005.
b Defined on page 2.

Financial data

Consolidated balance sheet summary
As at 31st December

	2007 £m	2006 £m	2005 £m	2004 £m [a]
Assets				
Cash and other short-term funds	7,637	9,753	5,807	3,525
Treasury bills and other eligible bills	n/a	n/a	n/a	6,658
Trading portfolio and financial assets designated at fair value	341,171	292,464	251,820	n/a
Derivative financial instruments	248,088	138,353	136,823	n/a
Debt securities and equity shares	n/a	n/a	n/a	141,710
Loans and advances to banks	40,120	30,926	31,105	80,632
Loans and advances to customers	345,398	282,300	268,896	262,409
Available for sale financial investments	43,072	51,703	53,497	n/a
Reverse repurchase agreements and cash collateral on securities borrowed	183,075	174,090	160,398	n/a
Other assets	18,800	17,198	16,011	43,247
Total assets	1,227,361	996,787	924,357	538,181
Liabilities				
Deposits and items in the course of collection due to banks	92,338	81,783	77,468	112,229
Customer accounts	294,987	256,754	238,684	217,492
Trading portfolio and financial liabilities designated at fair value	139,891	125,861	104,949	n/a
Liabilities to customers under investment contracts	92,639	84,637	85,201	n/a
Derivative financial instruments	248,288	140,697	137,971	n/a
Debt securities in issue	120,228	111,137	103,328	83,842
Repurchase agreements and cash collateral on securities lent	169,429	136,956	121,178	n/a
Insurance contract liabilities, including unit-linked liabilities	3,903	3,878	3,767	8,377
Subordinated liabilities	18,150	13,786	12,463	12,277
Other liabilities	16,032	13,908	14,918	87,200
Total liabilities	1,194,885	969,397	899,927	521,417
Shareholders' equity				
Shareholders' equity excluding minority interests	23,291	19,799	17,426	15,870
Minority interests	9,185	7,591	7,004	894
Total shareholders' equity	32,476	27,390	24,430	16,764
Total liabilities and shareholders' equity	1,227,361	996,787	924,357	538,181
Risk weighted assets and capital ratios [b]				
Risk weighted assets	353,476	297,833	269,148	
Tier 1 ratio	7.8%	7.7%	7.0%	
Risk asset ratio	12.1%	11.7%	11.3%	
Selected financial statistics				
Net asset value per ordinary share	353p	303p	269p	245p
Year-end United States Dollar exchange rate used in preparing the accounts	2.00	1.96	1.72	1.92
Year-end Euro exchange rate used in preparing the accounts	1.36	1.49	1.46	1.41
Year-end Rand exchange rate used in preparing the accounts	13.64	13.71	10.87	10.86

The financial information above is extracted from the published accounts for the last three years. This information should be read together with, and is qualified by reference to, the accounts and Notes included in this report.

Notes

a Does not reflect the application of IAS 32, IAS 39 and IFRS 4 which became effective from 1st January 2005.

b Risk weighted assets and capital ratios are calculated on a Basel I basis. Capital ratios for 2004 based on IFRS are not available. As at 1st January 2005 the tier 1 ratio was 7.1% and the risk asset ratio was 1.8% reflecting the impact of IFRS including the adoption of IAS 32, IAS 39 and IFRS 4.

E E

Analysis of results by business

Analysis of results by business
For the year ended 31st December 2007

	UK Banking £m	Barclaycard £m	International Retail and Commercial Banking £m	Barclays Capital £m	Barclays Global Investors £m	Barclays Wealth £m	Head office functions and other operations £m	Group £m
Net interest income	4,596	1,394	1,890	1,179	(8)	431	128	9,610
Net fee and commission income	1,932	1,080	1,210	1,235	1,936	739	(424)	7,708
Principal transactions[a]	56	11	240	4,692	(4)	55	(63)	4,975
Net premiums from insurance contracts	252	40	372	–	–	195	152	1,011
Other income	58	(26)	87	13	2	19	35	188
Total income	6,894	2,499	3,807	7,119	1,926	1,439	(192)	23,492
Net claims and benefits incurred on insurance contracts	(43)	(13)	(284)	–	–	(152)	–	(492)
Total income, net of insurance claims	6,851	2,486	3,523	7,119	1,926	1,287	(192)	23,000
Impairment charges	(849)	(838)	(252)	(846)	–	(7)	(3)	(2,795)
Net income	6,002	1,648	3,271	6,273	1,926	1,280	(195)	20,205
Operating expenses	(3,370)	(1,101)	(2,356)	(3,973)	(1,192)	(973)	(234)	(13,199)
Share of post-tax results of associates and joint ventures	7	(7)	7	35	–	–	–	42
Profit before business disposals	2,639	540	922	2,335	734	307	(429)	7,048
Profit on disposal of subsidiaries, associates and joint ventures	14	–	13	–	–	–	1	28
Profit before tax	2,653	540	935	2,335	734	307	(428)	7,076
As at 31st December 2007								
Total assets	161,777	22,164	89,457	839,662	89,224	18,024	7,053	1,227,361
Total liabilities	166,988	1,550	48,809	811,516	87,101	43,988	34,924	1,194,885

C

B

B

A

A

Note
a Principal transactions comprise net trading income and net investment income.

CONFIDENTIAL BARC-ADS-00804141

Financial review
Analysis of results by business

Global Retail and Commercial Banking
UK Banking

Who we are

UK Banking comprises UK Retail Banking and Barclays Commercial Bank (formerly UK Business Banking).

What we do

UK Banking delivers banking solutions to Barclays retail and business banking customers in the United Kingdom. We offer a range of integrated products and services and access to the expertise of other Group businesses. Customers are served through a variety of channels comprising the branch network, automated teller machines, telephone banking, online banking and relationship managers.

Highlights

A

£6,851m £2,653m

Performance

2007/06

B A

A UK Banking profit before tax increased 4% (£107m) to £2,653m (2006: £2,546m) driven principally by solid income growth. Results included gains from the sale and leaseback of properties and property sales of £232m C (2006: £313m) C

B B

The cost:income ratio improved one percentage point to 49%. Excluding the impact of settlements on overdraft fees in relation to prior years C (£116m) the cost:income ratio improved two percentage points to 48% D making eight percentage points of improvement from 2004 to 2007 compared to the target of six percentage points.

D B

2006/05

B A

A UK Banking profit before tax increased 14% (£310m) to £2,546m (2005: £2,236m) driven principally by good income growth. Profit before business disposals grew 10% (£234m) to £2,470m (2005: £2,236m).

B A

		2007 £m	2006 £m	2005 £m
Income statement information				
Net interest income		4,596	4,467	4,213
Net fee and commission income		1,932	1,874	1,728
Net trading income		9	2	–
Net investment income		47	28	26
Principal transactions		56	30	26
Net premiums from insurance contracts	C	252	342	298
Other income		58	63	32
Total income		6,894	6,776	6,297
Net claims and benefits incurred on insurance contracts		(43)	(35)	(61)
Total income, net of insurance claims	A	6,851	6,741	6,236
Impairment charges		(849)	(887)	(671)
Net income	B	5,002	5,854	5,565
Operating expenses excluding amortisation of intangible assets	E	(3,358)	(3,387)	(3,323)
Amortisation of intangible assets		(12)	(2)	(3)
Operating expenses		(3,370)	(3,389)	(3,326)
Share of post-tax results of associates and joint ventures		7	5	(3)
Profit on disposal of subsidiaries, associates and joint ventures	A	14	76	–
Profit before tax		2,653	2,646	2,236
Balance sheet information				
Loans and advances to customers	C	£145.3bn	£131.0bn	£125.5bn
Customer accounts		£147.9bn	£139.7bn	£127.2bn
Total assets	A	£161.8bn	£147.6bn	£138.0bn
Selected statistical measures				
Cost:income ratio[a]	B	49%	50%	55%
Risk Tendency[a]		£ 775m	£ 790m	£ 665m
Risk weighted assets	E	£ 99.8bn	£ 83.0bn	£ 87.9bn

a Defined on page 2.

Financial review
Analysis of results by business

Global Retail and Commercial Banking
UK Retail Banking

Who we are

UK Retail Banking comprises Personal Customers, Home Finance, Local Business, Consumer Lending and Barclays Financial Planning. We have one of the largest branch networks in the UK with around 1,700 branches and an extensive network of cash machines.

What we do

Our cluster of businesses aims to build broader and deeper relationships with customers. Personal Customers and Home Finance provide a wide range of products and services to retail customers, including current accounts, savings and investment products, mortgages branded Woolwich and general insurance. Barclays Financial Planning provides banking, investment products and advice to affluent customers.

Local Business provides banking services to small businesses. UK Retail Banking is also a gateway to more specialised services from other parts of Barclays such as Barclays Stockbrokers.

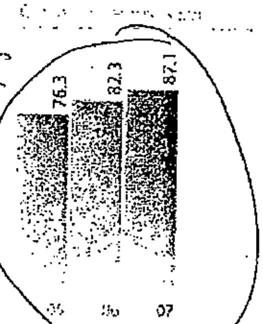
Our business serves 15 million UK customers.

Highlights

£4,297m
Income

£1,282m
Profit before tax

Performance indicators



Performance
2007/06

UK Retail Banking profit excluding tax increased 9% (£101m) to £1,282m (2006: £1,181m) due to reduced costs and a strong improvement in impairment.

Including the impact of settlements on overdraft fees from prior years (£116m) income decreased 1% (£49m) to £4,297m (2006: £4,346m). Income grew 2% (£67m) excluding the impact of settlements on overdraft fees in relation to prior years (£116m). This was driven by very strong growth in Personal Customer retail savings and good growth in Personal Customer current accounts, Home Finance and Local Business.

Net interest income increased 3% (£93m) to £2,858m (2006: £2,765m). Growth was driven by a higher contribution from deposits, through a combination of good balance sheet growth and an increased liability margin. Total average customer deposit balances increased 7% to £81.9bn (2006: £76.5bn), supported by the launch of new products.

Mortgage volumes increased significantly, driven by an improved mix of longer term value products for customers, higher levels of retention and continuing improvements in processing capability. Mortgage balances were £69.8bn at the end of the period (2006: £61.7bn), an approximate market share of 6% (2006: 6%). Gross advances were 25% higher at £23.0bn (2006: £18.4bn). Net lending was £8.0bn (2006: £2.4bn), representing market share of 8% (2006: 2%). The average loan to value ratio of the residential mortgage book on a current valuation basis was 33%. The average loan to value ratio of new residential mortgage lending in 2007 was 54%. Consumer Lending balances decreased 4% to £7.9bn (2006: £8.2bn), reflecting the impact of tighter lending criteria.

Overall asset margins decreased as a result of the increased proportion of mortgages and contraction in unsecured loans.

Net fee and commission income reduced 4% (£49m) to £1,183m (2006: £1,232m). There was strong Current Account income growth in Personal Customers and good growth within Local Business. This was more than offset by settlements on overdraft fees.

Net premiums from insurance underwriting activities reduced 26% (£90m) to £252m (2006: £342m), as there continued to be lower customer take-up of loan protection insurance. Net claims and benefits on insurance contracts increased to £43m (2006: £35m).

Impairment charges decreased 12% (£76m) to £559m (2006: £635m) reflecting lower charges in unsecured Consumer Lending and Local Business. This was driven by improvements in the collection process which led to reduced flows into delinquency, lower levels of arrears and stable charge-offs. Mortgage impairment charges remained negligible.

Operating expenses reduced 3% (£69m) to £2,463m (2006: £2,532m), reflecting strong and active management of all expense lines, targeted processing improvements and back office consolidation. Gains from the sale of property were £193m (2006: £253m). Increased investment was focused on improving the overall customer experience through converting and improving the branch network; revitalising the product offering; increasing operational and process efficiency; and meeting regulatory requirements.

The cost:income ratio improved one percentage point to 57%. Excluding the impact of settlements on overdraft fees from prior years (£116m), the cost:income ratio improved two percentage points to 56%.

	2007 £m	2006 £m	2005 £m
Income statement information			
Net interest income	2,958	2,765	2,677
Net fee and commission income	1,183	1,232	1,065
Net premiums from insurance contracts	252	342	372
Other income	47	42	24
Total income	4,340	4,381	4,138
Net claims and benefits on insurance contracts	(43)	(35)	(61)
Total income net of insurance claims	4,297	4,346	4,077
Impairment charges	(559)	(635)	(494)
Net income	3,738	3,711	3,583
Operating expenses excluding amortisation of intangible assets	(2,455)	(2,531)	(2,501)
Amortisation of intangible assets	(8)	(1)	–
Operating expenses	(2,463)	(2,532)	(2,501)
Share of post-tax results of associates and joint ventures	7	2	(6)
Profit before tax	1,282	1,181	1,076
Balance sheet information			
Loans and advances to customers	£82.0bn	£74.7bn	£72.1bn
Customer accounts	£87.1bn	£82.3bn	£76.3bn
Total assets	£87.8bn	£81.7bn	£78.1bn
Selected statistical measures			
Cost:income ratio[a]	57%	58%	61%
Risk Tendency[a]	£ 470m	£ 500m	£ 415m
Risk weighted assets	£46.0bn	£43.0bn	£40.8bn

a Defined on page 2.

2006/05

UK Retail Banking profit before tax increased 10% (£105m) to £1,181m (2005: £1,076m), driven by good income growth and well controlled costs. There has been substantial additional investment to transform the business.

Income increased 7% (£269m) to £4,346m (2005: £4,077m). Income growth was broadly based. There was strong income growth in Personal Customers retail savings, Local Business and UK Premier and good growth in Personal Customers current account income. Sales volumes increased, with a particularly strong performance from direct channels.

Net interest income increased 3% (£88m) to £2,765m (2005: £2,677m). Growth was driven by a higher contribution from deposits, through a combination of good balance sheet growth and a stable liability margin. Total average customer deposit balances increased 8% to £76.5bn (2005: £71.0bn), supported by new products. Growth of personal savings was above that of the market.

Mortgage volumes improved significantly, driven by a focus on improving capacity, customer service, value and promotion. UK residential mortgage balances ended the year at £61.7bn (2005: £59.6bn). Gross advances were 60% higher at £18.4bn (2005: £11.5bn), with a market share of 5% (2005: 4%). Net lending was £2.4bn with performance improving during the year, leading to a market share of 4% in the second half of the year. The mortgage margin was reduced by changed assumptions used in the calculation of effective interest rates, a higher proportion of new mortgages and base rate changes. The new business spread was in line with the industry. The loan to value ratio within the residential mortgage book on a current valuation basis was 34% (2005: 35%).

There was good balance growth in non-mortgage loans, where Local Business average balances increased 9% and UK Premier average balances increased 25%.

Net fee and commission income increased 16% (£167m) to £1,232m (2005: £1,065m). There was strong current account income growth in Personal Customers and Local Business. UK Premier delivered strong growth reflecting higher income from banking services, mortgage sales and investment advice.

Net premiums from insurance underwriting activities decreased 8% (£30m) to £342m (2005: £372m). There continued to be lower customer take-up of loan protection insurance. Net claims and benefits on insurance contracts improved to £35m (2005: £61m).

Impairment charges increased 29% (£141m) to £635m (2005: £494m). The increase principally reflected balance growth and some deterioration in delinquency rates in the Local Business loan book. Losses from the mortgage portfolio remained negligible, with arrears at low levels.

Operating expenses were steady at £2,532m (2005: £2,501m). Gains from the sale and leaseback of property amounted to £253m (2005: nil). Investment in the business to improve customer service and deliver sustainable performance improvements was directed at upgrading distribution capabilities, including restructuring and improving the branch network. Further investment was focused on upgrading the contact centres, transforming the performance of the mortgage business, revitalising the retail product range to meet customers' needs, improving core operations and processes and rationalising the number of operating sites. The level of investment reflected in operating expenses in 2006 was approximately double the level of 2005.

The cost:income ratio improved three percentage points to 58% (2005: 61%).

Financial review
Analysis of results by business

Global Retail and Commercial Banking
Barclays Commercial Bank

Who we are

Barclays Commercial Bank comprises 8,400 colleagues who serve 81,000 customers.

Earlier this year, we launched our new brand – Barclays Commercial Bank – to replace UK Business Banking. This new identity is much more than just a name change. Instead, it more accurately reflects our current capabilities and future aspirations, and it is scalable across markets. To complement the new identity, we also launched a clear customer proposition. It comprises three elements:

- relationship
- specialisation
- innovation

These encapsulate our capability to deliver distinctive service and solutions that meet our customers' needs.

What we do

Barclays Commercial Bank provides banking services to organisations with an annual turnover of more than £1m. Customers are served via a network of relationship and industry sector specialists, which provides solutions constructed from a comprehensive suite of banking products, support, expertise and services, including specialist asset financing and leasing facilities.

We are a key component of the Barclays universal banking model, delivering income in partnership with all the constituent business units of the Barclays Group.

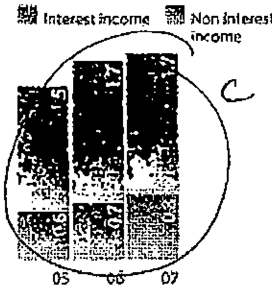
Highlights

£2,554m
Income

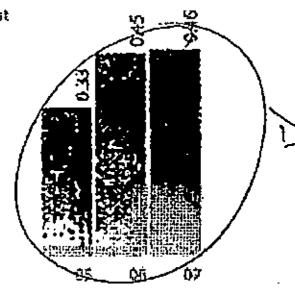
£1,371m
Profit before tax

Performance indicators

Interest income: non interest income £bn



Impairment as % of loans and advances to customers



Performance

2007/06

Barclays Commercial Bank profit before tax increased £6m to £1,371m (2006: £1,365m) due to continued good income growth partially offset by lower gains from business disposals. Profit excluding profit on business disposals of £14m (2006: £76m) increased 5% to £1,357m (2006: £1,289m).

Income increased 7% (£159m) to £2,554m (2006: £2,395m). Non-interest income increased to 32% of total income (2006: 29%), reflecting continuing focus on cross sales and efficient balance sheet utilisation. There was very strong growth in net fee and commission income, which increased 17% (£107m) to £749m (2006: £642m) due to very strong performance in lending fees. There was also good growth in transaction related income, foreign exchange and derivatives transactions undertaken on behalf of clients.

Net interest income improved 2% (£36m) to £1,738m (2006: £1,702m). Average customer lendings increased 3% to £53.6bn (2006: £52.0bn). Average customer accounts grew 4% to £46.4bn (2006: £44.6bn).

Income from principal transactions primarily reflecting venture capital and other equity realisations increased 87% (£26m) to £56m (2006: £30m).

Impairment charges increased 15% (£38m) to £290m (2006: £252m), mainly due to a higher level of impairment losses in Larger Business as impairment trended towards risk tendency. There was a reduction in impairment levels in Medium Business due to a tightening of the lending criteria.

Operating expenses increased 6% (£50m) to £907m (2006: £857m). Operating expenses are net of gains of £39m (2006: £60m) on the sale of property. Growth in operating expenses was focused on continuing investment in operations, infrastructure, and new initiatives in product development and sales capability.

	2007 £m	2006 £m	2005 £m
Income statement information			
Net interest income	1,738	1,702	1,536
Net fee and commission income	749	642	589
Net trading income	9	2	–
Net investment income	47	28	17
Principal transactions	56	30	17
Other income	11	21	17
Total income	2,554	2,395	2,159
Impairment charges	(290)	(252)	(177)
Net income	2,264	2,143	1,982
Operating expenses excluding amortisation of intangible assets	(903)	(856)	(822)
Amortisation of intangible assets	(4)	(1)	(3)
Operating expenses	(907)	(857)	(825)
Share of post-tax results of associates and joint ventures	–	3	3
Profit on disposal of subsidiaries, associates and joint ventures	14	76	–
Profit before tax	1,371	1,365	1,160
Balance sheet information			
Loans and advances to customers	£63.3bn	£56.3bn	£53.4bn
Customer accounts	£60.8bn	£57.4bn	£50.9bn
Total assets	£73.9bn	£65.9bn	£59.9bn
Selected statistical measures			
Cost:income ratio[a]	36%	36%	38%
Risk Tendency[a]	£ 305m	£ 290m	£ 250m
Risk weighted assets	£53.8bn	£50.0bn	£47.1bn

a Defined on page 2.

2006/05

Barclays Commercial Bank profit before tax increased 18% (£205m) to £1,365m (2005: £1,160m), driven by continued strong income growth. Barclays Commercial Bank maintained its market share of primary customer relationships. The 2006 result included a £23m (2005: £13m) contribution from the full year consolidation of Iveco Finance, in which a 51% stake was acquired on 1st June 2005. Profit before business disposals increased 11% to £1,289m (2005: £1,160m).

Income increased 11% (£236m) to £2,395m (2005: £2,159m), driven by strong balance sheet growth. The uplift in income was broadly based across income categories.

Net interest income increased 11% (£166m) to £1,702m (2005: £1,536m) driven by strong balance sheet growth. There was strong growth in all business areas and in particular Larger Business. The lending margin improved slightly. Average customer accounts increased 11% to £44.8bn (2005: £40.5bn) with good growth across product categories. The deposit margin was stable.

Net fee and commission income increased 9% (£53m) to £642m (2005: £589m). There was a strong rise in income from foreign exchange and derivatives business transacted through Barclays Capital on behalf of Barclays Commercial Bank customers.

Income from principal transactions was £30m (2005: £17m), primarily reflecting the profit realised on a number of equity investments.

As expected, impairment rates trended upwards during the year towards a more normalised level. Impairment increased 42% (£75m) to £252m (2005: £177m), with the increase mainly reflecting higher charges from Medium Business and balance growth. Impairment charges in Larger Business were stable.

Operating expenses increased 4% (£32m) to £857m (2005: £825m). Cost growth reflected higher volumes, increased expenditure on front line staff and the costs of Iveco Finance for a full year. Operating expenses included a credit of £60m on the sale and leaseback of property. Increased investment was focused on the acceleration of the rationalisation of operating sites and technology infrastructure.

The cost:income ratio improved two percentage points to 36% (2005: 38%).

Profit on disposals of subsidiaries, associates and joint ventures of £76m (2005: £nil) arose from the sales of interests in vehicle leasing and European vendor finance businesses.

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Financial review
Analysis of results by business

Global Retail and Commercial Banking
Barclaycard

Who we are

We are a multi-brand international credit card and consumer lending business. Our credit card was the first to be launched in the UK in 1966 and is now one of the leading credit card businesses in Europe, with a fast growing business in the US.

What we do UK

Our activities include all Barclaycard branded credit cards, the FirstPlus secured lending business and the retail finance business Barclays Partner Finance. In addition to these activities, Barclaycard also operates partnership cards with leading brands including SkyCard and the Thomas Cook Credit Card. We continue to lead the UK market with the launch in 2007 of Barclaycard OnePulse, the UK's first contactless card, and Barclaycard Breathe, the first card to donate a percentage of its profits to carbon reduction projects around the world.

International

Barclaycard's international presence is extensive. In 2007, 3 out of every 4 cards issued by Barclaycard were in markets outside the UK and we have 8.8m international cards in issue. We currently operate across Europe and the United States where we are the fastest growing credit card business. In Scandinavia we operate through Entercard, a joint venture with Swedbank.

Barclaycard Business

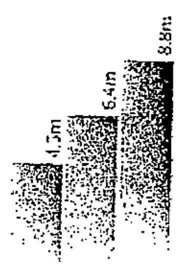
Barclaycard Business processes card payments for 93,000 retailers and merchants and issues credit and charge cards to corporate customers and the UK Government. It is Europe's number one issuer of Visa Commercial Cards with over 137,000 corporate customers.

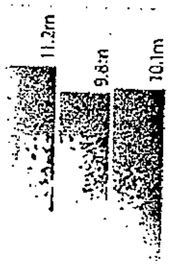
Highlights

£2,486m

£540m

Performance indicators





Performance 2007/06

Barclaycard profit before tax increased 18% (£82m) to £540m (2006: £458m), driven by strong international growth coupled with a significant improvement in UK impairment charges. Other income included a £27m loss on disposal of part of the Monument card portfolio. 2006 results reflected a property gain of £38m.

Income decreased 1% (£28m) to £2,486m (2006: £2,514m) reflecting strong growth in Barclaycard International, offset by a decline in UK Cards revenue resulting from a more cautious approach to lending in the UK and a £27m loss on disposal of part of the Monument card portfolio.

Net interest income increased 1% (£11m) to £1,394m (2006: £1,383m) due to strong organic growth in international average extended credit card balances, up 32% to £3.3bn and average secured consumer lending balances up 26% to £4.3bn, partially offset by lower UK average extended credit card balances which fell 4% to £6.9bn. Margins fell to 6.59% (2006: 7.13%) due to higher average base rates across core operating markets and a change in the product mix with an increased weighting to secured lending.

Net fee and commission income fell 2% (£26m) to £1,080m (2006: £1,106m) with growth in Barclaycard International offset by our actions in response to the Office of Fair Trading's findings on late and overlimit fees in the UK which were implemented in August 2006.

Impairment charges improved 21% (£229m) to £838m (2006: £1,067m) reflecting reduced flows into delinquency; lower levels of arrears and lower charge-offs in UK Cards. We made changes to our impairment methodologies to standardise our approach and in anticipation of Basel II. The net positive impact of these changes in methodology was offset by an increase in impairment charges in Barclaycard International and secured consumer lending.

Operating expenses increased 12% (£120m) to £1,101m (2006: £981m). Excluding a property gain of £38m in 2006, operating expenses increased 8% (£82m) reflecting continued investment in expanding our businesses in Europe and the US. Costs in the UK businesses were broadly flat with investment in new UK product innovations such as Barclaycard OnePulse being funded out of operating efficiencies.

Barclaycard International continued to gain momentum, delivering a profit before tax of £77m against a loss before tax of £36m in 2006. We concluded seven new credit card partnership deals across Western Europe. The Entercard joint venture continued to perform ahead of plan and entered the Danish market, extending its reach across the Scandinavian region. Barclaycard US was profitable, with very strong average balance growth and a number of new card partnerships including Lufthansa Airlines and Princess Cruise Lines.

	2007 £m	2006 £m	2005 £m
Income statement information			
Net interest income	1,394	1,383	1,231
Net fee and commission income	1,080	1,106	1,065
Net investment income	11	15	–
Net premiums from insurance contracts	40	18	6
Other income	(26)	–	–
Total income	2,499	2,522	2,302
Net claims and benefits incurred on insurance contracts	(13)	(8)	(3)
Total income net of insurance claims	2,486	2,514	2,299
Impairment charges	(838)	(1,067)	(753)
Net income	1,648	1,447	1,546
Operating expenses excluding amortisation of intangible assets	(1,073)	(964)	(891)
Amortisation of intangible assets	(28)	(17)	(17)
Operating expenses	(1,101)	(981)	(908)
Share of post-tax results of associates and joint ventures	(7)	(8)	1
Profit before tax	540	458	639
Balance sheet information			
Loans and advances to customers	£20.1bn	£18.2bn	£16.5bn
Total assets	£22.2bn	£20.1bn	£18.2bn
Selected statistical measures			
Cost:income ratio[a]	44%	39%	39%
Risk Tendency[a]	£945m	£1,135m	£865m
Risk weighted assets	£19.9bn	£17.0bn	£13.6bn

a Defined on page 2.

2006/05

Barclaycard profit before tax decreased 28% (£181m) to £458m (2005: £639m) as good income growth was more than offset by higher impairment charges and increased costs from the continued development of International businesses.

Income increased 9% (£215m) to £2,514m (2005: £2,299m) reflecting very strong momentum in Barclaycard US and strong performances in Barclaycard Business, FirstPlus, SkyCard and continental European markets.

Net interest income increased 12% (£152m) to £1,383m (2005: £1,231m) due to strong growth in International average extended credit card balances up 39% to £2.5bn (2005: £1.8bn) and average secured consumer lending balances up 55% to £3.8bn (2005: £2.2bn), partly offset by UK average extended credit card balances down 7% to £8.0bn (2005: £8.6bn), reflecting the impact of tighter lending criteria.

Net fee and commission income increased 4% (£41m) to £1,106m (2005: £1,065m) as a result of increased contributions from Barclaycard International, SkyCard, FirstPlus and Barclaycard Business. Barclaycard reduced its late and overlimit fee charges in the UK on 1st August 2006 in response to the Office of Fair Trading's findings.

Investment income of £15m (2005: £nil) represents the gain arising from the sale of part of the stake in MasterCard Inc, following its flotation.

Impairment charges increased 42% (£314m) to £1,067m (2005: £753m). The increase was driven by a rise in delinquent balances and increased numbers of bankruptcies and Individual Voluntary Arrangements. As a result of management action in 2005 and 2006 to tighten lending criteria and improve collection processes, the flows of new delinquencies reduced, and levels of arrears balances declined in the second half of 2006 in UK cards.

Operating expenses increased 8% (£73m) to £981m (2005: £908m). This included a £38m gain from the sale and leaseback of property. Excluding this item, underlying operating expenses increased 12% (£111m) to £1,019m. This was largely as a result of continued investment in Barclaycard International, particularly Barclaycard US, and the development of UK partnerships.

Barclaycard International continued its growth strategy in the continental European business delivering solid results. The Entercard joint venture, which is based in Scandinavia, performed ahead of plan. Barclaycard International loss before tax reduced to £36m (2005: loss £44m) including the loss before tax for Barclaycard US of £57m (2005: loss £60m). Barclaycard US continued to perform ahead of expectations, delivering very strong growth in balances and customer numbers and creating a number of new partnerships including US Airways, Barnes & Noble, Travelocity and Jo-Ann Stores.

Barclaycard UK customer numbers declined 1.4 million to 9.8 million (2005: 11.2 million). This reflected the closure of 1.5 million accounts that had been inactive.

Global Retail and Commercial Banking

International Retail and Commercial Banking

Who we are

Our business comprises: International Retail and Commercial Banking – excluding Absa and International Retail and Commercial Banking – Absa.

What we do

International Retail and Commercial Banking provides banking services to Barclays personal and corporate customers outside the UK. The products and services offered to customers are tailored to meet customer needs and the regulatory and commercial environments within each country.

Highlights

£3,523m

£935m

A

Performance 2007/06

A

International Retail and Commercial Banking profit before tax decreased B £281m to £935m (2006: £1,216m). International Retail and Commercial Banking – excluding Absa profit before tax in 2006 included a £247m gain C on the sale of associate FirstCaribbean International Bank and a £41m share of its post-tax results. Profit before tax in 2007 included gains from the sale and leaseback of property of £23m (2006: £55m). Very strong profit growth in Rand terms in International Retail and Commercial Banking – Absa was offset by a 12% decline in the average value of the Rand.

C

A significant investment was made in infrastructure and distribution, including the opening of 644 new branches and sales centres across Western Europe, Emerging Markets and Absa.

2006/05

A A

International Retail and Commercial Banking profit before tax increased B £623m to £1,216m (2005: £593m). The increase reflected the inclusion of a full year's profit before tax from International Retail and Commercial Banking – Absa of £698m (2005 [a]: £298m) and a profit of £247m on the disposal of Barclays interest in FirstCaribbean International Bank.

C C

		2007 £m	2006 £m	2005 £m
Income statement information				
Net interest income		1,890	1,653	1,045
Net fee and commission income		1,210	1,221	644
Net trading income		69	6	3
Net investment income		179	188	143
Principal transactions	C	248	194	146
Net premiums from insurance contracts		372	351	227
Other income		87	74	60
Total income		3,807	3,493	2,122
Net claims and benefits incurred under insurance contracts		(284)	(244)	(206)
Total income net of insurance claims	A	3,523	3,249	1,916
Impairment charges		(252)	(167)	(33)
Net income	B	3,271	3,082	1,883
Operating expenses excluding amortisation of intangible assets	4	(2,279)	(2,077)	(1,289)
Amortisation of intangible assets		(77)	(85)	(47)
Operating expenses		(2,356)	(2,162)	(1,336)
Share of post-tax results of associates and joint ventures	A	7	49	46
Profit on disposal of subsidiaries, associates and joint ventures		13	247	–
Profit before tax		935	1,216	593
Balance sheet information				
Loans and advances to customers	C	£70.1bn	£53.2bn	£49.2bn
Customer accounts		£28.8bn	£22.1bn	£22.4bn
Total assets	A	£89.5bn	£68.6bn	£63.4bn
Selected statistical measures				
Cost:income ratio[a]	B	67%	67%	70%
Risk Tendency[a]		£ 475m	£ 220m	£ 175m
Risk weighted assets	E	£53.3bn	£40.8bn	£41.0bn

a Defined on page 2.

Financial review
Analysis of results by business

Global Retail and Commercial Banking International Retail and Commercial Banking – excluding Absa

Who we are

Western Europe

This business area includes our retail and commercial banking operations in Spain, Portugal, France and Italy. Barclays has operated in Spain for over 30 years, and is the leading foreign bank and the sixth largest banking group overall. We have tripled the branch network in Portugal over the last two years, becoming the largest non-Iberian bank. Barclays is a leading affluent banking brand and a recognised product innovator in France. We are one of the leading mortgage providers in Italy and in 2007 established full retail and commercial banking operations.

Emerging Markets

The Emerging Markets team is responsible for Barclays businesses in the growing markets of Africa, India and the Middle East. Barclays has long-standing commercial banking operations in the UAE and in 2007 launched retail banking operations in India and the UAE. In Africa, Barclays operates in Botswana, Egypt, Ghana, Kenya, Mauritius, Seychelles, Tanzania, Uganda, Zambia and Zimbabwe offering a range of retail and commercial banking products.

What we do

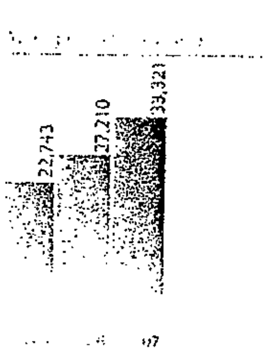
We provide a full range of banking services, including current accounts, savings, investments, mortgages and loans to our international personal and corporate customers.

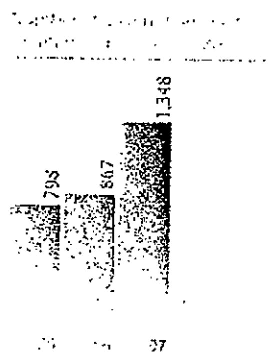
International Retail and Commercial Banking works closely with all other parts of the group to leverage synergies from product and service propositions.

£1,339m
Income

£246m

Performance indicators





Performance

2007/06

International Retail and Commercial Banking – excluding Absa profit before tax decreased 53% (£272m) to £246m (2006: £518m). Profit before tax in 2006 included a £247m gain on the sale of associate FirstCaribbean International Bank and a £41m share of its post-tax results. Profit before tax in 2007 included gains from the sale and leaseback of property in 2007 of £23m (2006: £55m). The performance reflected very strong income growth driven by a rapid growth in distribution points to 1,348 (2006: 867) as well as the launch of new businesses in India and UAE and a full retail and commercial banking offering in Italy.

Income increased 28% (£293m) to £1,339m (2006: £1,046m) driven by excellent performances in Western Europe and Emerging Markets.

Net interest income increased 25% (£149m) to £753m (2006: £604m). Total average customer loans increased 22% (£6.1bn) to £33.3bn (2006: £27.2bn) with lending margins broadly stable. Mortgage balance growth in Western Europe was very strong, with average Euro balances up 16% (€4.2bn) to €30.1bn (2006: €25.9bn). Average customer deposits increased 20% (£2.1bn) to £12.5bn (2006: £10.4bn) driven by growth in Western Europe and Emerging Markets.

Net fee and commission income grew 16% (£59m) to £425m (2006: £366m), reflecting strong performances in Western Europe driven by the expansion of the customer base.

Principal transactions increased £94m to £177m (2006: £83m) reflecting gains on equity investments and higher foreign exchange income across Emerging Markets.

Impairment charges rose 93% (£38m) to £79m (2006: £41m). The increase reflected very strong balance sheet growth in 2006 and 2007 and the impact of lower releases in 2007.

Operating expenses grew 32% (£249m) to £1,023m (2006: £774m) driven by the rapid expansion of the distribution network across all regions and investment in people and infrastructure to support future growth across the franchise. Operating expenses included property sales in Spain of £23m (2006: £55m).

Western Europe continued to perform strongly. Profit before tax increased 30% (£56m) to £245m (2006: £189m). Barclays Spain profit before tax increased 53% (£72m) to £207m (2006: £135m) driven by increased customer lending, higher service commissions and equity investment realisations. France also performed well driven by good growth in the balance sheet, higher fees and commissions and good cost control. Income grew very strongly in Italy as a result of the opening of new branches and the roll-out of a complete retail and commercial banking offering but this was more than offset by higher investment costs. Profit before tax decreased in Portugal, with very strong income growth offset by increased investment in the expansion of the business.

Emerging Markets profit before tax increased 25% (£28m) to £142m (2006: £114m) reflecting a very strong rise in income across a broad range of markets, with particularly strong growth in Egypt, UAE, Kenya, Ghana, Tanzania, Uganda and India. The income growth benefited from increased investment in the business across all geographies, including branch openings and the launch of retail banking services in India and the UAE.

 BARC-ADS-00804152

	2007 £m	2006 £m	2005 £m
Income statement information			
Net interest income	753	604	557
Net fee and commission income	425	366	316
Net trading income	68	17	31
Net investment income	109	66	88
Principal transactions	177	83	119
Net premiums from insurance contracts	145	111	129
Other income	9	20	23
Total income	1,509	1,184	1,144
Net claims and benefits incurred under insurance contracts	(170)	(138)	(162)
Total income net of insurance claims	1,339	1,046	982
Impairment charges	(79)	(41)	(14)
Net income	1,260	1,005	968
Operating expenses excluding amortisation of intangible assets	(1,007)	(765)	(706)
Amortisation of intangible assets	(16)	(9)	(6)
Operating expenses	(1,023)	(774)	(712)
Share of post-tax results of associates and joint ventures	1	40	39
Profit on disposal of subsidiaries, associates and joint ventures	8	247	–
Profit before tax	246	518	295
Balance sheet information			
Loans and advances to customers	£39.3bn	£29.0bn	£25.3bn
Customer accounts	£15.7bn	£11.0bn	£10.2bn
Total assets	£52.2bn	£38.2bn	£34.0bn
Selected statistical measures			
Cost:income ratio[a]	76%	74%	73%
Risk Tendency[a]	£220m	£75m	£75m
Risk weighted assets	£29.7bn	£20.1bn	£20.2bn

a Defined on page 2.

2006/05

International Retail and Commercial Banking – excluding Absa profit before tax increased 76% (£223m) to £518m (2005: £295m), including a gain on the disposal of the interest in FirstCaribbean International Bank of £247m. This reflected good growth in continental Europe offset by a decline in profits in Africa caused by higher impairment, and increased costs reflecting a step change in the rate of organic investment in the business.

Income increased 7% (£64m) to £1,046m (2005: £982m).

Net interest income increased 8% (£47m) to £604m (2005: £557m), reflecting strong balance sheet growth in continental Europe, Africa and the Middle East, and the development of the corporate business in Spain.

Total average customer loans increased 20% to £27.2bn (2005: £22.7bn). Mortgage balance growth in continental Europe was particularly strong, with average Euro balances up 22%. There was a modest decline in lending margins partly driven by a greater share of mortgage assets as a proportion of the total book in continental Europe. Average customer deposits increased 16% to £10.4bn (2005: £9.0bn), with deposit margins stable.

Net fee and commission income increased 16% (£50m) to £366m (2005: £316m). This reflected a strong performance from the Spanish funds business, where average assets under management increased 11%, together with very strong growth in France, including the first full year contribution of the ING Ferri business which was acquired on 1st July 2005. Net fee and commission income showed solid growth in Africa and the Middle East.

Principal transactions decreased £36m to £83m (2005: £119m). 2005 included £23m from the redemption of preference shares in FirstCaribbean International Bank.

Impairment charges increased £27m to £41m (2005: £14m). This reflected the absence of one-off recoveries of £12m which arose in 2005 in Africa and the Middle East, and strong balance sheet growth across the businesses.

Operating expenses increased 9% (£62m) to £774m (2005: £712m). This included gains from the sale and leaseback of property in Spain of £55m. Operating expenses also included incremental investment expenditure of £25m to expand the distribution network and enhance IT and operational capabilities.

Barclays Spain continued to perform strongly. Profit before tax increased 21% (£30m) to £171m (2005: £141m), excluding net one-off gains on asset sales of £32m (2005: £nil) and integration costs of £43m (2005: £57m). This was driven by the continued realisation of benefits from Banco Zaragozano, together with strong growth in assets under management and solid growth in mortgages.

Africa and the Middle East profit before tax decreased 9% (£12m) to £126m (2005: £138m) driven by higher impairment charges reflecting one-off recoveries of £12m that arose in 2005 and an increase in investment expenditure.

Profit before tax increased strongly in Portugal reflecting good flows of new customers and increased business volumes. France also performed well as a result of good organic growth and the acquisition of ING Ferri.

The profit on disposal of subsidiaries, associate and joint ventures of £247m (2005: £nil) comprised the gain on the sale of Barclays interest in FirstCaribbean International Bank. The share of post-tax results of FirstCaribbean International Bank included in 2006 was £31m (2005: £37m).

Global Retail and Commercial Banking International Retail and Commercial Banking – Absa

Who we are

This business represents Barclays consolidation of Absa, excluding Absa Capital which is included in Barclays Capital.

International Retail and Commercial Banking – Absa comprises four operating divisions: Retail Banking, Commercial Banking, African operations and a Bancassurance division. (Barclays Bank PLC owns 59% of Absa Group Limited).

What we do

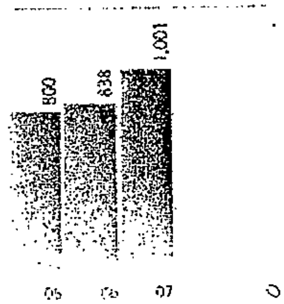
International Retail and Commercial Banking – Absa serves retail customers through a variety of distribution channels and offers a full range of banking services, including current and deposit accounts, mortgages, instalment finance, credit cards, bancassurance products and wealth management services. It also offers customised business solutions for commercial and large corporate customers.

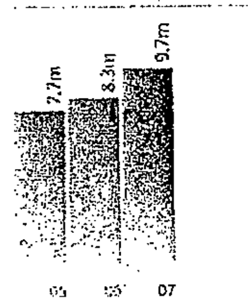
Highlights

£2,184m
Income

£689m
Profit before tax

Performance indicators





Performance 2007/06

International Retail and Commercial Banking - Absa profit before tax decreased to £689m (2006: £698m).

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	2007 £m	2006 £m	2005 £m
Income statement information			
Net interest income	1,137	1,049	486
Net fee and commission income	785	655	328
Net trading income/(expense)	1	(11)	(28)
Net investment income	70	122	55
Principal transactions	71	111	27
Net premiums from insurance contracts	227	240	98
Other income	78	54	37
Total income	2,298	2,309	978
Net claims and benefits incurred under insurance contracts	(114)	(106)	(44)
Total income net of insurance claims	2,184	2,203	934
Impairment charges	(173)	(126)	(19)
Net income	2,011	2,077	915
Operating expenses excluding amortisation of intangible assets	(1,272)	(1,312)	(583)
Amortisation of intangible assets	(61)	(76)	(41)
Operating expenses	(1,333)	(1,388)	(624)
Share of post-tax results of associates and joint ventures	6	9	7
Profit on disposal of subsidiaries, associates and joint ventures	5	–	–
Profit before tax	689	698	298
Balance sheet information			
Loans and advances to customers	£30.8bn	£24.2bn	£23.9bn
Customer accounts	£13.1bn	£11.1bn	£12.2bn
Total assets	£37.3bn	£30.4bn	£29.4bn
Selected statistical measures			
Cost:income ratio[a]	61%	63%	67%
Risk Tendency[a]	£255m	£145m	£100m
Risk weighted assets	£23.6bn	£20.7bn	£20.6bn

a Defined on page 2.

2006/05 D C

International Retail and Commercial Banking – Absa profit before tax increased 134% to £698m (2005: £298m) reflecting the full year to 31st December 2006 compared with the five months ended 31st December 2005. Barclays acquired a controlling stake in Absa Group Limited on 27th July 2005.

Investment Banking and Investment Management
Barclays Capital

Who we are

Barclays Capital is a leading global investment bank providing large corporate, institutional and government clients with solutions to their financing and risk management requirements.

What we do

Barclays Capital service a wide variety of client needs, from capital raising and managing foreign exchange, interest rate, equity and commodity risks, through to providing technical advice and expertise.

Activities are organised into three principal areas: Rates, which includes fixed income, foreign exchange, commodities, emerging markets, money markets, prime services and equity products; Credit, which includes primary and secondary activities for loans and bonds for investment grade, high yield and emerging market credit, as well as hybrid capital products, asset based finance, mortgage backed securities, credit derivatives, structured capital markets and large asset leasing; and Private Equity. Barclays Capital includes Absa Capital, the investment banking business of Absa.

Barclays Capital works closely with all other parts of the Group to leverage synergies from client relationships and product capabilities.

Highlights

£7,119m

£2,335m

Performance indicators

Performance

2007/06

Barclays Capital delivered profits ahead of the record results achieved in 2006 despite challenging trading conditions in the second half of the year. Profit before tax increased 5% (£119m) to £2,335m (2006: £2,216m). There was strong income growth across the Rates businesses and excellent results in Continental Europe, Asia and Africa demonstrating the breadth of the client franchise. Net income was slightly ahead at £6,273m (2006: £6,225m) and costs were tightly managed, declining slightly year on year. Absa Capital delivered very strong growth in profit before tax to £155m (2006: £71m).

The US sub-prime driven market dislocation affected performance in the second half of 2007. Exposures relating to US sub-prime 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. Impairment charges included £840m against ABS CDO Super Senior exposures, other credit market exposures and drawn leveraged finance underwriting positions.

Income increased 4% (£852m) to £7,119m (2006: £6,267m) as a result of very strong growth in interest rate, currency, equity, commodity and emerging market asset classes. There was excellent income growth in continental Europe, Asia, and Africa. Average DVaR increased 13% to £42m (2006: £37.1m) in line with income.

Secondary income, comprising principal transactions (net trading income and net investment income), is mainly generated from providing client financing and risk management solutions. Secondary income increased 11% (£578m) to £5,871m (2006: £5,293m).

Net trading income increased 5% (£177m) to £3,739m (2006: £3,562m) with strong contributions from fixed income, commodities, equities, foreign exchange and prime services businesses. These were largely offset by net losses in the business affected by sub-prime mortgage related write downs. The general widening of credit spreads that occurred over the course of the second half of 2007 also reduced the carrying value of the £57bn of issued notes held at fair value on the balance sheet, resulting in gains of £658m. Net investment income increased 66% (£380m) to £953m (2006: £573m) as a result of a number of private equity realisations, investment disposals in Asia and structured capital markets transactions. Net interest income increased 2% (£21m) to £1,179m (2006: £1,158m), driven by higher contributions from money markets. The corporate lending portfolio increased 29% to £52.3bn (2006: £40.6bn), largely due to an increase in drawn leveraged finance positions and a rise in drawn corporate loan balances.

Primary income, which comprises net fee and commission income from advisory and origination activities, grew 30% (£283m) to £1,235m (2006: £952m) with good contributions from bonds and loans.

Impairment charges and other credit provisions of £846m included £722m against ABS CDO Super Senior exposures, £60m from other credit market exposures and £58m relating to drawn leveraged finance underwriting positions. Other impairment charges on loans and advances amounted to a release of £7m (2006: £44m release) before impairment charges on available for sale assets of £13m (2006: £6m).

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	2007 £m	2006 £m	2005 £m
Income statement information			
Net interest income	1,179	1,158	1,065
Net fee and commission income	1,235	952	776
Net trading income	3,739	3,562	2,231
Net investment income	953	573	413
Principal transactions	4,692	4,135	2,644
Other income	13	22	20
Total income	7,119	6,267	4,505
Impairment charges and other credit provisions	(846)	(42)	(111)
Net income	6,273	6,225	4,394
Operating expenses excluding amortisation of intangible assets	(3,919)	(3,996)	(2,961)
Amortisation of intangible assets	(54)	(13)	(2)
Operating expenses	(3,973)	(4,009)	(2,963)
Share of post-tax results of associates and joint ventures	35	–	–
Profit before tax	2,335	2,216	1,431
Balance sheet information			
Total assets	£839.7bn	£657.9bn	£601.2bn
Selected statistical measures			
Cost:income ratio[a]	56%	64%	66%
Risk Tendency[a]	£ 140m	£ 95m	£ 110m
Risk weighted assets	£169.1bn	£137.6bn	£116.7bn
Average DVaR	£ 42.0m	£ 37.1m	£ 32.0m
Corporate lending portfolio	£ 52.3bn	£ 40.6bn	£ 40.7bn

a Defined on page 2.

Operating expenses decreased 1% (£36m) to £3,973m (2006: £4,009m). Performance related pay, discretionary investment spend and short term contractor resources represented 42% (2006: 50%) of the cost base. Amortisation of intangible assets of £54m (2006: £13m) principally related to mortgage service rights.

Total headcount increased 3,000 during 2007 to 16,200 (2006: 13,200) including 800 from the acquisition of EquiFirst. The majority of organic growth was in Asia Pacific.

2006/05

Profit before tax increased 55% (£785m) to £2,216m (2005: £1,431m). This was the result of a very strong income performance, driven by higher business volumes, continued growth in client activity and favourable market conditions. Net income increased 42% (£1,831m) to £6,225m (2005: £4,394m). Profit before tax for Absa Capital was £71m (2005: £39m).

Income increased 39% (£1,762m) to £6,267m (2005: £4,505m) as a result of very strong growth across the Rates, Credit and Private Equity businesses. Income increased in all geographic regions. Average DVaR increased 16% to £37.1m (2005: £32.0m) significantly below the rate of income growth.

Secondary income increased 43% (£1,584m) to £5,293m (2005: £3,709m).

Net trading income increased 60% (£1,331m) to £3,562m (2005: £2,231m) with very strong contributions across the Rates and Credit businesses, in particular, commodities, fixed income, equities, credit derivatives and emerging markets.

The performance was driven by higher volumes of client led activity and favourable market conditions. Net investment income increased 39% (£160m) to £573m (2005: £413m) driven by investment realisations, primarily in Private Equity, offset by reduced contributions from credit products. Net interest income increased 9% (£93m) to £1,158m (2005: £1,065m) driven by a full year contribution from Absa Capital.

Primary income grew 23% (£176m) to £952m (2005: £776m). This reflected higher volumes and continued market share gains in a number of key markets, with strong contributions from issuances in bonds, European leveraged loans and convertibles.

Impairment charges of £42m (2005: £111m), including impairment on available for sale assets of £86m (2005: £nil), were 62% lower than prior year reflecting recoveries and the continued benign wholesale credit environment.

Operating expenses increased 35% (£1,046m) to £4,009m (2005: £2,963m), reflecting higher performance related costs, increased levels of activity and continued investment across the business. Performance related pay, discretionary investment spend and short-term contractor resource costs represented 50% of operating expenses (2005: 45%). Amortisation of intangible assets principally relates to mortgage service rights obtained as part of the purchase of HomEq.

Total headcount increased 3,300 during 2006 to 13,200 (2005: 9,900) and included 1,300 from the acquisition of HomEq. Organic growth was broadly based across all regions and reflected further investments in the front office, systems development and control functions to support continued business expansion.

Financial review
Analysis of results by business

Investment Banking and Investment Management
Barclays Global Investors

Who we are

Barclays Global Investors (BGI) is one of the world's largest asset managers and a leading global provider of investment management products and services. We are the global leader in assets and products in the exchange traded funds business, with over 320 funds for institutions and individuals trading globally. BGI's investment philosophy is founded on managing all dimensions of performance: a consistent focus on controlling risk, return and cost.

With a 3,000-plus strong workforce, we currently have over £1tn in assets under management, for 3,000 clients around the world.

What we do

BGI offers structured investment strategies such as indexing, global asset allocation and risk controlled active products including hedge funds and provides related investment services such as securities lending, cash management and portfolio transition services.

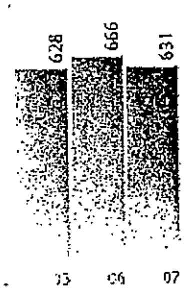
BGI collaborates with the other Barclays businesses, particularly Barclays Capital and Barclays Wealth, to develop and market products and leverage capabilities to better serve the client base.

Highlights

£1,926m
Income

£734m
Profit before tax

Performance indicators



Performance

2007/06

Barclays Global Investors delivered solid growth in profit before tax, which increased 3% (£20m) to £734m (2006: £714m). Very strong US Dollar income and strong profit growth was partially offset by the 8% depreciation in the average value of the US Dollar against Sterling.

Income grew 16% (£261m) to £1,926m (2006: £1,665m).

Net fee and commission income grew 17% (£285m) to £1,936m (2006: £1,651m). This was primarily attributable to increased management fees and securities lending. Incentive fees increased 6% (£12m) to £198m (2006: £186m). Higher asset values, driven by higher market levels and good net new inflows, contributed to the growth in income.

Operating expenses increased 25% (£241m) to £1,192m (2006: £951m) as a result of significant investment in key product and channel growth initiatives and in infrastructure as well as growth in the underlying business. Operating expenses included charges of £80m (2006: £nil) related to selective support of liquidity products managed in the US. The cost:income ratio rose five percentage points to 62% (2006: 57%).

Headcount increased 700 to 3,400 (2006: 2,700). Headcount increased in all geographical regions and across product groups and the support functions, reflecting continued investment to support further growth.

Total assets under management increased 13% (£117bn) to £1,044bn (2006: £927bn) comprising £42bn of net new assets, £12bn attributable to the acquisition of Indexchange Investment AG (Indexchange), £66bn of favourable market movements and £3bn of adverse exchange movements. In US$ terms assets under management increased 15% US$265bn to US$2,079bn (2006: US$1,814bn), comprising US$86bn of net new assets, US$23bn attributable to acquisition of Indexchange, US$127bn of favourable market movements and US$29bn of positive exchange rate movements.

	2007 £m	2006 £m	2005 £m
Income statement information			
Net interest (expense)/income	(8)	10	15
Net fee and commission income	1,936	1,651	1,297
Net trading income	5	2	2
Net investment (expense)/income	(9)	2	4
Principal transactions	(4)	4	6
Other income	2	–	–
Total income	1,926	1,665	1,318
Operating expenses excluding amortisation of intangible assets	(1,184)	(946)	(775)
Amortisation of intangible assets	(8)	(5)	(4)
Operating expenses	(1,192)	(951)	(779)
Profit before tax	734	714	540
Balance sheet information			
Total assets	£89.2bn	£80.5bn	£80.9bn
Selected statistical measures			
Cost:income ratio[a]	62%	57%	59%
Risk weighted assets	£ 2.0bn	£ 1.4bn	£ 1.5bn

a Defined on page 2.

2006/05

Barclays Global Investors delivered another year of outstanding results. Profit before tax increased 32% (£174m) to £714m (2005: £540m), reflecting very strong income growth and higher operating margins. The performance was broadly based across products, distribution channels and geographies.

Net fee and commission income increased 27% (£354m) to £1,651m (2005: £1,297m). This growth was attributable to increased management fees, particularly in the iShares and active businesses, and securities lending, offset by lower incentive fees. Incentive fees decreased 9% (£18m) to £186m (2005: £204m). Higher asset values, driven by higher market levels and good net new inflows, contributed to the growth in income.

Operating expenses increased 22% (£172m) to £951m (2005: £779m) as a result of significant investment in key growth initiatives, ongoing investment in product development and infrastructure and higher performance-based expenses. The cost:income ratio improved two percentage points to 57% (2005: 59%).

Total headcount rose 400 to 2,700 (2005: 2,300). Headcount increased in all regions, across product groups and the support functions, reflecting continued investment to support strategic initiatives.

Total assets under management increased 5% (£46bn) to £927bn (2005: £881bn) primarily due to net new inflows of £37bn. The positive market move impact of £98bn was largely offset by £89bn of adverse exchange rate movements. In US$ terms assets under management increased by US$301bn to US$1,814bn (2005: US$1,513bn), comprising US$58bn of net new assets, US$177bn of favourable market movements and US$56bn of positive exchange rate movements.

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Financial review
Analysis of results by business

Investment Banking and Investment Management Barclays Wealth

Who we are

Barclays Wealth focuses on high net worth, affluent and intermediary clients worldwide. We have over 6,900 staff in 20 countries and have total client assets of £133bn. Barclays Wealth includes the closed life assurance activities of Barclays and Woolwich, and Walbrook, an independent fiduciary services company acquired in 2007.

What we do

Barclays Wealth provides private banking, asset and investment management, stockbroking, offshore banking, wealth structuring and financial planning services.

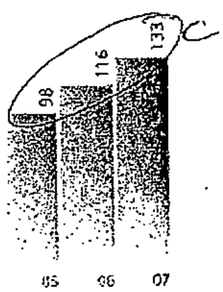
We work closely with all other parts of the Group to leverage synergies from client relationships and product capabilities, for example, offering world-class investment solutions with institutional quality products and services from Barclays Capital and Barclays Global Investors.

Highlights

£1,287m
Income

£307m
Profit before tax

Performance indicators



Performance
2007/06

Barclays Wealth profit before tax showed very strong growth of 25% (£62m) to £307m (2006: £245m). Performance was driven by broadly based income growth, reduced redress costs and tight cost control, partially offset by additional volume related costs and increased investment in people and infrastructure to support future growth.

Income increased 11% (£127m) to £1,287m (2006: £1,160m).

Net interest income increased 10% (£39m) to £431m (2006: £392m) reflecting strong growth in both customer deposits and lending. Average deposits grew 13% to £31.2bn (2006: £27.7bn). Average lending grew 35% to £7.4bn (2006: £5.5bn) driven by increased lending to high net worth, affluent and intermediary clients.

Net fee and commission income grew 10% (£65m) to £739m (2006: £674m). This reflected growth in client assets and higher transactional income from increased sales of investment products and solutions.

Principal transactions decreased £101m to £55m (2006: £156m) as a result of lower growth in the value of unit linked insurance contracts. Net premiums from insurance contracts reduced £15m to £195m (2006: £210m). These reductions were offset by a lower charge for net claims and benefits incurred under insurance contracts of £152m (2006: £288m).

Operating expenses increased 7% to £973m (2006: £913m) with greater volume related costs and a significant increase in investment partially offset by efficiency gains and lower customer redress costs of £19m (2006: £67m). Ongoing investment programmes included increased hiring of client facing staff and improvements to infrastructure with the upgrade of technology and operations platforms. The cost:income ratio improved three percentage points to 76% (2006: 79%).

Total client assets, comprising customer deposits and client investments, increased 14% (£16.4bn) to £132.5bn (2006: £116.1bn) reflecting strong net new asset inflows and the acquisition of Walbrook, an independent fiduciary services company, which completed on 18th May 2007.

	2007 £m	2006 £m	2005 £m
Income statement information			
Net interest income	431	392	346
Net fee and commission income	739	674	593
Net trading income	3	2	–
Net investment income	52	154	264
Principal transactions	55	156	264
Net premiums from insurance contracts	195	210	195
Other income	19	16	11
Total income	1,439	1,448	1,409
Net claims and benefits incurred on insurance contracts	(152)	(288)	(375)
Total income net of insurance claims	1,287	1,160	1,034
Impairment charges	(7)	(2)	(2)
Net income	1,280	1,158	1,032
Operating expenses excluding amortisation of intangible assets	(967)	(909)	(866)
Amortisation of intangible assets	(6)	(4)	(2)
Operating expenses	(973)	(913)	(868)
Profit before tax	307	245	164
Balance sheet information			
Loans and advances to customers	£ 9.0bn	£ 6.2bn	£ 5.0bn
Customer accounts	£34.4bn	£28.3bn	£25.8bn
Total assets	£18.0bn	£15.0bn	£13.4bn
Selected statistical measures			
Cost:income ratio[a]	76%	79%	84%
Risk Tendency[a]	£ 10m	£ 10m	£ 5m
Risk weighted assets	£ 7.7bn	£ 6.1bn	£ 4.3bn

a Defined on page 2.

2006/05

Barclays Wealth profit before tax showed very strong growth of 49% (£81m) to £245m (2005: £164m). Performance was driven by broadly based income growth and favourable market conditions. This was partially offset by additional volume related costs and a significant increase in investment in people and infrastructure to support future growth.

Income increased 12% (£126m) to £1,160m (2005: £1,034m).

Net interest income increased 13% (£46m) to £392m (2005: £346m) reflecting growth in both customer deposits and customer lending. Average deposits grew 6% (£1.6bn) to £27.7bn (2005: £26.1bn). Average lending grew 17% to £5.5bn (2005: £4.7bn), driven by increased lending to offshore and private banking clients. Asset and liability margins were higher relative to 2005.

Net fee and commission income increased 14% (£81m) to £674m (2005: £593m). This reflected growth in client assets and higher transactional income, including increased sales of investment products to high net worth and affluent clients, and higher stockbroking volumes.

Operating expenses increased 5% (£45m) to £913m (2005: £868m) with greater volume related and investment costs more than offsetting efficiency gains. Investment costs included increased hiring of client-facing staff and improvements to infrastructure with the upgrade of technology and operations platforms. The cost:income ratio improved five percentage points to 79% (2005: 84%).

Total client assets, comprising customer deposits and client investments, increased 19% (£18.6bn) to £116.1bn (2005: £97.5bn) reflecting good net new asset inflows and favourable market conditions. Multi-Manager assets increased 68% (£4.1bn) to £10.1bn (2005: £6.0bn); this growth included transfers of existing client assets.

Head office functions and other operations

Who we are

Head office functions and other operations comprises:

- Head office and central support functions
- Businesses in transition
- Inter segment adjustments.

What we do

Head office and central support functions comprises the following areas: Executive Management, Finance, Treasury, Corporate Affairs, Human Resources, Strategy and Planning, Internal Audit, Legal, Corporate Secretariat, Property, Tax, Compliance and Risk. Costs incurred wholly on behalf of the businesses are recharged to them.

Businesses in transition principally relate to certain lending portfolios that are centrally managed with the objective of maximising recovery from the assets.

Performance

2007/06

Head office functions and other operations loss before tax increased £169m to £428m (2006: £259m).

Group segmental reporting is performed in accordance with Group accounting policies. This means that inter-segment transactions are recorded in each segment as if undertaken on an arm's length basis. Adjustments necessary to eliminate inter-segment transactions are included in Head office functions and other operations.

The impact of such inter-segment adjustments increased £86m to £233m (2006: £147m). These adjustments included internal fees for structured capital market activities of £169m (2006: £87m) and fees paid to Barclays Capital for debt and equity raising and risk management advice of £65m (2006: £29m), both of which increased net fee and commission expense in head office. The impact on the inter-segment adjustments of the timing of the recognition of insurance commissions included in Barclaycard was a reduction in head office income of £9m (2006: £44m). This net reduction was reflected in a decrease in net fee and commission income of £162m (2006: £184m) and an increase in net premium income of £153m (2006: £140m).

Principal transactions decreased to a loss of £83m (2006: £12m profit). 2006 included a £55m profit from a hedge of the expected Absa foreign currency earnings. 2007 included a loss of £33m relating to fair valuation of call options embedded within retail US$ preference shares arising from widening of own credit spreads.

Operating expenses decreased £35m to £234m (2006: £269m). The primary driver of this decrease was the receipt of a break fee relating to the ABN AMRO transaction which, net of transaction costs, reduced expenses by £58m. This was partially offset by lower rental income and lower proceeds on property sales.

Income statement information	2007 £m	2006 £m	2005 £m
Net interest income	128	80	160
Net fee and commission income	(424)	(301)	(324)
Net trading (loss)/income	(66)	40	85
Net investment (expense)/income	(17)	2	8
Principal transactions	(83)	42	93
Net premiums from insurance contracts	152	139	72
Other income	35	39	24
Total income	(192)	(1)	25
Impairment (charges)/releases	(3)	11	(1)
Net income	(195)	10	24
Operating expenses excluding amortisation of intangible assets	(233)	(259)	(343)
Amortisation of intangible assets	(1)	(10)	(4)
Operating expenses	(234)	(269)	(347)
Profit on disposal of associates and joint ventures	1	–	–
Loss before tax	(428)	(259)	(323)
Balance sheet information			
Total assets	£7.1bn	£7.1bn	£9.3bn
Selected statistical measures			
Risk Tendency[a]	£10m	£10m	£25m
Risk weighted assets	£1.6bn	£1.9bn	£4.0bn

a Defined on page 2.

2006/05

Head office functions and other operations loss before tax decreased £64m to £259m (2005: loss £323m).

Net interest income decreased £80m to £80m (2005: £160m) reflecting a reduction in net interest income in Treasury following the acquisition of Absa Group Limited. Treasury's net interest income also included the hedge ineffectiveness for the period, which together with other related Treasury adjustments amounted to a gain of £11m (2005: £18m) and the cost of hedging the foreign exchange risk on the Group's equity investment in Absa, which amounted to £71m (2005: £37m).

The impact of such inter-segment adjustments reduced £72m to £147m (2005: £219m). These adjustments related to internal fees for structured capital market activities of £87m (2005: £67m) and fees paid to Barclays Capital for capital raising and risk management advice of £23m (2005: £39m), both of which reduce net fees and commission income.

In addition the impact of the timing of the recognition of insurance commissions included in Barclaycard and UK Retail Banking reduced to £44m (2005: £115m). This reduction was reflected in a decrease in net fee and commission income of £194m (2005: £185m) and an increase in net premium income of £140m (2005: £72m).

Principal transactions decreased £51m to £42m (2005: £93m). 2005 included hedging related gains in Treasury of £80m. 2006 included £55m (2005: £nil) in respect of the economic hedge of the translation exposure arising from Absa foreign currency earnings.

The impairment charge improved £12m to a release of £11m (2005: £1m charge) as a number of workout situations were resolved.

Operating expenses decreased £78m to £269m (2005: £347m) primarily due to the expenses of the 2005 Head office relocation to Canary Wharf not recurring in 2006 (2005: £105m) and the gains of £26m (2005: £nil) from the sale and leaseback of property offset by increased costs, principally driven by major project expenditure including work related to implementing Basel II.

Financial review
Results by nature of income and expense

Results by nature of income and expense
Net interest income

	2007 £m	2006 £m	2005 £m
Cash and balances with central banks	145	91	9
Available for sale investments	2,580	2,811	2,272
Loans and advances to banks	1,416	903	690
Loans and advances to customers	19,559	16,290	12,944
Other	1,608	1,710	1,317
Interest income	25,308	21,805	17,232
Deposits from banks	(2,720)	(2,819)	(2,056)
Customer accounts	(4,110)	(3,076)	(2,715)
Debt securities in issue	(6,651)	(5,282)	(3,268)
Subordinated liabilities	(878)	(777)	(605)
Other	(1,339)	(708)	(513)
Interest expense	(15,698)	(12,662)	(9,157)
Net interest income	9,610	9,143	8,075

2007/06

Group net interest income increased 5% (£467m) to £9,610m (2006: £9,143m) reflecting balance sheet growth across a number of businesses.

Group net interest income reflects structural hedges which function to reduce the impact of the volatility of short-term interest rate movements on equity and customer balances that do not re-price with market rates.

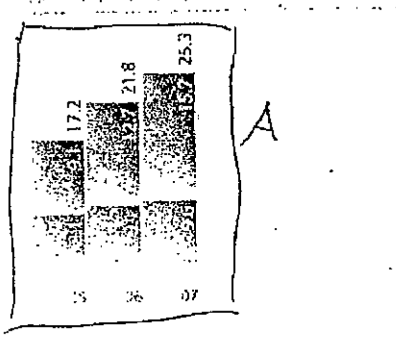
The contribution of structural hedges relative to average base rates decreased to £351m expense (2006: £26m income), largely due to the smoothing effect of the structural hedge on changes in interest rates.

Other interest expense principally includes interest on repurchase agreements and hedging activity.

2006/05

Group net interest income increased 13% (£1,068m) to £9,143m (2005: £8,075m). The inclusion of Absa contributed net interest income of £1,158m (2005 [a] £516m). Group net interest income excluding Absa grew 6%.

The contribution of the structural hedge decreased to £26m (2005: £145m), largely due to the impact of relatively higher short-term interest rates and lower medium-term rates.



Notes

a For 2005, this reflects the period from 27th July until 31st December 2005.

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Financial review
Results by nature of income and expense

Net fee and commission income

	2007 £m	2006 £m	2005 £m
Brokerage fees	109	70	64
Investment management fees	1,787	1,535	1,250
Securities lending	241	185	151
Banking and credit related fees and commissions	6,363	6,031	4,805
Foreign exchange commission	178	184	160
Fee and commission income	8,678	8,005	6,430
Fee and commission expense	(970)	(828)	(725)
Net fee and commission income	7,708	7,177	5,705

2007/06

Net fee and commission income increased 7% (£531m) to £7,708m (2006: £7,177m).

Fee and commission income rose 8% (£673m) to £8,678m (2006: £8,005m) reflecting increased management and securities lending fees in Barclays Global Investors, increased client assets and higher transactional income in Barclays Wealth and higher income generated from lending fees in Barclays Commercial Bank. Fee income in Barclays Capital increased primarily due to the acquisition of HomEq.

2006/05

Net fee and commission income increased 26% (£1,472m) to £7,177m (2005: £5,705m). The inclusion of Absa contributed net fee and commission income of £850m (2005 [a]: £334m). Group net fee and commission income excluding Absa grew 18%, reflecting growth across all businesses.

Fee and commission income rose 24% (£1,575m) to £8,005m (2005: £6,430m). The inclusion of Absa contributed fee and commission income of £896m (2006 [a]: £386m). Excluding Absa, fee and commission income grew 18% driven by a broadly based performance across the Group, particularly within Barclays Global Investors.

Fee and commission expense increased 14% (£103m) to £828m (2005: £725m), reflecting the growth in Barclaycard US. Absa contributed fee and commission expense of £46m (2005 [a]: £52m).

Principal transactions

	2007 £m	2006 £m	2005 £m
Rates related business	4,162	2,848	1,732
Credit related business	(403)	766	589
Net trading income	3,759	3,614	2,321
Net gain from disposal of available for sale assets	560	307	120
Dividend income	26	15	22
Net gain from financial instruments designated at fair value	293	447	389
Other investment income	337	193	327
Net investment income	1,216	962	858
Principal transactions	4,975	4,576	3,179

2007/06

Principal transactions increased 9% (£399m) to £4,975m (2006: £4,576m).

Net trading income increased 4% (£145m) to £3,759m (2006: £3,614m). The majority of the Group's net trading income arises in Barclays Capital. Growth in the Rates related business reflects very strong performances in fixed income, commodities, foreign exchange, equity and prime services. The Credit related business includes net losses from credit market turbulence and the benefits of widening credit spreads on the fair value of issued notes.

Net investment income increased 26% (£254m) to £1,216m (2006: £962m). The cumulative gain from disposal of available for sale assets increased 82% (£253m) to £560m (2006: £307m) largely as a result of a number of private equity realisations and divestments. Net income from financial instruments designated at fair value decreased by 34% (£154m) largely due to lower growth in the value of linked insurance assets within Barclays Wealth.

Fair value movements on insurance assets included within net investment income contributed £113m (2006: £205m).

2006/05

Net trading income increased 56% (£1,293m) to £3,614m (2005: £2,321m) due to excellent performances in Barclays Capital Rates and Credit businesses, in particular in commodities, fixed income, equities, credit derivatives and emerging markets. This was driven by higher volumes of client – led activity and favourable market conditions. The inclusion of Absa contributed net trading income of £50m (2005 [a]: £9m). Group net trading income excluding Absa grew 54%.

Net investment income increased 12% (£104m) to £962m (2005: £858m). The inclusion of Absa contributed net investment income of £144m (2005 [a]: £62m). Group net investment income excluding Absa increased 3%.

The cumulative gain from disposal of available for sale assets increased 156% (£187m) to £307m (2005: £120m) driven by investment realisations, primarily in Private Equity.

Fair value movements on certain assets and liabilities have been reported within net trading income or within net investment income depending on the nature of the transaction. Fair value movements on insurance assets included within net investment income contributed £205m (2005: £317m).

Note

a For 2005, this reflects the period from 27th July until 31st December 2005.

Other income

	2007 £m	2006 £m	2005 £m
Increase in fair value of assets held in respect of linked liabilities to customers under investment contracts	5,592	7,417	9,234
Increase in liabilities to customers under investment contracts	(5,592)	(7,417)	(9,234)
Property rentals	53	55	54
Loss on part disposal of Monument credit card portfolio	(27)	–	–
Other	162	159	93
Other income	188	214	147

Certain asset management products offered to institutional clients by Barclays Global Investors are recognised as investment contracts. Accordingly the invested assets and the related liabilities to investors are held at fair value and changes in those fair values are reported within other income.

Impairment charges and other credit provisions

	2007 £m	2006 £m	2005 £m
Impairment charges on loans and advances			
– New and increased impairment allowances	2,871	2,722	2,129
– Releases	(338)	(389)	(333)
– Recoveries	(227)	(259)	(222)
Impairment charges on loans and advances	2,306	2,074	1,574
Other credit provisions			
Charges/(credits) in respect of undrawn contractually committed facilities and guarantees	476	(6)	(7)
Impairment charges on loans and advances and other credit provisions	2,782	2,068	1,567
Impairment charges on available for sale assets	13	86	4
Impairment charges and other credit provisions	2,795	2,154	1,571
Impairment charges and other credit provisions on ABS CDO Super Senior and other credit market exposures included above:			
Impairment charges on loans and advances	313	–	–
Charges in respect of undrawn facilities	469	–	–
Impairment charges and other credit provisions on ABS CDO Super senior and other credit market positions	782	–	–

2007/06

Total impairment charges and other credit provisions increased 30% (£641m) to £2,795m (2006: £2,154m).

Impairment charges on loans and advances and other credit provisions increased 35% (£714m) to £2,782m (2006: £2,068m) reflecting charges of £782m against ABS CDO Super Senior and other credit market positions.

Impairment charges on loans and advances and other credit provisions as a percentage of Group total loans and advances increased to 0.71% (2006: 0.65%); total loans and advances grew 23% to £389,290m (2006: £316,561m).

Retail

Retail impairment charges on loans and advances fell 11% (£204m) to £1,605m (2006: £1,809m). Retail impairment charges as a percentage of period end total loans and advances reduced to 0.98% (2006: 1.30%); total retail loans and advances increased 18% to £164,062m (2006: £139,350m).

Barclaycard impairment charges improved 21% (£229m) to £838m (2006: £1,067m) reflecting reduced flows into delinquency, lower levels of arrears and lower charge-offs in UK Cards. We made changes to our impairment methodologies to standardise our approach and in anticipation of Basel II. The net positive impact of these changes in methodology was offset by the increase in impairment charges in Barclaycard International and secured consumer lending.

Impairment charges in UK Retail Banking decreased by £76m (12%) to £559m (2006: £635m), reflecting lower charges in unsecured Consumer Lending and Local Business driven by improved collection processes, reduced flows into delinquency, lower arrears trends and stable charge-offs. In UK Home Finance, asset quality remained strong and mortgage charges remained negligible. Mortgage delinquencies as a percentage of outstandings remained stable and amounts charged off were low.

Impairment charges in International Retail and Commercial Banking – excluding Absa rose by £38m (93%) to £79m (2006: £41m) reflecting very strong balance sheet growth in 2006 and 2007 and the impact of lower releases in 2007.

Arrears in some of International Retail and Commercial Banking – Absa's retail portfolios deteriorated in 2007, driven by interest rate increases in 2006 and 2007 resulting in pressure on collections.

Wholesale and corporate

Wholesale and corporate impairment charges on loans and advances increased £436m to £701m (2006: £265m). Wholesale and corporate impairment charges as a percentage of period end total loans and advances increased to 0.31% (2006: 0.15%); total loans and advances grew 27% to £225,228m (2006: £177,211m).

Barclays Capital impairment charges and other credit provisions of £846m included a charge of £782m against ABS CDO Super Senior and other credit market exposures and £58m net of fees relating to drawn leveraged finance positions.

The impairment charge in Barclays Commercial Bank increased £38m (15%) to £290m (2006: £252m) primarily due to higher impairment charges in Larger Business, partially offset by a lower charge in Medium Business due to a tightening of the lending criteria.

Financial review
Results by nature of income and expense

Impairment charges (continued)

2006/05

Total impairment charges increased 37% (£583m) to £2,154m (2005: £1,571m).

Impairment charges on loans and advances and other credit provisions increased 32% (£501m) to £2,068m (2005: £1,567m). Excluding Absa, the increase was 26% (£395m) and largely reflected the continued challenging credit environment in UK unsecured retail lending through 2006. The wholesale and corporate sectors remained stable with a low level of defaults.

The Group impairment charges on loans and advances and other credit provisions as a percentage of year-end total loans and advances of £316,561m (2005: £303,451m) increased to 0.65% (2005: 0.52%).

Retail

Retail impairment charges on loans and advances and other credit provisions increased to £1,809m (2005: £1,254m), including £99m (2005 [a]: £10m) in respect of Absa. Retail impairment charges on loans and advances amounted to 1.30% (2005 [b]: 0.93%) as a percentage of year-end total loans and advances of £139,350m (2005 [b]: £134,420m), including balances in Absa of £20,090m (2005: £20,836m).

In the UK retail businesses, household cash flows remained under pressure leading to a deterioration in consumer credit quality. High debt levels and changing social attitudes to bankruptcy and debt default contributed to higher levels of insolvency and increased impairment charges. In UK cards and unsecured consumer lending, the flows of new delinquencies and the levels of arrears balances declined in the second half of 2006, reflecting more selective customer recruitment, limit management and improved collections.

In UK Home Finance, delinquencies were flat and amounts charged-off remained low. The weaker external environment led to increased credit delinquency in Local Business, where there were both higher balances on caution status and higher flows into delinquency, which both stabilised towards the year end.

Wholesale and corporate

In the wholesale and corporate businesses, impairment charges on loans and advances and other credit provisions decreased to £259m (2005: £313m), including £27m (2005 [a]: £10m) in respect of Absa. The fall was due mainly to recoveries in Barclays Capital as a result of the benign wholesale credit environment. This was partially offset by an increase in Barclays Commercial Bank, reflecting higher charges in Medium Business and growth in lending balances.

The wholesale and corporate impairment charge was 0.15% (2005 [b]: 0.19%) as a percentage of year-end total loans and advances to banks and to customers of £177,211m (2005 [b]: £169,031m), including balances in Absa of £9,299m (2005: £9,731m).

In Absa, impairment charges increased to £126m (2005 [b]: £20m) reflecting a full year of business and normalisation of credit conditions in South Africa following a period of low interest rates.

Impairment on available for sale assets

The total impairment charges in Barclays Capital included losses of £83m (2006: £nil) on an available for sale portfolio where an intention to sell caused the losses to be viewed as other than temporary in nature. These losses in 2006 were primarily due to interest rate movements, rather than credit deterioration, with a corresponding gain arising on offsetting derivatives recognised in net trading income.

Operating expenses

	2007 £m	2006 £m	2005 £m
Staff costs (refer to page 37)	8,405	8,169	6,318
Administrative expenses	3,978	3,980	3,443
Depreciation	467	455	362
Impairment loss – property and equipment and intangible assets	16	21	9
Operating lease rentals	414	345	316
Gain on property disposals	(267)	(432)	–
Amortisation of intangible assets	186	136	79
Operating expenses	13,199	12,674	10,527

2007/06

Operating expenses grew 4% (£525m) to £13,199m (2006: £12,674m). The increase was driven by growth of 3% (£236m) in staff costs to £8,405m (2006: £8,169m) and lower gains on property disposals.

Administrative expenses remained flat at £3,978m (2006: £3,980m) reflecting good cost control across all businesses.

Operating lease rentals increased 20% (£69m) to £414m (2006: £345m), primarily due to increased property held under operating leases.

Operating expenses were reduced by gains from the sale of property of £267m (2006: £432m) as the Group continued the sale and leaseback of some of its freehold portfolio, principally in UK Banking.

Amortisation of intangible assets increased 37% (£50m) to £186m (2006: £136m) primarily reflecting the amortisation of mortgage servicing rights relating to the acquisition of HomEq in November 2006.

The Group cost:income ratio improved two percentage points to 57% (2006: 59%).

2006/05

Operating expenses increased 20% (£2,147m) to £12,674m (2005: £10,527m). The inclusion of Absa contributed operating expenses of £1,498m (2005 [a]: £664m). Group operating expenses excluding Absa grew 13%, reflecting a higher level of business activity and an increase in performance related pay.

Administrative expenses increased 16% (£537m) to £3,980m (2005: £3,443m). The inclusion of Absa contributed administrative expenses of £579m (2005 [a]: £257m). Group administrative expenses excluding Absa grew 7% principally as a result of higher business activity in UK Banking and Barclays Capital.

Operating lease rentals increased 9% (£29m) to £345m (2005: £316m). The inclusion of Absa contributed operating lease rentals of £73m (2005 [a]: £27m), which more than offset the absence of double occupancy costs incurred in 2005, associated with the Head office relocation to Canary Wharf.

Operating expenses were reduced by gains from the sale of property of £432m (2005: £nil) as the Group took advantage of historically low yields on property to realise gains on some of its freehold portfolio.

Amortisation of intangible assets increased 72% (£57m) to £136m (2005: £79m) primarily reflecting the inclusion of Absa for the full year.

The Group cost:income ratio improved to 59% (2005: 61%). This reflected improved productivity.

Notes

a For 2005, this reflects the period from 27th July until 31st December 2005.

Staff costs

	2007 £m	2006 £m	2005 £m
Salaries and accrued incentive payments	6,993	6,635	5,036
Social security costs	508	502	412
Pension costs			
– defined contribution plans	141	128	78
– defined benefit plans	150	282	271
Other post-retirement benefits	10	30	27
Other	603	592	496
Staff costs	8,405	8,169	6,318

2007/06

Staff costs increased 3% (£236m) to £8,405m (2006: £8,169m).

Salaries and accrued incentive payments rose 5% (£358m) to £6,993m (2006: £6,635m) reflecting increased permanent and fixed term staff worldwide.

Defined benefit plans pension costs decreased 47% (£132m) to £150m (2006: £282m). This was mainly due to lower service costs.

2006/05

Staff costs increased 29% (£1,851m) to £8,169m (2005: £6,318m). The inclusion of Absa contributed staff costs of £694m (2005 [a]: £296m). Group staff costs excluding Absa rose 24%.

Salaries and accrued incentive payments rose 32% (£1,599m) to £6,635m (2005: £5,036m) principally due to increased performance related payments and the full year inclusion of Absa. The inclusion of Absa contributed salaries and incentive payments of £615m (2005 [a]: £276m). Group salaries and accrued incentive payments excluding Absa rose 26%.

Staff numbers

	2007	2006	2005
UK Banking	41,200	42,600	41,100
UK Retail Banking	32,800	34,500	33,300
Barclays Commercial Bank	8,400	8,100	7,800
Barclaycard	7,800	8,500	7,700
IRCB	58,300	47,800	45,200
IRCB – ex Absa	22,100	13,900	12,500
IRCB – Absa	36,200	33,900	32,700
Barclays Capital	16,200	13,200	9,900
Barclays Global Investors	3,400	2,700	2,300
Barclays Wealth	6,900	6,600	6,200
Head office functions and other operations	1,100	1,200	900
Total Group permanent staff worldwide	134,900	122,600	113,300

2007/06

Staff numbers are shown on a full-time equivalent basis. Total Group permanent and fixed term contract staff comprised 61,900 (2006: 62,400) in the UK and 73,000 (2006: 60,200) internationally.

UK Retail Banking headcount decreased 1,700 to 32,800 (2006: 34,500), due to efficiency initiatives in back office operations and the transfer of operations personnel to Barclays Commercial Bank. Barclays Commercial Bank headcount increased 300 to 8,400 (2006: 8,100) due to the transfer of operations personnel from UK Retail Banking and additional investment in front line staff to drive improved geographical coverage.

Barclaycard staff numbers decreased 700 to 7,800 (2006: 8,500), due to efficiency initiatives implemented across the UK operation and the sale of part of the Monument card portfolio, partially offset by an increase in the International cards businesses.

International Retail and Commercial Banking staff numbers increased 10,500 to 58,300 (2006: 47,800). International Retail and Commercial Banking – excluding Absa staff numbers increased 8,200 to 22,100 (2006: 13,900) due to growth in the distribution network. International Retail and Commercial Banking – Absa staff numbers increased 2,300 to 36,200 (2006: 33,900), reflecting growth in the business and distribution network.

Barclays Capital staff numbers increased 3,000 to 16,200 (2006: 13,200) including 800 from the acquisition of EquiFirst. This reflected further investment in the front office, systems development and control functions to support continued business expansion. The majority of organic growth was in Asia Pacific.

Barclays Global Investors staff numbers increased 700 to 3,400 (2006: 2,700). Headcount increased in all geographical regions and across product groups and the support functions, reflecting continued investment to support further growth.

Barclays Wealth staff numbers increased 300 to 6,900 (2006: 6,600) principally due to the acquisition of Walbrook and increased client facing professionals.

Note

a For 2005, this reflects the period from 27th July until 31st December 2005.

Results by nature of income and expense

Staff numbers (continued)

2006/05

Total Group permanent and contract staff comprised 62,400 (2005: 59,100) in the UK and 60,200 (2005: 54,200) internationally.

UK Banking staff numbers increased 1,500 to 42,600 (2005: 41,100), primarily reflecting the inclusion in UK Retail Banking of mortgage processing staff involved in activities previously outsourced.

Barclaycard staff numbers rose 800 to 8,500 (2005: 7,700), reflecting growth of 400 in Barclaycard US and increases in operations and customer-facing staff in the UK.

International Retail and Commercial Banking increased staff numbers 2,600 to 47,800 (2005: 45,200). International Retail and Commercial Banking - excluding Absa increased staff numbers by 1,400 to 13,900 (2005: 12,500), mainly due to growth in continental Europe and Africa. International Retail and Commercial Banking – Absa increased staff numbers by 1,200 to 33,900 (2005: 32,700), reflecting continued growth in the business.

Barclays Capital staff numbers increased 3,300 during 2006 to 13,200 (2005: 9,900) and included 1,300 from the acquisition of HomEq. Organic growth was broadly based across all regions and reflected further investments in the front office, systems development and control functions to support continued business expansion.

Barclays Global Investors increased staff numbers 400 to 2,700 (2005: 2,300) spread across regions, product groups and support functions, reflecting continued investment to support strategic initiatives.

Barclays Wealth staff numbers rose 400 to 6,600 (2005: 6,200) to support the continued expansion of the business, including increased hiring of client-facing staff.

Head office functions and other operations staff numbers grew 300 to 1,200 (2005: 900) primarily reflecting the centralisation of functional activity and the increased regulatory environment and audit demands as a result of the expansion of business areas.

Share of post-tax results of associates and joint ventures

	2007 £m	2006 £m	2005 £m
Profit from associates	33	53	53
Profit/(loss) from joint ventures	9	(7)	(8)
Share of post-tax results of associates and joint ventures	42	46	45

2007/06

The overall share of post-tax results of associates and joint ventures decreased £4m to £42m (2006: £46m). The share of results from associates decreased £20m mainly due to the sale of FirstCaribbean International Bank (2006: £41m) at the end of 2006, partially offset by an increased contribution from private equity associates. The share of results from joint ventures increased by £16m mainly due to the contribution from private equity entities.

2006/05

The share of post-tax results of associates and joint ventures increased 2% £1m to £46m (2005: £45m).

Of the £46m share of post-tax results of associates and joint ventures, FirstCaribbean International Bank contributed £41m (2005: £37m).

Profit on disposal of subsidiaries, associates and joint ventures

	2007 £m	2006 £m	2005 £m
Profit on disposal of subsidiaries, associates and joint ventures	28	323	–

2007/06

The profit on disposal in 2007 relates mainly to the disposal of the Group's shareholdings in Gabetti Property Solutions £8m and Intelenet Global Services £13m.

2006/05

The profit on disposal of subsidiaries, associates and joint ventures includes £247m profit on disposal of FirstCaribbean International Bank and £76m from the sale of interests in vehicle leasing and vendor finance businesses.

Tax

The overall tax charge is explained in the following table:

	2007 £m	2006 £m	2005 £m	
Profit before tax	7,076	7,136	5,280	
Tax charge at average UK corporation tax rate of 30%	2,123	2,141	1,584	
Prior year adjustments	(37)	24	(133)	
Differing overseas tax rates	(77)	(17)	(35)	
Non-taxable gains and income (including amounts offset by unrecognised tax losses)	(136)	(393)	(129)	
Share-based payments	72	27	(12)	A
Deferred tax assets not previously recognised	(158)	(4)	(7)	
Change in tax rates	24	4	3	
Other non-allowable expenses	170	159	168	
Overall tax charge	1,981	1,941	1,439	
Effective tax rate	28%	27%	27%	B

2007/06

A

The tax charge for the period was based on a UK corporation tax rate of 30% (2006: 30%). The effective rate of tax for 2007, based on profit before tax, was 28.0% (2006: 27.2%). The effective tax rate differed from 30% as A it took account of the different tax rates applied to profits earned outside the UK, non-taxable gains and income and adjustments to prior year tax provisions. The forthcoming change in the UK rate of corporation tax from 30% to 28% on 1st April 2008 led to an additional tax charge in 2007 as a result of its effect on the Group's net deferred tax asset. The effective tax rate for 2007 was higher than the 2006 rate, principally because there was a higher level of profit on disposals of subsidiaries, associates and joint ventures offset by losses or exemptions in 2006.

2006/05

The charge for the period is based upon a UK corporation tax rate of 30% for the calendar year 2006 (2005: 30%). The effective rate of tax for 2006, based on profit before tax, was 27.2% (2005: 27.3%). A The effective tax rate differs from 30% as it takes account of the different tax rates which are applied to the profits earned outside the UK, disallowable expenditure, certain non-taxable gains and adjustments to prior year tax provisions. The effective tax rate for 2006 is consistent with the prior period. The tax charge for the year includes £1,234m (2005: £961m) A arising in the UK and A £707m (2005: £476m) A arising overseas. A

A The profit on disposal of subsidiaries, associates and joint ventures of £323m was substantially offset by losses or exemptions. The effective tax rate on profit before business disposals was 28.5%. B

Financial review
Total assets and risk weighted assets

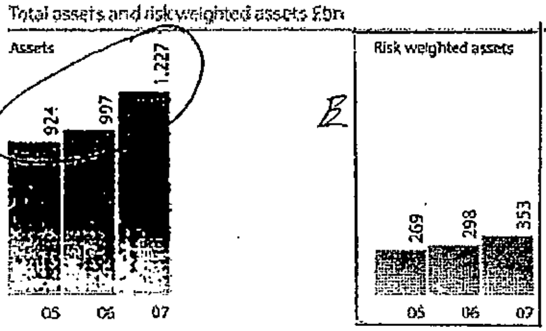
Total assets

	2007 £m	2006 £m	2005 £m
UK Banking	161,777	147,576	137,981
UK Retail Banking	87,833	81,692	78,066
Barclays Commercial Bank	73,944	65,884	59,916
Barclaycard	22,164	20,082	18,236
IRCB	89,457	68,588	63,383
IRCB – ex Absa	52,204	38,191	34,022
IRCB – Absa	37,253	30,397	29,361
Barclays Capital	839,662	657,922	601,193
Barclays Global Investors	89,224	80,515	80,900
Barclays Wealth	18,024	15,022	13,401
Head office functions and other operations	7,053	7,082	9,263
Total assets	1,227,361	996,787	924,357

Risk weighted assets [a]

	2007 £m	2006 £m	2005 £m
UK Banking	99,836	92,981	87,971
UK Retail Banking	45,992	43,020	40,845
Barclays Commercial Bank	53,844	49,961	47,126
Barclaycard	19,929	17,035	13,625
IRCB	53,269	40,810	41,069
IRCB – ex Absa	29,667	20,082	20,235
IRCB – Absa	23,602	20,728	20,834
Barclays Capital	169,124	137,635	116,677
Barclays Global Investors	1,994	1,375	1,456
Barclays Wealth	7,692	6,077	4,305
Head office functions and other operations	1,632	1,920	4,045
Risk weighted assets	353,476	297,833	269,148

Total assets and risk weighted assets £bn



Note

a Risk weighted assets are calculated under Basel I

2007/06

Total assets increased 23% to £1,227.4bn (2006: £996.8bn). Risk weighted assets increased 19% to £353.5bn (2006: £297.8bn). Loans and advances to customers that have been securitised increased £4.3bn to £28.7bn (2006: £24.4bn). The increase in risk weighted assets since 2006 reflected a rise of £31.6bn in the banking book and a rise of £24.0bn in the trading book.

UK Retail Banking total assets increased 7% to £87.8bn (2006: £81.7bn). This was mainly attributable to growth in mortgage balances. Risk weighted assets increased by 7% to £46.0bn (2006: £43.0bn) with growth in mortgages partially offset by an increase in securitised balances and other reductions.

Barclays Commercial Bank total assets grew 12% to £73.9bn (2006: £65.9bn) driven by good growth across lending products. Risk weighted assets increased 8% to £53.8bn (2006: £50.0bn), reflecting asset growth partially offset by increased regulatory netting and an increase in securitised balances.

Barclaycard total assets increased 10% to £22.2bn (2006: £20.1bn). Risk weighted assets increased 17% to £19.9bn (2006: £17.0bn), primarily reflecting the increase in total assets, redemption of securitisation transactions, partially offset by changes to the treatment of regulatory associates and the sale of part of the Monument card portfolio.

International Retail and Commercial Banking – excluding Absa total assets grew 37% to £52.2bn (2006: £38.2bn). This growth was mainly driven by increases in retail mortgages and unsecured lending in Western Europe and increases in unsecured lending in Emerging Markets. Risk weighted assets increased 48% to £29.7bn (2006: £20.1bn), reflecting asset growth and a change in product mix.

International Retail and Commercial Banking – Absa total assets increased 23% to £37.3bn (2006: £30.4bn), primarily driven by increases in mortgages, credit cards and commercial property finance. Risk weighted assets increased 14% to £23.6bn (2006: £20.7bn), reflecting balance sheet growth.

Barclays Capital total assets rose 28% to £839.7bn (2006: £657.9bn). Derivative assets increased £109.3bn primarily due to movements across a range of market indices. This was accompanied by a corresponding increase in derivative liabilities. The increase in non-derivative assets reflects an expansion of the business across a number of asset classes, combined with an increase in drawn leveraged loan positions and mortgage-related assets. Risk weighted assets increased 23% to £169.1bn (2006: £137.6bn) reflecting growth in fixed income, equities and credit derivatives.

Barclays Global Investors total assets increased 11% to £89.2bn (2006: £80.5bn), mainly attributable to growth in certain asset management products recognised as investment contracts. The majority of total assets relates to asset management products with equal and offsetting balances reflected within liabilities to customers. Risk weighted assets increased 43% to £2.0bn (2006: £1.4bn) mainly attributable to overall growth in the balance sheet and the mix of securities lending activity.

Barclays Wealth total assets increased 20% to £18.0bn (2006: £15.0bn) reflecting strong growth in lending to high net worth, affluent and intermediary clients. Risk weighted assets increased 26% to £7.7bn (2006: £6.1bn) reflecting the increase in lending.

Head office functions and other operations total assets remained flat at £7.1bn (2006: £7.1bn). Risk weighted assets decreased 16% to £1.6bn (2006: £1.9bn).

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2006/05

Total assets increased 8% to £996.8bn (2005: £924.4bn). Risk weighted assets increased 11% to £297.8bn (2005: £269.1bn). Loans and advances to customers that have been securitised increased £5.8bn to £24.4bn (2005: £18.6bn). The increase in risk weighted assets since 2005 reflects a rise of £18.1bn in the banking book and a rise of £10.9bn in the trading book.

UK Retail Banking total assets increased 5% to £81.7bn (2005: £78.1bn). This was mainly attributable to growth in mortgage balances. Risk weighted assets increased 5% to £43.0bn (2005: £40.8bn) also primarily reflecting the growth in mortgage balances.

Barclays Commercial Bank total assets increased 10% to £65.9bn (2005: £59.8bn) reflecting good growth across short, medium and long term lending products. Risk weighted assets increased 6% to £50.0bn (2005: £47.1bn), reflecting asset growth and increased regulatory netting.

Barclaycard total assets increased 10% to £20.1bn (2005: £18.2bn) driven by growth in lending balances in the international businesses and FirstPlus. Risk weighted assets increased 25% to £17.0bn (2005: £13.6bn), primarily reflecting the increase in total assets and lower securitised balances.

International Retail and Commercial Banking-excluding Absa total assets increased 12% to £38.2bn (2005: £34.0bn) mainly reflecting increases in mortgage and other lending. Risk weighted assets remained flat at £20.1bn (2005: £20.2bn) with balance sheet growth offset by the sale of FirstCaribbean International Bank.

International Retail and Commercial Banking-Absa total assets increased 3% to £30.4bn (2005: £29.4bn). Risk weighted assets remained flat at £20.7bn (2005: £20.8bn). This reflects very strong growth in Rand terms offset by a 24% decline in the value of the Rand. In Rand terms assets grew 31% to R417bn (2005: R319bn) and risk weighted assets grew 25% to R284bn (2005: R227bn) due to strong growth in mortgage lending along with growth in corporate lending.

Barclays Capital total assets increased 9% to £657.9bn (2005: £601.2bn). This reflected continued expansion of the business with growth in reverse repurchase agreements, debt securities and traded equity securities. Risk weighted assets increased 18% to £137.6bn (2005: £116.7bn) in line with risk, driven by the growth in equity derivatives, credit derivatives and fixed income.

Barclays Global Investors total assets remained flat at £80.5bn (2005: £80.9bn). The majority of total assets relates to asset management products with equal and offsetting balances reflected within liabilities to customers. Risk weighted assets decreased 7% to £1.4bn (2005: £1.5bn).

Barclays Wealth total assets increased 12% to £15.0bn (2005: £13.4bn) reflecting strong growth in lending to high net worth, affluent and intermediary clients. Risk weighted assets increased 42% to £6.1bn (2005: £4.3bn) above the rate of balance sheet growth driven by changes in the mix of lending and growth in guarantees.

Head office functions and other operations total assets decreased 24% to £7.1bn (2005: £9.3bn). Risk weighted assets decreased 53% to £1.9bn (2005: £4.0bn).

Total shareholders' equity

	2007 £m	2006 £m	2005 £m
Barclays PLC Group			
Called up share capital	1,651	1,634	1,623
Share premium account	56	5,818	5,650
Available for sale reserve	154	132	225
Cash flow hedging reserve	26	(230)	70
Capital redemption reserve	384	309	309
Other capital reserve	617	617	617
Currency translation reserve	(307)	(438)	156
Other reserves	874	390	1,377
Retained earnings	20,970	12,169	8,957
Less: Treasury shares	(260)	(212)	(181)
Shareholders' equity excluding minority interests	23,291	19,799	17,426
Minority interests	9,185	7,591	7,004
Total shareholders' equity	32,476	27,390	24,430

2007/06

Total shareholders' equity increased £5,086m to £32,476m (2006: £27,390m).

Called up share capital comprises 6,600 million (2006: 6,535 million) ordinary shares of 25p each and 1 million (2006: 1 million) staff shares of £1 each. Called up share capital increased by £17m representing the nominal value of shares issued to Temasek Holdings, China Development Bank (CDB) and employees under share option plans largely offset by a reduction in nominal value arising from share buy-backs. Share premium reduced by £5,762m the reclassification of £7,223m to retained earnings resulting from the High Court approved cancellation of share premium was partly offset by additional premium arising on the issuance to CDB and on employee options. The capital redemption reserve increased by £75m representing the nominal value of the share buy-backs.

Retained earnings increased by £8,801m. Increases primarily arose from profit attributable to equity holders of the parent of £4,417m, the reclassification of share premium of £7,223m and the proceeds of the Temasek issuance in excess of nominal value of £941m. Reductions primarily arose from external dividends paid of £2,079m and the total cost of share repurchases of £1,802m.

Movements in other reserves, except the capital redemption reserve, reflect the relevant amounts recorded in the consolidated statement of recognised income and expense on page 162.

Minority interests increased £1,594m to £9,185m (2006: £7,591m). The increase was primarily driven by preference share issuances of £1,322m and an increase in the minority interest in Absa of £225m.

The Group's authority to buy-back equity shares was renewed at the 2007 AGM.

2006/05

Total shareholders' equity increased £2,960m to £27,390m (2005: £24,430m).

Called up share capital and share premium increased by £11m and £168m respectively representing the issue of shares to employees under share option plans.

Retained earnings increased by £3,212m primarily reflecting profit attributable to equity holders of the parent of £4,571m partly offset by dividends paid of £1,771m.

Movements in other reserves reflect the relevant amounts recorded in the consolidated statement of recognised income and expense.

Minority Interests increased £587m primarily reflecting the issuance of preference shares by Barclays Bank PLC and Absa.

Barclays Bank PLC

Preference shares issued by Barclays Bank PLC are included within share capital and share premium in the Barclays Bank PLC Group but represent minority interests in the Barclays PLC Group. Certain issuances of reserve capital instruments and capital notes by Barclays Bank PLC are included within other shareholders' equity in the Barclays Bank PLC Group but represent minority interests in Barclays PLC Group.

	2007 £m	2006 £m	2005 £m
Barclays Bank PLC Group			
Called up share capital	2,382	2,363	2,348
Share premium account	10,751	9,452	8,882
Available for sale reserve	111	184	257
Cash flow hedging reserve	26	(230)	70
Currency translation reserve	(307)	(438)	156
Other reserves	(170)	(484)	483
Other shareholders' equity	2,687	2,534	2,490
Retained earnings	14,222	11,556	8,462
Shareholders' equity excluding minority interests	29,872	25,421	22,665
Minority interests	1,949	1,685	1,578
Total shareholders' equity	31,821	27,106	24,243

Capital ratios

	Basel II	Basel I		Basel I		Basel I	
	2007	2007		2006		2005	
	Barclays PLC Group	Barclays PLC Group	Barclays Bank PLC Group	Barclays PLC Group	Barclays Bank PLC Group	Barclays PLC Group	Barclays Bank PLC Group
Capital ratios	%	%	%	%	%	%	%
Tier 1 ratio	7.6	7.8	7.5	7.7	7.5	7.0	6.9
Risk asset ratio	11.2	12.1	11.8	11.7	11.5	11.3	11.2
Risk weighted assets	£m	£m	£m	£m	£m	£m	£m
Banking book							
on-balance sheet	n/a	231,496	231,491	197,979	197,979	180,808	180,808
off-balance sheet	n/a	32,620	32,620	33,821	33,821	31,351	31,351
Associates and joint ventures	n/a	1,354	1,354	2,072	2,072	3,914	3,914
Total banking book	244,474	265,470	265,465	233,872	233,872	216,073	216,073
Trading book							
Market risks	39,912	36,265	36,265	30,291	30,291	23,216	23,216
Counterparty and settlement risks	41,203	51,741	51,741	33,670	33,670	29,859	29,859
Total trading book	81,115	88,006	88,006	63,961	63,961	53,075	53,075
Operational risk	28,389	n/a	n/a	n/a	n/a	n/a	n/a
Total risk weighted assets	353,978	353,476	353,471	297,833	297,833	269,148	269,148

Minimum requirements under the FSA's Basel rules are expressed as a ratio of capital resources to risk weighted assets (Risk Asset Ratio). Risk weighted assets are a function of risk weights applied to the Group's assets using calculations developed by the Basel Committee on Banking Supervision.

Basel I

At 31st December 2007, the Tier 1 capital ratio was 7.8% and the risk asset ratio was 12.1%. From 31st December 2006, total net capital resources rose £7.9bn and risk weighted assets increased £55.6bn.

Tier 1 capital rose £4.1bn, including £2.3bn arising from profits attributable to equity holders of the parent net of dividends paid. Minority interests within Tier 1 capital increased £2.7bn primarily due to the issuance of reserve capital instruments and preference shares. The deduction for goodwill and intangible assets increased by £1.1bn. Tier 2 capital increased £3.1bn mainly as a result of an increase of £3.0bn of dated loan capital.

Basel II

Under Basel II, effective from 1st January 2008, the Group has been granted approval by the FSA to adopt the advanced approaches to credit and operational risk management. Pillar 1 risk weighted assets will be generated using the Group's risk models. Pillar 1 minimum capital requirements under Basel II are Pillar 1 risk weighted assets multiplied by 8%, the internationally agreed minimum ratio.

Under Pillar 2 of Basel II, the Group is subject to an overall regulatory capital requirement (expressed in £ terms) based on individual capital guidance ('ICG') received from the FSA. The ICG imposes additional capital requirements in excess of Pillar 1 minimum capital requirements. Barclays received its ICG from the FSA in December 2007.

Risk weighted assets calculated on a Basel II basis are broadly in line with risk weighted assets calculated on a Basel I basis. A reduction in credit and counterparty risk weighted assets of £31.5bn more than offset the identification of capital equivalent risk weighted assets of £28.4bn attributable to operational risk. The reduced risk weighted assets attributable to credit risk were mainly driven by recognition of the low risk profile of first charge residential mortgages in UK Retail Banking and Absa and the use of internal models to assess exposures to counterparty risk in the trading book. These were partially offset by higher counterparty risk weightings in emerging markets and greater recognition of undrawn commitments.

Compared to Basel I, deductions from Tier 1 and Tier 2 capital under Basel II include additional amounts relating to expected loss and securitisations. For advanced portfolios, any excess of expected loss over impairment allowances is deducted half from Tier 1 and half from Tier 2 capital. Deductions relating to securitisation transactions, which are made from total capital under Basel I, are deducted half from Tier 1 and half from Tier 2 capital under Basel II.

For portfolios treated under the standardised approach, the inclusion of collectively assessed impairment allowances in Tier 2 capital remains the same under Basel II. Collectively assessed impairment allowances against exposures treated under Basel II advanced approaches are not eligible for direct inclusion in Tier 2 capital.

Financial review
Capital resources and deposits

Total net capital resources

	Basel II	Basel I		Basel I		Basel I	
	2007 £m	2007 £m		2006 £m		2005 £m	
Capital resources (as defined for regulatory purposes)	Barclays PLC Group	Barclays PLC Group	Barclays Bank PLC Group	Barclays PLC Group	Barclays Bank PLC Group	Barclays PLC Group	Barclays Bank PLC Group
Tier 1							
Called up share capital	1,651	1,651	2,382	1,634	2,363	1,623	2,348
Eligible reserves	22,939	22,526	25,615	19,608	21,700	16,837	18,646
Minority interests	10,551	10,551	5,857	7,899	4,528	6,634	3,700
Tier One Notes	899	899	899	909	909	981	981
Less: Intangible assets	(8,191)	(8,191)	(8,191)	(7,045)	(7,045)	(7,180)	(7,180)
Less: Deductions from Tier 1 capital	(1,106)	(28)	(28)	–	–	–	–
Total qualifying tier 1 capital	26,743	27,408	26,534	23,005	22,455	18,895	18,495
Tier 2							
Revaluation reserves	26	26	26	25	25	25	25
Available for sale equity	295	295	295	221	221	223	223
Collectively assessed impairment allowances	440	2,619	2,619	2,556	2,556	2,306	2,306
Minority interests	442	442	442	451	451	515	515
Qualifying subordinated liabilities							
Undated loan capital	3,191	3,191	3,191	3,180	3,180	3,212	3,212
Dated loan capital	10,578	10,578	10,578	7,603	7,603	7,069	7,069
Less: Deductions from Tier 2 capital	(1,106)	(28)	(28)	–	–	–	–
Total qualifying tier 2 capital	13,866	17,123	17,123	14,036	14,036	13,350	13,350
Less: Regulatory deductions							
Investments not consolidated for supervisory purposes	(633)	(633)	(633)	(982)	(982)	(782)	(782)
Other deductions	(193)	(1,256)	(1,256)	(1,348)	(1,348)	(961)	(961)
Total deductions	(826)	(1,889)	(1,889)	(2,330)	(2,330)	(1,743)	(1,743)
Total net capital resources	39,783	42,642	41,768	34,711	34,161	30,502	30,102

Financial review
Deposits and short-term borrowings

Deposits

Deposits include deposits from banks and customers accounts.

	Average: year ended 31st December		
	2007 £m	2006 £m	2005 £m
Deposits from banks			
Customers in the United Kingdom	15,321	12,832	9,703
Customers outside the United Kingdom:			
Other European Union	33,162	30,116	29,092
United States	6,656	7,352	8,670
Africa	4,452	4,140	3,236
Rest of the World	36,626	35,013	39,060
Total deposits from banks	96,217	88,453	89,761
Customer accounts			
Customers in the United Kingdom	187,249	173,767	155,252
Customers outside the United Kingdom:			
Other European Union	23,696	22,448	20,773
United States	21,908	17,661	15,167
Africa	29,855	23,560	17,169
Rest of the World	23,032	18,982	16,911
Customer accounts	285,740	257,428	225,272

Deposits from banks in offices in the United Kingdom from non-residents amounted to £45,162m (2006: £41,762m).

	Year ended 31st December		
	2007 £m	2006 £m	2005 £m
Customer accounts	294,987	256,754	238,684
In offices in the United Kingdom:			
Current and Demand accounts – interest free	33,400	25,660	22,980
Current and Demand accounts – interest bearing	32,047	31,769	28,416
Savings accounts	78,682	62,745	57,715
Other time deposits – retail	35,123	36,110	35,142
Other time deposits – wholesale	65,726	53,733	42,967
Total repayable in offices in the United Kingdom	237,978	210,007	187,220
In offices outside the United Kingdom:			
Current and Demand accounts – interest free	2,990	2,169	2,300
Current and Demand accounts – interest bearing	11,570	17,626	20,494
Savings accounts	3,917	3,041	3,230
Other time deposits	38,532	23,911	25,440
Total repayable in offices outside the United Kingdom	57,009	46,747	51,464

Customer accounts deposits in offices in the United Kingdom received from non-residents amounted to £49,179m (2006: £40,291m).

Note

a Average interest rate during the year for commercial paper and negotiable certificates of deposit have been restated for 2006 and 2005 to reflect methodology enhancements.

Short-term borrowings

Short-term borrowings include deposits from banks, commercial paper and negotiable certificates of deposit.

Deposits from banks

Deposits from banks are taken from a wide range of counterparties and generally have maturities of less than one year.

	2007 £m	2006 £m	2005 £m
Year-end balance	90,546	79,562	75,127
Average balance	96,217	89,453	89,761
Maximum balance	109,580	97,105	103,397
Average interest rate during year	4.1%	4.2%	2.6%
Year-end interest rate	4.0%	4.3%	3.6%

Commercial paper

Commercial paper is issued by the Group, mainly in the United States, generally in denominations of not less than US$100,000, with maturities of up to 270 days.

	2007 £m	2006 £m	2005 £m
Year-end balance	23,451	26,546	28,275
Average balance	26,229	29,740	22,309
Maximum balance	30,736	31,869	28,598
Average interest rate during year [a]	5.4%	4.4%	3.1%
Year-end interest rate	5.2%	5.0%	4.5%

Negotiable certificates of deposit

Negotiable certificates of deposits are issued mainly in the UK and US, generally in denominations of not less than US$100,000.

	2007 £m	2006 £m	2005 £m
Year-end balance	58,401	52,800	43,109
Average balance	55,394	49,327	45,533
Maximum balance	62,436	60,914	53,456
Average interest rate during year [a]	5.1%	5.3%	3.9%
Year-end interest rate	5.0%	5.1%	4.5%

Commitments and contractual obligations

Commitments and contractual obligations include loan commitments, contingent liabilities, debt securities and purchase obligations.

Commercial commitments

	Amount of commitment expiration per period				
	Less than one year £m	Between one to three years £m	Between three to five years £m	After five years £m	Total amounts committed £m
Acceptances and endorsements	365	–	–	–	365
Guarantees and letters of credit pledged as collateral security	29,136	2,711	1,971	1,874	35,692
Other contingent liabilities	6,594	1,556	416	1,151	9,717
Documentary credits and other short-term trade related transactions	401	121	–	–	522
Forward asset purchases and forward deposits placed	283	–	–	–	283
Standby facilities, credit lines and other	136,457	17,039	28,127	10,211	191,834

Contractual obligations

	Payments due by period				
	Less than one year £m	Between one to three years £m	Between three to five years £m	After five years £m	Total £m
Long-term debt	90,201	13,558	8,630	19,358	131,747
Operating lease obligations	197	755	610	2,225	3,787
Purchase obligations	141	186	27	6	360
Total	90,539	14,499	9,267	21,589	135,894

The long-term debt does not include undated loan capital of £6,631m.

Further information on the contractual maturity of the Group's assets and liabilities is given in Note 48.

Financial review
Securities

Securities

The following table analyses the book value of securities which are carried at fair value.

	2007 Book value £m	2007 Amortised cost £m	2006 Book value £m	2006 Amortised cost £m	2005 Book value £m	2005 Amortised cost £m
Investment securities – available for sale						
Debt securities:						
United Kingdom government	78	81	758	761	31	31
Other government	7,393	7,434	12,587	12,735	14,860	14,827
Other public bodies	634	632	280	277	216	216
Mortgage and asset backed securities	1,367	1,429	1,706	1,706	3,062	3,062
Corporate issuers	19,684	19,649	27,089	27,100	25,590	25,597
Other issuers	9,547	9,599	5,492	5,450	6,265	6,257
Equity securities	1,676	1,418	1,371	1,047	1,250	1,007
Investment securities – available for sale	40,349	40,242	49,283	49,076	51,274	50,997
Other securities – held for trading						
Debt securities:						
United Kingdom government	3,832	n/a	4,986	n/a	4,786	n/a
Other government	51,104	n/a	46,845	n/a	46,426	n/a
Mortgage and asset backed securities	37,038	n/a	29,606	n/a	17,644	n/a
Bank and building society certificates of deposit	17,751	n/a	14,159	n/a	15,837	n/a
Other issuers	43,053	n/a	44,980	n/a	43,674	n/a
Equity securities	36,307	n/a	31,548	n/a	20,299	n/a
Other securities – held for trading	189,085	n/a	172,124	n/a	148,666	n/a

Investment debt securities include government securities held as part of the Group's treasury management portfolio for asset and liability, liquidity and regulatory purposes and are for use on a continuing basis in the activities of the Group. In addition, the Group holds as investments listed and unlisted corporate securities.

Mortgage and asset backed securities and other issuers within held for trading debt securities have been restated in 2006 and 2005 to reflect changes in classification of assets.

Bank and building society certificates of deposit are freely negotiable and have original maturities of up to five years, but are typically held for shorter periods. In addition to UK government securities shown above, at 31st December 2007, 2006 and 2005, the Group held the following government securities which exceeded 10% of shareholders' equity.

Government securities

	2007 Book value £m	2006 Book value £m	2005 Book value £m
United States	15,156	18,343	16,093
Japan	9,124	15,505	14,560
Germany	5,136	4,741	6,376
France	3,538	4,336	4,822
Italy	5,000	3,419	4,300
Spain	3,674	2,859	2,456
Netherlands	1,270	395	2,791

Maturities and yield of available for sale debt securities

	Maturing within one year: Amount £m	Yield %	Maturing after one but within five years: Amount £m	Yield %	Maturing after five but within ten years: Amount £m	Yield %	Maturing after ten years: Amount £m	Yield %	Total: Amount £m	Yield %
Government	1,354	5.8	3,997	4.0	788	1.6	1,322	1.1	7,461	3.5
Other public bodies	546	8.6	78	1.3	–	–	10	6.2	634	7.7
Other issuers	11,849	5.2	12,542	4.9	4,343	5.6	1,844	7.0	30,578	5.2
Total book value	13,749	5.4	16,617	4.6	5,131	5.0	3,176	4.5	38,673	5.0

The yield for each range of maturities is calculated by dividing the annualised interest income prevailing at 31st December 2007 by the fair value of securities held at that date.

Financial review
Critical accounting estimates

The Group's accounting policies are set out on pages 149 to 157. Certain of these policies, as well as estimates made by management, are considered to be important to an understanding of the Group's financial condition since they require management to make difficult, complex or subjective judgements and estimates, some of which may relate to matters that are inherently uncertain. The following accounting policies include estimates which are particularly sensitive in terms of judgements and the extent to which estimates are used. Other accounting policies involve significant amounts of judgements and estimates, but the total amounts involved are not significant to the financial statements. Management has discussed the accounting policies and critical accounting estimates with the Board Audit Committee.

Fair value of financial instruments

Some of the Group's financial instruments are carried at fair value through profit or loss such as those held for trading, designated by management under the fair value option and non-cash flow hedging derivatives.

Other non-derivative financial assets may be designated as available for sale. Available for sale financial investments are initially recognised at fair value and are subsequently held at fair value. Gains and losses arising from changes in fair value of such assets are included as a separate component of equity. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Financial 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 relating to trading activities. Assets and liabilities resulting from gains and losses on financial instruments held for trading are reported gross in trading portfolio assets and liabilities or derivative financial instruments, reduced by the effects of netting agreements where there is an intention to settle net with counterparties.

Valuation methodology

The method of determining the fair value of financial instruments can be analysed into the following categories:

(a) Unadjusted quoted prices in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's length basis.

(b) Valuation techniques using market observable inputs. Such techniques may include:

- using recent arm's length market transactions;
- reference to the current fair value of similar instruments;
- discounted cash flow analysis, pricing models or other techniques commonly used by market participants.

(c) Valuation techniques used above, but which include significant inputs that are not observable. On initial recognition of financial instruments measured using such techniques the transaction price is deemed to provide the best evidence of fair value for accounting purposes.

The valuation techniques in (b) and (c) use inputs such as interest rate yield curves, equity prices, commodity and currency prices/yields, volatilities of underlyings and correlations between inputs. The models used in these valuation techniques are calibrated against industry standards, economic models and to observed transaction prices where available.

The following tables set out the total financial instruments stated at fair value as at 31st December 2007 and those fair values are calculated with valuation techniques using unobservable inputs.

	Unobservable inputs £m	Total £m
Assets stated at fair value		
Trading portfolio assets	4,457	93,691
Financial assets designated at fair value:		
– held on own account	16,819	56,629
– held in respect of linked liabilities to customers under investment contracts	–	90,851
Derivative financial instruments	2,707	248,088
Available for sale financial investments	810	43,072
Total	24,793	532,331

	Unobservable inputs £m	Total £m
Liabilities stated at fair value		
Trading portfolio liabilities	42	65,402
Financial liabilities designated at fair value	6,172	74,489
Liabilities to customers under investment contracts	–	92,639
Derivative financial instruments	4,382	248,288
Total	10,596	480,818

Various factors influence the availability of observable inputs and these may vary from product to product and change over time. Factors include for example, the depth of activity in the relevant market, the type of product, whether the product is new and not widely traded in the market place, the maturity of market modelling and the nature of the transaction (bespoke or generic).

To the extent that valuation is based on models or inputs that are not observable in the market, the determination of fair value can be more subjective, dependant on the significance of the unobservable input to the overall valuation. Unobservable inputs are determined based on the best information available, for example by reference to similar assets, similar maturities, appropriate proxies, or other analytical techniques. The effect of changing the assumptions for those financial instruments for which the fair values were measured using valuation techniques that are determined in full or in part on assumptions that are not supported by observable inputs to a range of reasonably possible alternative assumptions, would be to provide a range of £1.2bn (2006: £0.5bn) lower to £1.5bn (2006: £0.1bn) higher than the fair values recognised in the financial statements.

The size of this range will vary over time in response to market volatility, market uncertainty and changes to benchmark proxy relationships of similar assets and liabilities. The calculation of this range is performed on a consistent basis each period.

Further information on the fair value of financial instruments is provided in Note 49 to the accounts.

The following summary sets out those instruments which use inputs where it may be necessary to use valuation techniques as described above.

Corporate bonds

Corporate bonds are generally valued using observable quoted prices or recently executed transactions. Where observable price quotations are not available, the fair value is determined based on cash flow models where significant inputs may include yield curves, bond or single name credit default swap spreads.

Financial review
Critical accounting estimates

Within the retail and small businesses portfolios, which comprise large numbers of small homogeneous assets with similar risk characteristics where credit scoring techniques are generally used, statistical techniques are used to calculate impairment allowances on a portfolio basis, based on historical recovery rates and assumed emergence periods. These statistical analyses use as primary inputs the extent to which accounts in the portfolio are in arrears and historical information on the eventual losses encountered from such delinquent portfolios. There are many such models in use, each tailored to a product, line of business or customer category. Judgement and knowledge is needed in selecting the statistical methods to use when the models are developed or revised. The impairment allowance reflected in the financial statements for these portfolios is therefore considered to be reasonable and supportable. The impairment charge reflected in the income statement for these portfolios is £1,605m (2006: £1,809m) and amounts to 70% (2006: 87%) of the total impairment charge on loans and advances in 2007.

For larger accounts, impairment allowances are calculated on an individual basis and all relevant considerations that have a bearing on the expected future cash flows are taken into account, for example, the business prospects for the customer, the realisable value of collateral, the Group's position relative to other claimants, the reliability of customer information and the likely cost and duration of the work-out process. The level of the impairment allowance is the difference between the value of the discounted expected future cash flows (discounted at the loan's original effective interest rate), and its carrying amount. Subjective judgements are made in the calculation of future cash flows. Furthermore, judgements change with time as new information becomes available or as work-out strategies evolve, resulting in frequent revisions to the impairment allowance as individual decisions are taken. Changes in these estimates would result in a change in the allowances and have a direct impact on the impairment charge. The impairment charge reflected in the financial statements in relation to larger accounts is £701m (2006: £265m) or 30% (2006: 13%) of the total impairment charge on loans and advances in 2007. Further information on impairment allowances is set out on pages 84 to 85.

Goodwill

Management have to consider at least annually whether the current carrying value of goodwill is impaired. The first step of the impairment review process requires the identification of independent cash generating units, by dividing the Group business into as many largely independent income streams as is reasonably practicable. The goodwill is then allocated to these independent units. The first element of this allocation is based on the areas of the business expected to benefit from the synergies derived from the acquisition. The second element reflects the allocation of the net assets acquired and the difference between the consideration paid for those net assets and their fair value. This allocation is reviewed following business reorganisation. The carrying value of the unit, including the allocated goodwill, is compared to its fair value to determine whether any impairment exists. If the fair value of a unit is less than its carrying value, goodwill will be impaired. Detailed calculations may need to be carried out taking into consideration changes in the market in which a business operates (e.g. competitive activity, regulatory change). In the absence of readily available market price data this calculation is based upon discounting expected pre-tax cash flows at a risk adjusted interest rate appropriate to the operating unit, the determination of both of which requires the exercise of judgement. The estimation of pre-tax cash flows is sensitive to the periods for which detailed forecasts are available and to assumptions regarding the long term sustainable cash flows. While forecasts are compared with actual performance and external economic data, expected cash flows naturally reflect management's view of future performance. The most significant amounts of goodwill relate to the Absa and Woolwich acquisitions. The goodwill impairment testing performed in 2007 indicated that none of the goodwill was impaired. Management believes that reasonable changes in key assumptions used to determine the recoverable amounts of Absa and Woolwich goodwill would not result in impairment.

Intangible assets

Intangible assets that derive their value from contractual customer relationships or that can be separated and sold and have a finite useful life are amortised over their estimated useful life. Determining the estimated useful life of these finite life intangible assets requires an analysis of circumstances, and judgement by the Bank's management. At each balance sheet date, or more frequently when events or changes in circumstances dictate, intangible assets are assessed for indications of impairment. If indications are present, these assets are subject to an impairment review. The impairment review comprises a comparison of the carrying amount of the asset with its recoverable amount: the higher of the assets' or the cash-generating unit's net selling price and its value in use. Net selling price is calculated by reference to the amount at which the asset could be disposed of in a binding sale agreement in an arms-length transaction evidenced by an active market or recent transactions for similar assets. Value in use is calculated by discounting the expected future cash flows obtainable as a result of the asset's continued use, including those resulting from its ultimate disposal, at a market-based discount rate on a pre-tax basis. The most significant amounts of intangible assets relate to the Absa acquisition.

Retirement benefit obligations

The Group provides pension plans for employees in most parts of the world. Arrangements for staff retirement benefits vary from country to country and are made in accordance with local regulations and customs. For defined contribution schemes, the pension cost recognised in the profit and loss account represents the contributions payable to the scheme. For defined benefit schemes, actuarial valuation of each of the scheme's obligations using the projected unit credit method and the fair valuation of each of the scheme's assets are performed annually in accordance with the requirements of IAS 19.

The actuarial valuation is dependent upon a series of assumptions, the key ones being interest rates, mortality, investment returns and inflation. Mortality estimates are based on standard industry and national mortality tables, adjusted where appropriate to reflect the Group's own experience. The returns on fixed interest investments are set to market yields at the valuation date (less an allowance for risk) to ensure consistency with the asset valuation. The returns on UK and overseas equities are based on the long-term outlook for global equities at the calculation date having regard to current market yields and dividend growth expectations. The inflation assumption reflects long-term expectations of both earnings and retail price inflation.

The difference between the fair value of the plan assets and the present value of the defined benefit obligation at the balance sheet date, adjusted for any historic unrecognised actuarial gains or losses and past service cost, is recognised as a liability in the balance sheet. An asset arising, for example, as a result of past over-funding or the performance of the plan investments, is recognised to the extent that it does not exceed the present value of future contribution holidays or refunds of contributions. To the extent that any unrecognised gains or losses at the start of the measurement year in relation to any individual defined benefit scheme exceed 10% of the greater of the fair value of the scheme assets and the defined benefit obligation for that scheme, a proportion of the excess is recognised in the income statement.

The Group's IAS 19 pension surplus across all pension and post-retirement schemes as at 31st December 2007 was a surplus of £393m (2006: £817m deficit). This comprises net recognised liabilities of £1,501m (2006: £1,719m) and unrecognised actuarial gains of £1,894m (2006: £902m). The net recognised liabilities comprises retirement benefit liabilities of £1,537m (2006: £1,807m) relating to schemes that are in deficit, and assets of £36m (2006: £88m) relating to schemes that are in surplus. The Group's IAS 19 pension surplus in respect of the main UK scheme as at 31st December 2007 was £668m (2006: £495m deficit). The estimated ~~actuarial~~ funding position of the main UK pension scheme as at 31st December 2007, estimated from the triennial valuation in 2004, was a surplus of £1,200m (2006: £1,300m). Cash contributions to the main UK scheme were £355m (2006: £351m).

Further information on retirement benefit obligations, including assumptions is set out in Note 30 to the accounts.

Off-balance sheet arrangements

In the ordinary course of business and primarily to facilitate client transactions, the Group enters into transactions which may involve the use of off-balance sheet arrangements and special purpose entities (SPEs). These arrangements include the provision of guarantees, loan commitments, retained interests in assets which have been transferred to an unconsolidated SPE or obligations arising from the Group's involvements with such SPEs.

Guarantees

The Group issues guarantees on behalf of its customers. In the majority of cases, the Group will hold collateral against the exposure, have a right of recourse to the customer or both. In addition, the Group issues guarantees on its own behalf. The main types of guarantees provided are: financial guarantees given to banks and financial institutions on behalf of customers to secure loans; overdrafts; and other banking facilities, including stock borrowing indemnities and standby letters of credit. Other guarantees provided include performance guarantees, advance payment guarantees, tender guarantees, guarantees to Her Majesty's Revenue and Customs and retention guarantees. The nominal principal amount of contingent liabilities with off-balance sheet risk is set out in Note 34 and in the table on page 46.

Loan commitments

The Group enters into commitments to lend to its customers subject to certain conditions. Such loan commitments are made either for a fixed period, or are cancellable by the Group subject to notice conditions. Information on loan commitments and similar facilities is set out in Note 34 and in the table on page 46.

Special purpose entities

Transactions entered into by the Group may involve the use of SPEs. SPEs are entities that are created to accomplish a narrow and well defined objective. There are often specific restrictions or limits around their ongoing activities.

Transactions with SPEs take a number of forms, including:

- The provision of financing to fund asset purchases, or commitments to provide finance for future purchases.
- Derivative transactions to provide investors in the SPE with a specified exposure.
- The provision of liquidity or backstop facilities which may be drawn upon if the SPE experiences future funding difficulties.
- Direct investment in the notes issued by SPEs.

Depending on the nature of the Group's resulting exposure, it may consolidate the SPE on to the Group's balance sheet. The consolidation of SPEs is considered at inception based on the arrangements in place and the assessed risk exposures at that time. In accordance with IFRS, SPEs are consolidated when the substance of the relationship between the Group and the entity indicates control. Potential indicators of control include, amongst others, an assessment of the Group's exposure to the risks and benefits of the SPE. The initial consolidation analysis is revisited at a later date if:

(i) the Group acquires additional interests in the entity;

(ii) the contractual arrangements of the entity are amended such that the relative exposures to risks and rewards change; or if

(iii) the Group acquires control over the main operating and financial decisions of the entity.

A number of the Group's transactions have recourse only to the assets of unconsolidated SPEs. Typically, the majority of the exposure to these assets is borne by third parties and the Group's risk is mitigated through over-collateralisation, unwind features and other protective measures. The Group's involvement with unconsolidated third party conduits, collateralised debt obligations and structured investment vehicles is described further below.

Collateralised Debt Obligations

The Group has structured and underwritten CDOs. At inception, the Group's exposure principally takes the form of a liquidity facility provided to support future funding difficulties or cash shortfalls in the vehicles. If required by the vehicle, the facility is drawn with the amount advanced included within loans and advances in the balance sheet. Upon an event of default or other triggering event, the Group may acquire control of a CDO and, therefore, be required to fully consolidate the vehicle for accounting purposes. The potential for transactions to hit default triggers before the end of 2008 has been assessed and included in the determination of impairment charges and other credit provisions (£782m in relation to ABS CDO Super Senior and other credit market exposures for the year ended 31st December 2007).

E The Group's exposure to ABS CDO Super Senior positions before hedging was £6,018m as at 31st December 2007. This includes £1,149m of C undrawn facilities provided to mezzanine transactions (exposure stated net of writedowns and charges). Undrawn facilities provided to unconsolidated CDOs are included as part of commitments in Note 34 to the accounts.

The remaining £4,869m is the Group's exposure to High Grade CDOs, stated net of writedowns and charges. £3,782m of drawn balances are included within loans and advances on the balance sheet, with the remaining £1,087m representing consolidated High Grade CDOs accounted for on a fair value basis.

C E E E

Collateral

The collateral underlying unconsolidated CDOs comprised 77% residential mortgage backed securities, 6% non-residential asset backed securities and 17% in other categories, including 10% ABS CDO exposure (a proportion of which will be backed by residential mortgage collateral).

The remaining Weighted Average Life (WAL) of all collateral is 3.9 years. The combined Net Asset Value (NAV) for all of the CDOs was £2.8bn below the nominal amount, equivalent to an aggregate 40.2% decline in value on average for all investors.

Funding

The CDOs were funded with senior unrated notes and rated notes up to AAA. The capital structure senior to the AAA notes on cash CDOs was supported by a liquidity facility provided by the Group. On mezzanine CDOs, this portion of the capital structure is unfunded, but a liquidity facility is provided to support the level of synthetic instruments within each transaction. The senior portion covered by liquidity facilities is on average 79% of the capital structure.

E The initial WAL of the notes in issue averaged 7.1 years. The full contractual maturity is 37.8 years.

Off-balance sheet arrangements

Interests in Third Party CDOs

The Group has purchased securities in and entered into derivative instruments with third party CDOs. These interests are held as trading assets or liabilities on the Group's balance sheet and measured at fair value. The Group has not provided liquidity facilities or similar agreements to third party CDOs.

Structured Investment Vehicles (SIVs)

The Group has not structured or managed SIVs. Group exposure to third party SIVs comprised:

- £317m of senior liquidity facilities, of which £19m was drawn and included in loans and advances as at 31st December 2007. The Group is one of between two and eight independent liquidity providers on each transaction.
- Derivative exposures included on the balance sheet at their net fair value of £264m.
- Bonds issued by the SIVs included within trading portfolio assets at their fair value of £21m.
- £2.6bn repo funding facilities. £1.3bn has been utilised and included within loans and advances to customers in the balance sheet.

Other than the repo facilities, which when drawn are more than 100% collateralised by assets held by the Group with the collateral being valued daily, the items above are included in the credit market positions discussed on page 53.

SIV-Lites

The Group structured and helped to underwrite three SIV-Lite transactions. The Group is not involved in their ongoing management.

The Group provided £0.55bn in liquidity facilities as partial support to the £2.6bn of CP programmes on these transactions. These facilities have now been fully drawn or are terminated, such that no further drawings are possible. One of the three vehicles has been restructured into a cash CDO. As part of this restructuring, the Group acquired the £800m senior note in the CDO which is held at fair value within trading portfolio assets. The credit risk on this note has been transferred to a third party investment bank. For the remaining facilities, the amount drawn totalled £152m and is included on the balance sheet within loans and advances to customers and included in the credit market positions discussed on page 53.

Commercial Paper and Medium-term Note Conduits

The Group provided £19bn in undrawn backstop liquidity facilities to its own sponsored CP conduits. The Group fully consolidates these entities such that the underlying assets are reflected on the Group balance sheet.

The Group provided backstop facilities to support the paper issued by six third party conduits. These facilities totalled £1bn with underlying collateral comprising auto loans (81%), bank-guaranteed residential mortgages (11%), bank-guaranteed commercial and project finance loans (5%) and UK consumer finance receivables (3%). Drawings on these facilities were £46m as at 31st December 2007 and are included within loans and advances to customers.

The Group provided backstop facilities to six third-party SPEs that fund themselves with medium term notes. These notes are sold to investors as a series of 12 month securities and remarketed to investors annually. If investors decline to renew their holdings at a price below a pre-agreed spread, the backstop facility requires the Group to purchase the outstanding notes at scheduled maturity. The group has provided facilities of £2.9bn to SPEs holding prime UK and Australian owner-occupied Residential Mortgage Back Securities (RMBS) assets. As at 31st December 2007, the Group had acquired notes of £90m under these backstop facilities (included as available for sale assets in the balance sheet) and further acquisitions are expected through 2008 as other notes are remarketed. The notes generally rank pari passu with the other term AAA+ rated notes from the same issuer. The facilities have been designated at fair value and are reflected in the balance sheet at their current fair value.

The Group's own CP conduits provided facilities of £1.3bn to third party conduits containing prime UK buy-to-let RMBS. As at 31st December 2007, £290m of this facility had been drawn. The undrawn facilities are included within the commitments disclosed in Note 34 to the accounts, while the drawn elements are included within loans and advances to customers.

Asset securitisations

The Group has assisted companies with the formation of asset securitisations, some of which are effected through the use of SPEs. These entities have minimal equity and rely on funding in the form of notes to purchase the assets for securitisation. As these SPEs are created for other companies, the Group does not usually control these entities and therefore does not consolidate them. The Group may provide financing in the form of senior notes or junior notes and may also provide derivatives to the SPE. These transactions are included on the balance sheet.

The Group has used SPEs to securitise part of its originated and purchased retail and commercial lending portfolios and credit card receivables. These SPEs are usually consolidated and derecognition only occurs when the Group transfers its contractual right to receive cash flows from the financial assets, or retains the contractual rights to receive the cash flows, but assumes a contractual obligation to pay the cash flows to another party without material delay or reinvestment, and also transfers substantially all the risks and rewards of ownership, including credit risk, prepayment risk and interest rate risk. The carrying amount of securitised assets together with the associated liabilities are set out in Note 29.

Client intermediation

The Group has structured transactions as a financial intermediary to meet investor and client needs. These transactions involve entities structured by either the Group or the client and they are used to modify cash flows of third party assets to create investments with specific risk or return profiles or to assist clients in the efficient management of other risks. Such transactions will typically result in a derivative being shown on the balance sheet, representing the Group's exposure to the relevant asset.

The Group also invests in lessor entities specifically to acquire assets for leasing. Client intermediation also includes arrangements to fund the purchase or construction of specific assets (most common in the property industry).

Fund management

The Group provides asset management services to a large number of investment entities on an arm's-length basis and at market terms and prices. The majority of these entities are investment funds that are owned by a large and diversified number of investors. These funds are not consolidated because the Group does not own either a significant portion of the equity, or the risks and rewards inherent in the assets.

During 2007, Group operating expenses included charges of £80m (2006: £nil) related to selective support of liquidity products managed by Barclays Global Investors and not consolidated by the Group. The Group has continued to provide further selective support to liquidity products subsequent to 31st December 2007.

Financial review
Barclays Capital credit market positions

Barclays Capital credit market positions

Barclays Capital credit market exposures resulted in net losses of £1,635m in 2007, due to dislocations in the credit markets. The net losses primarily related to ABS CDO super senior exposures, with additional losses from other credit market exposures partially offset by gains from the general widening of credit spreads on issued notes held at fair value.

Credit market exposures in this note are stated relative to comparatives as at 30th June 2007, being the reporting date immediately prior to the credit market dislocations.

	As at 31st December 2007 £m	As at 30th June 2007 £m
ABS CDO Super Senior		
High Grade	4,869	6,151
Mezzanine	1,149	1,629
Exposure before hedging	6,018	7,780
Hedges	(1,347)	(348)
Net ABS CDO Super Senior	4,671	7,432
Other US sub-prime		
Whole loans	3,205	2,900
Other direct and indirect exposures	1,832	3,146
Other US sub-prime	5,037	6,046
Alt-A	4,916	3,760
Monoline insurers	1,335	140
Commercial mortgages	12,399	8,282
SIV-lite liquidity facilities	152	692
Structured investment vehicles	590	925

ABS CDO Super Senior exposure

ABS CDO Super Senior net exposure was £4,671m (30th June 2007: £7,432m). Exposures are stated net of writedowns and charges of £1,412m (30th June 2007: £56m) and hedges of £1,347m (30th June 2007: £348m).

The collateral for the ABS CDO Super Senior exposures primarily comprised Residential Mortgage Backed Securities. 79% of the RMBS sub-prime collateral comprised 2005 or earlier vintage mortgages. On ABS CDO super senior exposures, the combination of subordination, hedging and writedowns provide protection against loss levels to 72% on US sub-prime collateral as at 31st December 2007. None of the above hedges of ABS CDO Super Senior exposures as at 31st December 2007 were held with monoline insurer counterparties.

Other credit market exposures

Barclays Capital held other exposures impacted by the turbulence in credit markets, including: whole loans and other direct and indirect exposures to US sub-prime and Alt-A borrowers; exposures to monoline insurers; and commercial mortgage backed securities. The net losses in 2007 from these exposures were £823m.

Other US sub-prime whole loan and net trading book exposure was £5,037m (30th June 2007: £6,046m). Whole loans included £2,843m (30th June 2007: £1,886m) acquired since the acquisition of EquiFirst in March 2007, all of which were subject to Barclays underwriting criteria. As at 31st December 2007 the average loan to value of these EquiFirst loans was 80% with less than 3% at above 95% loan to value. 99% of the EquiFirst inventory was first lien.

Net exposure to the Alt-A market was £4,916m (30th June 2007: £3,760m), through a combination of securities held on the balance sheet including those held in consolidated conduits and residuals. Alt-A exposure is generally to borrowers of a higher credit quality than sub-prime borrowers. As at 31st December 2007 98% of the Alt-A whole loan exposure was performing, and the average loan to value ratio was 81%. 96% of the Alt-A securities held were rated AAA or AA.

Barclays Capital held assets with insurance protection or other credit enhancement from monoline insurers. The value of exposure to monoline insurers under these contracts was £1,335m (30th June 2007: £140m). There were no claims due under these contracts as none of the underlying assets were in default.

Exposures in our commercial mortgage backed securities business comprised commercial real estate loans of £11,103m (30th June 2007: £7,653m) and commercial mortgage backed securities of £1,296m (30th June 2007: £629m). The loan exposures were 54% US and 43% European. The US exposures had an average loan to value of 65% and the European exposures had an average loan to value of 71%. 87% of the commercial mortgage backed securities held as at 31st December 2007 were AAA or AA rated.

Loans and advances to customers included £152m (30th June 2007: £692m) of drawn liquidity facilities in respect of SIV-lites. Total exposure to other structured investment vehicles, including derivatives, undrawn commercial paper backstop facilities and bonds held in trading portfolio assets was £590m (30th June 2007: £925m).

Leveraged Finance

At 31st December 2007, drawn leveraged finance positions were £7,368m (30th June 2007: £7,317m). The positions were stated net of fees of £130m and impairment of £58m driven by widening of corporate credit spreads.

Own Credit

At 31st December 2007, Barclays Capital had issued notes held at fair value of £57,162m (30th June 2007: £44,622m). The general widening of credit spreads affected the carrying value of these notes and as a result revaluation gains of £658m were recognised in trading income.

Financial review
Average balance sheet

Average balance sheet and net interest income (year ended 31st December)

	2007			2006			2005		
	Average balance[a] £m	Interest £m	Average rate %	Average balance[a] £m	Interest £m	Average rate %	Average balance[a] £m	Interest £m	Average rate %
Assets									
Loans and advances to banks [b]:									
– in offices in the United Kingdom	29,431	1,074	3.6	18,401	647	3.5	14,798	454	3.1
– in offices outside the United Kingdom	12,262	779	6.4	12,278	488	4.0	11,063	403	3.6
Loans and advances to customers [b]:									
– in offices in the United Kingdom	205,707	13,027	6.3	184,392	11,247	6.1	172,398	10,229	5.9
– in offices outside the United Kingdom	88,212	6,733	7.6	77,615	4,931	6.4	50,699	2,975	5.9
Lease receivables:									
– in offices in the United Kingdom	4,822	283	5.9	5,266	300	5.7	6,521	348	5.3
– in offices outside the United Kingdom	5,861	691	11.8	6,162	595	9.7	1,706	117	6.9
Financial investments:									
– in offices in the United Kingdom	37,803	2,039	5.4	41,125	1,936	4.7	43,133	1,755	4.1
– in offices outside the United Kingdom	14,750	452	3.1	14,191	830	5.8	10,349	467	4.5
Reverse repurchase agreements and cash collateral on securities borrowed									
– in offices in the United Kingdom	211,709	9,644	4.6	166,713	6,136	3.7	150,292	4,617	3.0
– in offices outside the United Kingdom	109,012	5,454	5.0	100,416	5,040	5.0	92,407	2,724	2.9
Trading portfolio assets:									
– in offices in the United Kingdom	120,691	5,926	4.9	106,148	4,166	3.9	81,607	2,710	3.3
– in offices outside the United Kingdom	57,535	3,489	6.1	61,370	2,608	4.2	57,452	2,116	3.7
Total average interest earning assets	897,795	49,591	5.5	794,077	38,924	4.9	698,425	28,915	4.1
Impairment allowances/provisions	(4,435)			(3,565)			(3,105)		
Non-interest earning assets	422,834			310,949			278,328		
Total average assets and interest income	1,316,194	49,591	3.8	1,101,461	38,924	3.5	973,648	28,915	3.0
Percentage of total average interest earning assets in offices outside the United Kingdom	32.0%			34.3%			32.0%		
Total average interest earning assets related to:									
Interest income		49,591	5.5		38,924	4.9		28,915	4.1
Interest expense		(37,892)	4.2		(30,385)	3.8		(20,965)	3.0
		11,699	1.3		8,539	1.1		7,950	1.0

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Notes

a Average balances are based upon daily averages for most UK banking operations and monthly averages elsewhere.

b Loans and advances to customers and banks include all doubtful lendings, including non-accrual lendings. Interest receivable on such lendings has been included to the extent to which either cash payments have been received or interest has been accrued in accordance with the income recognition policy of the Group.

Average balance sheet and net interest income (year ended 31st December)

	2007			2006			2005		
	Average balance[a] £m	Interest £m	Average rate %	Average balance[a] £m	Interest £m	Average rate %	Average balance[a] £m	Interest £m	Average rate %
Liabilities and shareholders' equity									
Deposits by banks:									
– in offices in the United Kingdom	63,902	2,511	3.9	62,236	2,464	4.0	54,801	1,665	3.0
– in offices outside the United Kingdom	27,596	1,225	4.4	23,438	1,137	4.9	21,921	705	3.2
Customer accounts: demand deposits:									
– in offices in the United Kingdom	29,110	850	2.9	25,397	680	2.7	22,593	510	2.3
– in offices outside the United Kingdom	13,799	404	2.9	10,351	254	2.5	6,196	88	1.4
Customer accounts: savings deposits:									
– in offices in the United Kingdom	55,064	2,048	3.7	57,734	1,691	2.9	52,569	1,570	3.0
– in offices outside the United Kingdom	4,646	128	2.6	3,124	74	2.4	1,904	39	2.0
Customer accounts: other time deposits – retail:									
– in offices in the United Kingdom	30,578	1,601	5.2	34,865	1,548	4.4	33,932	1,470	4.3
– in offices outside the United Kingdom	12,425	724	5.8	8,946	482	5.4	6,346	260	4.1
Customer accounts: other time deposits – wholesale:									
– in offices in the United Kingdom	52,147	2,482	4.8	45,930	1,784	3.9	41,745	1,191	2.9
– in offices outside the United Kingdom	24,298	1,651	6.8	23,442	1,191	5.1	12,645	590	4.7
Debt securities in issue:									
– in offices in the United Kingdom	41,552	2,053	4.9	47,216	1,850	3.9	46,583	1,631	3.5
– in offices outside the United Kingdom	94,271	5,055	5.4	74,125	3,686	5.0	52,696	1,695	3.2
Dated and undated loan capital and other subordinated liabilities principally:									
– in offices in the United Kingdom	12,972	763	5.9	13,686	777	5.7	11,286	605	5.4
Repurchase agreements and cash collateral on securities lent:									
– in offices in the United Kingdom	169,272	7,616	4.5	141,862	5,080	3.6	130,767	3,634	2.8
– in offices outside the United Kingdom	118,050	5,051	4.3	86,693	4,311	5.0	80,391	2,379	3.0
Trading portfolio liabilities:									
– in offices in the United Kingdom	47,971	2,277	4.7	49,892	2,014	4.0	44,349	1,737	3.9
– in offices outside the United Kingdom	29,838	1,435	4.8	39,064	1,352	3.5	36,538	1,196	3.3
Total average interest bearing liabilities	827,693	37,892	4.6	748,001	30,385	4.1	657,182	20,965	3.2
Interest free customer deposits:									
– in offices in the United Kingdom	34,109			27,549			25,095		
– in offices outside the United Kingdom	3,092			2,228			2,053		
Other non-interest bearing liabilities	421,473			297,816			267,531		
Minority and other interests and shareholders' equity	29,827			25,867			21,807		
Total average liabilities, shareholders' equity and interest expense	1,316,194	37,892	2.9	1,101,461	30,385	2.8	973,648	20,965	2.2
Percentage of total average interest bearing non-capital liabilities in offices outside the United Kingdom	39.4%			36.1%			33.3%		

Note
a Average balances are based upon daily averages for most UK banking operations and monthly averages elsewhere.

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Average balance sheet

Changes in net interest income – volume and rate analysis
The following tables allocate changes in net interest income between changes in volume and changes in interest rates for the last two years. Volume and rate variances have been calculated on the movement in the average balances and the change in the interest rates on average interest earning assets and average interest bearing liabilities. Where variances have arisen from changes in both volumes and interest rates, these have been allocated proportionately between the two.

	2007/2006 Change due to increase/(decrease) in:			2006/2005 Change due to increase/(decrease) in:			2005/2004 [a] Change due to increase/(decrease) in:		
	Total change £m	Volume £m	Rate £m	Total change £m	Volume £m	Rate £m	Total change £m	Volume £m	Rate £m
Interest receivable									
Treasury bills and other eligible bills:									
– in offices in the UK	n/a	n/a	n/a	n/a	n/a	n/a	(68)	(68)	n/a
– in offices outside the UK	n/a	n/a	n/a	n/a	n/a	n/a	(63)	(63)	n/a
	n/a	n/a	n/a	n/a	n/a	n/a	(131)	(131)	n/a
Loans and advances to banks:									
– in offices in the UK	427	402	25	193	121	72	(237)	(115)	(122)
– in offices outside the UK	291	(1)	292	85	46	39	132	45	87
	718	401	317	278	167	111	(105)	(70)	(35)
Loans and advances to customers:									
– in offices in the UK	1,780	1,337	443	1,018	726	292	1,419	1,681	(262)
– in offices outside the UK	1,802	728	1,074	1,956	1,695	261	1,705	787	918
	3,582	2,065	1,517	2,974	2,421	553	3,124	2,468	656
Lease receivables:									
– in offices in the UK	(17)	(26)	9	(48)	(70)	22	128	78	50
– in offices outside the UK	96	(30)	126	478	413	65	96	91	5
	79	(56)	135	430	343	87	224	169	55
Debt securities:									
– in offices in the UK	n/a	n/a	n/a	n/a	n/a	n/a	(2,129)	(2,129)	n/a
– in offices outside the UK	n/a	n/a	n/a	n/a	n/a	n/a	(338)	(338)	n/a
	n/a	n/a	n/a	n/a	n/a	n/a	(2,467)	(2,467)	n/a
Financial investments:									
– in offices in the UK	103	(165)	268	181	(85)	266	1,755	1,755	n/a
– in offices outside the UK	(378)	32	(410)	363	202	161	467	467	n/a
	(275)	(133)	(142)	544	117	427	2,222	2,222	n/a
External trading assets:									
– in offices in the UK and	n/a	n/a	n/a	n/a	n/a	n/a	(4,971)	(4,971)	n/a
– outside the UK	n/a	n/a	n/a	n/a	n/a	n/a	(2,224)	(2,224)	n/a
	n/a	n/a	n/a	n/a	n/a	n/a	(7,195)	(7,195)	n/a
Reverse repurchase agreements and cash collateral on securities borrowed:									
– in offices in the UK	3,508	1,865	1,643	1,519	324	1,195	4,617	4,617	n/a
– in offices outside the UK	414	430	(16)	2,316	254	2,062	2,724	2,724	n/a
	3,922	2,295	1,627	3,835	578	3,257	7,341	7,341	n/a
Trading portfolio assets:									
– in offices in the UK	1,760	621	1,139	1,456	907	549	2,710	2,710	n/a
– in offices outside the UK	881	(172)	1,053	492	151	341	2,116	2,116	n/a
	2,641	449	2,192	1,948	1,058	890	4,826	4,826	n/a
Total interest receivable:									
– in offices in the UK	7,561	4,034	3,527	4,319	1,923	2,396	3,224	3,558	(334)
– in offices outside the UK	3,106	987	2,119	5,690	2,761	2,929	4,615	3,605	1,010
	10,667	5,021	5,646	10,009	4,684	5,325	7,839	7,163	676

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Note
a 2004 figures do not reflect the applications of IAS 32 and IAS 39 and IFRS 4 which became effective from 1st January 2005.

Changes in net interest income – volume and rate analysis

	2007/2006 Change due to increase/(decrease) in:			2006/2005 Change due to increase/(decrease) in:			2005/2004 [a] Change due to increase/(decrease) in:		
	Total change £m	Volume £m	Rate £m	Total change £m	Volume £m	Rate £m	Total change £m	Volume £m	Rate £m
Interest payable									
Deposits by banks:									
– in offices in the UK	47	66	(19)	799	247	552	440	231	209
– in offices outside the UK	88	190	(102)	432	52	380	395	121	274
	135	256	(121)	1,231	299	932	835	352	483
Customer accounts – demand deposits:									
– in offices in the UK	178	105	73	170	68	102	200	28	172
– in offices outside the UK	150	95	55	166	80	86	57	36	21
	328	200	128	336	148	188	257	64	193
Customer accounts – savings deposits:									
– in offices in the UK	357	(81)	438	121	152	(31)	245	145	100
– in offices outside the UK	54	45	9	35	28	7	18	16	2
	411	(36)	447	156	180	(24)	263	161	102
Customer accounts – other time deposits – retail:									
– in offices in the UK	53	(204)	257	78	41	37	164	(23)	187
– in offices outside the UK	242	200	42	222	125	97	142	59	83
	295	(4)	299	300	166	134	306	36	270
Customer accounts – other time deposits – wholesale:									
– in offices in the UK	688	263	425	603	129	474	(653)	(479)	(174)
– in offices outside the UK	470	45	425	601	550	51	248	(16)	264
	1,158	308	850	1,204	679	525	(405)	(495)	90
Debt securities in issue:									
– in offices in the UK	203	(240)	443	219	22	197	398	507	(109)
– in offices outside the UK	1,369	1,063	306	1,991	850	1,141	1,359	323	1,036
	1,572	823	749	2,210	872	1,338	1,757	830	927
Dated and undated loan capital and other subordinated liabilities principally in offices in the UK	(14)	(41)	27	172	135	37	(87)	(78)	(9)
External trading liabilities:									
– in offices in the UK	n/a	n/a	n/a	n/a	n/a	n/a	(5,611)	(5,611)	n/a
– outside the UK	n/a	n/a	n/a	n/a	n/a	n/a	(1,805)	(1,805)	n/a
	n/a	n/a	n/a	n/a	n/a	n/a	(7,416)	(7,416)	n/a
Repurchase agreements and cash collateral on securities lent:									
– in offices in the UK	2,536	1,090	1,446	1,446	329	1,117	3,634	3,634	n/a
– in offices outside the UK	740	1,402	(662)	1,932	200	1,732	2,379	2,379	n/a
	3,276	2,492	784	3,378	529	2,849	6,013	6,013	n/a
Trading portfolio liabilities:									
– in offices in the UK	263	(80)	343	277	222	55	1,737	1,737	n/a
– in offices outside the UK	83	(366)	449	156	85	71	1,196	1,196	n/a
	346	(446)	792	433	307	126	2,933	2,933	n/a
Internal funding of trading businesses	n/a	n/a	n/a	n/a	n/a	n/a	2,045	2,045	n/a
Total interest payable:									
– in offices in the UK	4,311	878	3,433	3,885	1,345	2,540	2,512	2,136	376
– in offices outside the UK	3,196	2,674	522	5,535	1,970	3,565	3,989	2,309	1,680
	7,507	3,552	3,955	9,420	3,315	6,105	6,501	4,445	2,056
Movement in net interest income									
Increase/(decrease) in interest receivable	10,667	5,021	5,646	10,009	4,684	5,325	7,839	7,163	676
(Increase)/decrease in interest payable	(7,507)	(3,552)	(3,955)	(9,420)	(3,315)	(6,105)	(6,501)	(4,445)	(2,056)
	3,160	1,469	1,691	589	1,369	(780)	1,338	2,718	(1,380)

Note
a 2004 figures do not reflect the applications of IAS 32 and IAS 39 and IFRS 4 which became effective from 1st January 2005.

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Retail credit risk

A continued improvement in credit quality in the UK unsecured portfolios was a principal feature of the Group's retail credit risk profile during 2007. Barclaycard continued the underwriting revisions begun in 2006 in UK credit cards, and successfully reduced impairment in the main Barclays branded cards portfolio. Flows into delinquency and arrears balances fell, as did general charge-offs, which were helped by a fall in charge-offs due to bankruptcy. New customer quality increased again in 2007, reflected in a sustained improvement in average approval scores and a fall in early cycle delinquency rates.

The UK unsecured loans portfolio, which is now managed within UK Retail Banking, saw reduced early and late cycle delinquency resulting from revised underwriting criteria. Improved collections processes helped to reduce impairment in Local Business, while in UK Home Finance, delinquency and possession rates remained at the lows recorded since 2004, and impairment charges were negligible. Barclays delinquency and possession rates remain below industry averages, reflecting the high credit quality of the portfolio.

Lending criteria in Absa's retail portfolios were tightened in response to a more difficult credit environment, signalled by a rise in arrears rates. The change in conditions was primarily driven by a prolonged series of interest rate rises and the implementation of new consumer lending legislation in June 2007.

We increased our investment in credit risk infrastructure in India and Italy to support the launch or expansion of retail banking operations in those countries during 2007. Barclays has also established a credit risk modelling centre in Madrid to support our strategic growth objectives in the Western Europe business.

The US card business continued to grow, and the underwriting and account management criteria were adjusted as the US retail environment weakened during the year.

Looking ahead this year, we expect the retail credit environment to be more challenging in Absa and to some degree in the US portfolio. The UK portfolios' performance, which has improved in the past two years, will be subject to the evolving economic climate anticipated in 2008.

Risk tendency

Risk tendency at 2007 year-end reflected an increase in portfolio size as well as some weakening in credit grades, evidenced by wider spreads in wholesale credit and potentially more difficult conditions in some of the international retail portfolios in 2008.

Country risk

The portfolio is reasonably well diversified, assisted by increases in business levels in a range of European, African and Asian countries.

Market risk

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Dislocation in the credit markets had an impact on all major interest rate, equity and foreign exchange markets, which also experienced higher volatility, particularly in the second half. Barclays Capital's market risk exposure, as measured by average total Daily Value at Risk (DVaR), increased 13% to an average of £42m in 2007. Over the same period, average daily market risk revenue increased 19% to £26m, satisfying our objective that trading revenues should grow at or above the rate of increase in risk levels. The average DVaR on interest rate and credit spread exposures was broadly unchanged, with increasing volatility in credit spreads offset by reduced positions held in the credit markets.

This reduction in exposure resulted in a lower level of credit stress loss, which is another important market risk control for Barclays Capital. Average commodity DVaR and equity DVaR increased as those businesses grew. Diversification across risk types remaining significant, reflecting the broad product mix. Higher market volatilities in the fourth quarter led to an increase in DVaR at year end, and will contribute to higher average DVaRs in 2008.

Liquidity risk

Bank funding markets and general liquidity in credit markets came under pressure in 2007. In the second half, some money market participants faced difficulties in obtaining funding beyond one week, and term LIBOR premiums rose despite the helpful provision of liquidity by central banks. The cost of longer-term bank funding and capital also increased, and funding channels such as securitisation and covered bond issuance became significantly constrained. Despite these developments, the Group's liquidity position remained strong due to its deep retail funding base, its diversity of institutional funding sources across tenors, counterparties and geographies and its limited reliance on securitisation as a funding source.

Operational risk

In 2007, Barclays embedded the advanced measurement approach (AMA) to operational risk across the Group, having received AMA approval from the FSA and the SARB. Barclays now allocates operational risk economic capital by business, providing operational insight and greater tangible incentives to the Group's businesses to further improve the management of their operational risk profiles. As a percentage of revenues, operational risk events fell in 2007.

Financial crime

The Group introduced two-factor authentication for online transactions through its PINsentry device and continued to offer all UK personal customers anti-phishing software to combat internet fraud. Combined with improvements in transaction profiling, these changes enabled us to reduce net reported fraud losses. The threat from financial crime constantly evolves, however, and Barclays will continue to build the capacity to respond rapidly to emerging issues as well as to invest in strategic improvements in transaction channel security.

Basel II and capital management

New capital adequacy rules came into force in the UK from 1st January 2008, following the implementation of the Basel II banking accord. Barclays regulatory capital requirement will now more closely reflect the risk profile as measured by its own risk measurement systems (an approach termed the Advanced Internal Ratings Based approach or AIRB).

Permission from the FSA to apply the AIRB approach to capital calculations was the culmination of a lengthy and detailed programme of work across all business areas and covering all risk types. As part of the application process, Barclays assessed over 200 models to ensure that they were consistent with regulators' standards and that they met the 'use' test, which assesses a model's fitness as an input to capital calculations by the extent to which management make use of its output in business decisions.

Our focus over the coming years will be to further enhance risk models, processes and systems infrastructure, in line with our ambition to remain at the leading edge of risk management. With the most significant portfolios already consistent with the AIRB approach, the focus of our Basel II work will now be to progress the roll-out of the advanced approach for the remaining minority of our portfolios. In line with the schedule agreed with regulators, we will complete this process by 2011.

Risk management
Credit risk management

Monitoring of loans and advances

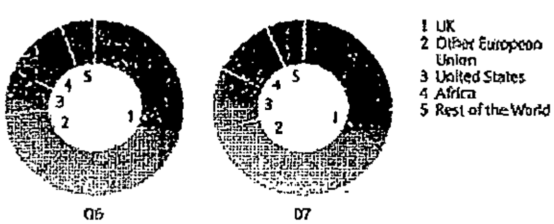
As the granting of credit is one of the Group's major sources of income and its most significant risk, the Group dedicates considerable resources to gaining a clear and accurate understanding of credit risk across the business and ensuring that its balance sheet correctly reflects the value of the assets in accordance with accounting principles. This process can be broken down into the following stages:

- Measuring exposures and concentrations
- Monitoring weakness in exposures
- Identifying potential problem loans and credit risk loans (collectively known as potential credit risk loans or PCRLs)
- Raising allowances for impaired loans
- Writing off assets when the whole or part of a debt is considered irrecoverable

Fig. 1: Loans and advances

	2007 £m	2006 £m
Retail businesses		
Banks	—	—
Customers	164,062	139,350
Total retail businesses	164,062	139,350
Wholesale businesses		
Banks	40,123	30,930
Customers	185,105	146,281
Total wholesale businesses	225,228	177,211
Loans and advances	389,290	316,561

Fig. 3: Geographical analysis of loans and advances to customers %



Measuring exposures and concentrations

Loans and advances to customers provide the principal source of credit risk to the Group although Barclays can also be exposed to other forms of credit risk through loans to banks, loan commitments, contingent liabilities and debt securities; see page 46). The value of outstanding loans and advances balances, their risk profile, and potential concentrations within them can therefore have a considerable influence on the level of credit risk in the Group.

As at 31st December 2007, outstanding loans and advances to customers and banks were valued at £389bn (2006: £317bn), of which £349bn (2006: £286bn) was granted to personal or corporate customers (see figure 1). Loans and advances were well distributed across the retail and wholesale portfolios.

Loans and advances were well spread across industry classifications (figure 2). Excluding Financial Services, Barclays largest sectoral exposures are to home loans, other personal and business and other services. These categories are generally comprised of small loans, have low volatility of credit risk outcomes, and are intrinsically highly diversified.

Balances are also diversified across a number of geographical regions (figure 3, based on location of customers). The majority of Barclays exposure is to the UK, which includes secured home loans exposure, followed by the United States, Africa and the rest of the European Union.

Fig. 2: Loans and advances to customers by industry %

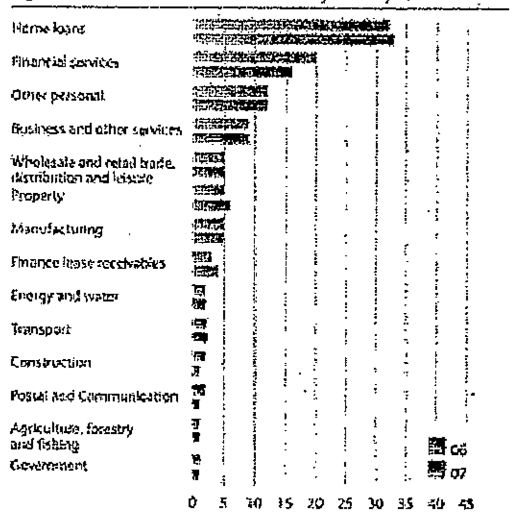
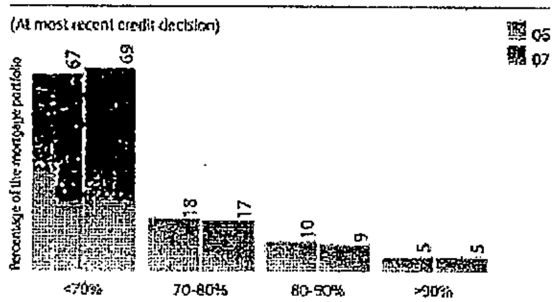


Fig. 4: Analysis of loans-to-value ratios of mortgages in the UK home loan portfolio at 31st December 2007 %



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Credit risk management

Allowances for impairment and other credit provisions

Barclays establishes, through charges against profit, impairment allowances and other credit provisions for the incurred loss inherent in the lending book.

Under IFRS, impairment allowances are recognised where there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition, and where these events have had an impact on the estimated future cash flows of the financial asset or portfolio of financial assets. Impairment of loans and receivables is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If the carrying amount is less than the discounted cash flows, then no further allowance is necessary.

Impairment is measured individually for assets that are individually significant, and collectively where a portfolio comprises homogenous assets and where appropriate statistical techniques are available.

In terms of individual assessment, the trigger point for impairment is formal classification of an account as exhibiting serious financial problems and where any further deterioration is likely to lead to failure. Two key inputs to the cash flow calculation are the valuation of all security and collateral and the timing of all asset realisations, after allowing for all attendant costs. This method applies in the corporate portfolios – Barclays Commercial Bank, Barclays Capital and certain areas within International Retail and Commercial Banking and Barclaycard.

For collective assessment, the trigger point for impairment is the missing of a contractual payment. The impairment calculation is based on a roll-rate approach, where the percentage of assets that move from the initial delinquency to default are derived from statistical probabilities based on experience. Recovery amounts and contractual interest rates are calculated using a weighted average for the relevant portfolio. This method applies to parts of International Retail and Commercial Banking, Barclaycard and UK Banking and is consistent with Barclays policy of raising an allowance as soon as impairment is identified.

Unidentified impairment allowances, albeit significantly lower in amount than those reported above, are also raised to cover losses which are judged to be incurred but not yet specifically identified in customer exposures at the balance sheet date, and which, therefore, have not been specifically reported.

The incurred but not yet reported calculation is based on the asset's probability of moving from the performing portfolio to being specifically identified as impaired within the given emergence period and then on to default within a specified period. This is calculated on the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The emergence periods vary across businesses and are based on actual experience and are reviewed on an annual basis. This methodology ensures that the Group only captures the loss incurred at the balance sheet date.

These impairment allowances are reviewed and adjusted at least quarterly by an appropriate charge or release of the stock of impairment allowances based on statistical analysis and management judgement.

Where appropriate, the accuracy of this analysis is periodically assessed against actual losses.

As one of the controls of ensuring that adequate impairment allowances are held, movements in impairment allowances to individual names above £10m are presented to the Group Credit Committee for agreement.

The Group Credit Risk Impairment Committee (GCRIC), on a semi-annual basis, obtains assurance on behalf of the Group that all businesses are recognising impairment in their portfolios accurately and promptly in their recommendations and in accordance with policy, accounting standards and established governance.

GCRIC exercises the authority of the Barclays Risk Director, as delegated by the Chief Executive, and is chaired by Barclays Credit Risk Director.

GCRIC reviews the movements to impairment in the businesses, including those already agreed at Group Credit Committee, Potential Credit Risk Loans and Risk Tendency.

These committees are supported by a number of Group Policies including: Group Retail Impairment and Provisioning Policy; Group Wholesale Impairment and Provisioning Policy; and, Group Model Policy.

GCRIC makes twice-yearly recommendations to the Board Audit Committee on the adequacy of Group impairment allowances. Impairment allowances are reviewed relative to the risk in the portfolio, business and economic trends, current policies and methodologies and our position against peer banks.

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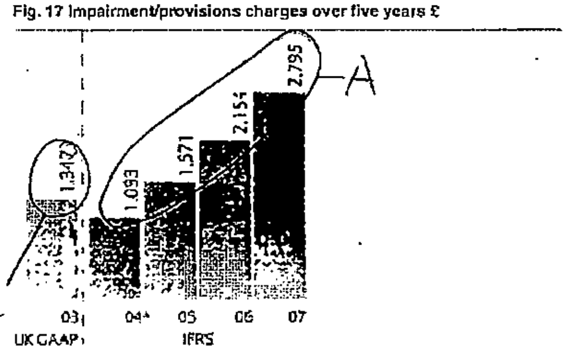
Fig. 16: Impairment charges for bad and doubtful debts

	2007 £m	2006 £m	2005 £m
UK Banking	849	887	671
Barclaycard	838	1,067	753
International Retail and Commercial Banking	252	167	33
Barclays Capital	846	42	111
Barclays Global Investors	–	–	–
Barclays Wealth	7	2	2
Head office functions and other operations	3	(11)	1
Total impairment charges	2,795	2,154	1,571

Fig. 17 Impairment/provisions charges over five years £



Notes

a Does not reflect the application of IAS 32, IAS 39 and IFRS 4 which became effective from 1st January 2005.

GCRIC has delegated the detailed review of loan impairment in the businesses to the Retail and Wholesale Credit Risk Management Committees.

In 2007, total impairment charges on loans and advances and other credit provisions increased 30% (£641m) to £2,795m (2006: £2,154m) reflecting charges of £782m against ABS CDO Super Senior and other credit market positions.

Impairment charges on loans and advances and other credit provisions as a percentage of Group total loans and advances rose to 0.71% (2006: 0.65%); total loans and advances grew by 23% to £389,290m (2006: £316,561m).

Retail impairment charges on loans and advances fell 11% (£204m) to £1,605m (2006: £1,809m). Retail impairment charges as a percentage of period-end total loans and advances reduced to 0.98% (2006: 1.30%); total retail loans and advances rose by 18% to £164,062m (2006: £139,350m).

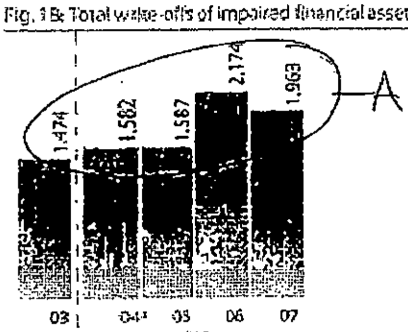
Barclaycard impairment charges improved £229m (21%) to £838m (2006: £1,067m) reflecting reduce flows into delinquency, lower levels of arrears and lower charge-offs in UK Cards. We made changes to our impairment methodologies to standardise our approach and in anticipation of Basel II. The net positive impact of these changes in methodology was offset by the increase in impairment charges in Barclaycard International and secured consumer lending.

Impairment charges in UK Retail Bank decreased by £76m (12%) to £559m (2006: £635m), reflecting lower charges in unsecured Consumer Lending and Local Business driven by improved collection processes, reduced flows into delinquency, lower trends of arrears and stable charge-offs. In UK Home Finance, asset quality remained strong and mortgage charges remained negligible. Mortgage delinquencies as a percentage of outstandings remained stable and amounts charged-off were low.

Impairment charges in International Retail and Commercial Banking – excluding Absa rose by £38m (93%) to £79m (2006: £41m) reflecting very strong balance sheet growth in 2006 and 2007 and the impact of lower releases in 2007.

Arrears in some of International Retail and Commercial Banking – Absa's key retail portfolios deteriorated in 2007, driven by interest rate increases in 2006 and 2007 resulting in pressure on collections.

Fig. 18: Total write-offs of impaired financial assets £m



Note

a Does not reflect the application of IAS 32, IAS 39 and IFRS 4 which became effective from 1st January 2005.

Wholesale and corporate impairment charges on loans and advances increased £436m to £701m (2006: £265m). Wholesale and corporate impairment charges as a percentage of period-end total loans and advances increased to 0.31% (2006: 0.15%); total loans and advances grew by 27% to £225,228m (2006: £177,211m).

Barclays Capital impairment charges and other credit provisions of £846m included a charge of £782m against ABS CDO Super Senior and other credit market exposure and £58m relating to drawn leveraged finance positions.

The impairment charge in Barclays Commercial Bank increased by £38m (15%) to £290m (2006: £252m), primarily due to higher gross impairment charges in Larger Business, partially offset by a lower charge in Medium Business due to a tightening of the lending criteria.

Writing-off of assets

After an advance has been identified as impaired and is subject to an impairment allowance, the stage may be reached whereby it is concluded that there is no realistic prospect of further recovery. Write-off will occur, when, and to the extent that, the whole or part of a debt is considered irrecoverable.

The timing and extent of write-offs may involve some element of subjective judgement. Nevertheless, a write-off will often be prompted by a specific event, such as the inception of insolvency proceedings or other formal recovery action, which makes it possible to establish that some or the entire advance is beyond realistic prospect of recovery. In any event, the position of impaired loans is reviewed at least quarterly to ensure that irrecoverable advances are being written off in a prompt and orderly manner and in compliance with any local regulations.

Such assets are only written off once all the necessary procedures have been completed and the amount of the loss has been determined.

Subsequent recoveries of amounts previously written off are written back and hence decrease the amount of the reported loan impairment charge in the income statement.

Total write-offs of impaired financial assets decreased by £211m to £1,963m (2006: £2,174m).

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Risk management
Disclosures about certain trading activities

Disclosures about certain trading activities including non-exchange traded commodity contracts

The Group provides a fully integrated service to clients for base metals, precious metals, oil, power, natural gas, coal, freight, emission credits, structured products and other related commodities. This service offering continues to expand, as market conditions allow, through the addition of new products and markets.

The Group offers both over the counter (OTC) and exchange traded derivatives, including swaps, options, forwards and futures and enters into physically settled contracts in base metals, power and natural gas, with 2007 seeing the addition of oil and related products to this portfolio. Physical commodity positions are held at fair value and reported under the Trading Portfolio in Note 12.

Fair value measurement

The fair values of physical and derivative positions are primarily determined through a combination of recognised market observable prices, exchange prices, and established inter-commodity relationships. Further information on fair value measurement of financial instruments can be found in Note 49.

Credit risk

Credit risk exposures are actively managed by the Group. Refer to Note 47 for more information on the Group's approach to credit risk management and the credit quality of derivative assets.

Fair value of the commodity derivative contracts

The tables below analyse the overall fair value of the commodity derivative contracts by movement over time and maturity. As at 31st December 2007 the fair value of the commodity derivative contracts reflects a gross positive fair value of £23,571m (2006: £17,501m) and a gross negative value of £22,759m (2006: £15,940m).

Movement in fair value of commodity derivative positions

	2007 £m	2006 £m
Fair value of contracts outstanding at the beginning of the period	1,561	527
Contracts realised or otherwise settled during the period	(764)	379
Fair value of new contracts entered into during the period	243	808
Other changes in fair values	(228)	(153)
Fair value of contracts outstanding at the end of the period	812	1,561

Maturity analysis of commodity derivative fair value

	2007 £m	2006 £m
Not more than one year	(279)	902
Over one year but not more than five years	773	327
Over five years	318	332
Total	812	1,561

Statistical and other risk information

This section of the report contains supplementary information that is more detailed or contains longer histories than the data presented in the discussion. For commentary on this information, please refer to the preceding text (pages 74 to 85).

Barclays applied International Financial Reporting Standards (IFRS) with effect from 1st January 2004, with the exception of IAS 32, IAS 39 and IFRS 4, which were applied from 1st January 2005.

Credit risk management

Table 1: Risk Tendency by business (page 78)

	2007 £m	2006 £m
UK Banking	775	790
UK Retail Banking	470	500
Barclays Commercial Bank	305	290
Barclaycard	945	1,135
International Retail and Commercial Banking	475	220
International Retail and Commercial Banking – excluding Absa	220	75
International Retail and Commercial Banking – Absa	255	145
Barclays Capital	140	95
Barclays Wealth	10	10
Head office functions and other operations [a]	10	10
Risk Tendency by business	2,355	2,260

Table 2: Loans and advances

	2007 £m	2006 £m
Retail businesses		
Banks	–	–
Customers	164,062	139,350
Total retail businesses	164,062	139,350
Wholesale businesses		
Banks	40,123	30,930
Customers	185,105	146,281
Total wholesale businesses	225,228	177,211
Loans and advances	389,290	316,561

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A

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B

Note
a Head office functions and other operations comprises discontinued business in transition.

Risk management
Statistical information

Table 3: Maturity analysis of loans and advances to banks

At 31st December 2007	On demand £m	Not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years but not more than ten years £m	Over ten years £m	Total £m
United Kingdom	796	4,069	56	92	114	20	1	370	5,518
Other European Union	2,977	7,745	74	88	95	116	7	–	11,102
United States	321	5,736	95	1,255	343	98	6,498	97	13,443
Africa	283	1,260	131	114	196	439	158	–	2,581
Rest of the World	1,505	3,336	90	1,640	512	362	15	19	7,479
Loans and advances to banks	5,882	22,146	446	3,189	1,260	1,035	5,679	486	40,123

At 31st December 2006	On demand £m	Not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years but not more than ten years £m	Over ten years £m	Total £m
United Kingdom	524	5,211	110	18	43	10	–	313	6,229
Other European Union	619	7,514	90	130	81	78	1	–	8,513
United States	431	2,592	363	2,634	5	809	923	1,299	9,056
Africa	701	1,027	63	91	189	85	44	–	2,219
Rest of the World	612	2,465	154	191	1,278	148	44	21	4,913
Loans and advances to banks	2,887	18,809	800	3,064	1,595	1,130	1,012	1,633	30,930

Table 4: Interest rate sensitivity of loans and advances

At 31st December	2007 Fixed rate £m	2007 Variable rate £m	2007 Total £m	2006 Fixed rate £m	2006 Variable rate £m	2006 Total £m
Banks	16,447	23,676	40,123	12,176	18,754	30,930
Customers	77,861	271,306	349,167	66,000	219,631	285,631

Table 5: Loans and advances to customers by industry

	IFRS				UK GAAP
At 31st December	2007 £m	2006 £m	2005 £m	2004[a] £m	2003 £m
Financial services	71,160	45,954	43,102	25,132	9,872
Agriculture, forestry and fishing	3,319	3,997	3,785	2,345	2,115
Manufacturing	16,974	15,451	13,779	9,044	7,844
Construction	5,423	4,056	5,020	3,278	2,534
Property	17,018	16,528	16,325	8,992	6,728
Government	2,036	2,426	1,718	–	–
Energy and water	8,632	6,810	6,891	3,709	3,150
Wholesale and retail, distribution and leisure	17,769	15,490	17,760	11,099	9,628
Transport	6,258	5,566	5,960	3,742	3,654
Postal and communication	5,404	2,180	1,313	834	698
Business and other services	30,363	26,999	22,529	23,223	13,913
Home loans [b]	112,087	94,635	87,003	79,164	72,318
Other personal	41,535	35,377	38,069	29,293	23,922
Overseas customers [c]	–	–	–	–	8,666
Finance lease receivables	11,190	10,142	9,088	6,938	5,877
Loans and advances to customers excluding reverse repurchase agreements	349,167	285,631	272,342	206,793	170,919
Reverse repurchase agreements	n/a	n/a	n/a	58,304	n/a
Trading business	n/a	n/a	n/a	n/a	58,961
Loans and advances to customers	349,167	285,631	272,342	265,097	229,880

Notes

a Does not reflect the application of IAS 32, IAS 39 and IFRS 4 which became effective from 1st January 2005.

b Excludes commercial property mortgages.

c Overseas customers are now classified as part of other industry segments.

Table 6: Loans and advances to customers in the UK

	IFRS				UK GAAP
At 31st December	2007 £m	2006 £m	2005 £m	2004[a] £m	2003 £m
Financial services	21,131	14,011	11,958	8,774	7,721
Agriculture, forestry and fishing	2,220	2,307	2,409	1,963	1,766
Manufacturing	9,386	9,047	8,469	5,684	5,967
Construction	3,542	2,761	3,090	2,285	1,883
Property	10,203	10,010	10,547	7,912	6,341
Government	201	6	6	–	–
Energy and water	2,203	2,360	2,701	802	1,288
Wholesale and retail distribution and leisure	13,800	12,951	12,747	9,356	8,886
Transport	3,185	2,745	2,797	1,822	2,579
Postal and communication	1,416	899	455	440	476
Business and other services	20,485	19,260	15,397	13,439	12,030
Home loans[b]	71,755	64,150	58,730	61,348	61,905
Other personal	26,810	26,088	29,250	26,872	21,905
Overseas customers[c]	–	–	–	–	5,477
Finance lease receivables	4,008	3,923	5,203	5,551	5,587
Loans and advances to customers in the UK	190,347	170,518	163,759	146,248	143,809

The category 'other personal' now includes credit cards, personal loans, second liens and personal overdrafts.

The industry classifications in Tables 5-9 have been prepared at the level of the borrowing entity. This means that a loan to the subsidiary of a major corporation is classified by the industry in which the subsidiary operates, even though the parent's predominant business may be in a different industry.

Table 7: Loans and advances to customers in other European Union countries

	IFRS				UK GAAP
At 31st December	2007 £m	2006 £m	2005 £m	2004[a] £m	2003 £m
Financial services	7,585	5,629	3,982	2,419	1,205
Agriculture, forestry and fishing	141	786	155	280	147
Manufacturing	4,175	3,147	2,254	2,021	1,275
Construction	1,159	639	803	716	609
Property	2,510	2,162	3,299	344	348
Government	–	6	–	–	–
Energy and water	2,425	2,050	1,490	940	409
Wholesale and retail distribution and leisure	1,719	776	952	810	426
Transport	1,933	1,465	1,695	640	566
Postal and communication	662	580	432	111	40
Business and other services	3,801	2,343	3,594	3,795	1,251
Home loans[b]	24,115	18,616	16,488	11,828	10,334
Other personal	3,905	3,672	1,909	1,369	1,769
Overseas customers[c]	–	–	–	–	438
Finance lease receivables	2,403	1,559	1,870	937	212
Loans and advances to customers in other European Union countries	56,533	43,430	38,923	26,210	19,027

See note under Table 6.

Notes

a Does not reflect the application of IAS 32, IAS 39 and IFRS 4 which became effective from 1st January 2005. The 2004 analysis excludes reverse repurchase agreements.

b Excludes commercial property mortgages.

c Overseas customers are now classified as part of other industry segments.

Table 8: Loans and advances to customers in the United States

At 31st December	IFRS 2007 £m	IFRS 2006 £m	IFRS 2005 £m	IFRS 2004[a] £m	UK GAAP 2003 £m
Financial services	29,342	17,516	16,229	9,942	919
Agriculture, forestry and fishing	2	2	1	–	1
Manufacturing	818	519	937	388	341
Construction	16	13	32	139	2
Property	568	1,714	329	394	1
Government	221	153	300	–	–
Energy and water	1,279	1,078	1,261	891	1,358
Wholesale and retail distribution and leisure	398	403	794	466	77
Transport	137	128	148	186	458
Postal and communication	2,446	36	235	63	153
Business and other services	1,053	1,432	885	1,565	220
Home loans[b]	458	349	2	5,768	–
Other personal	3,256	2,022	1,443	845	–
Finance lease receivables	304	312	328	335	33
Loans and advances to customers in the United States	40,300	25,677	22,925	20,982	3,573

See note under Table 6.

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Table 9: Loans and advances to customers in Africa

At 31st December	IFRS 2007 £m	IFRS 2006 £m	IFRS 2005 £m	IFRS 2004[a] £m	UK GAAP 2003 £m
Financial services	3,472	2,821	4,350	186	27
Agriculture, forestry and fishing	956	889	1,193	102	201
Manufacturing	1,351	1,747	1,501	313	261
Construction	637	591	1,068	76	40
Property	2,433	1,987	1,673	87	40
Government	967	785	625	–	–
Energy and water	356	156	193	184	97
Wholesale and retail distribution and leisure	1,326	1,050	2,774	165	239
Transport	116	354	394	137	41
Postal and communication	231	241	27	52	29
Business and other services	1,285	2,631	1,258	1,012	412
Home loans[b]	15,314	11,223	11,630	214	79
Other personal	6,366	2,976	4,955	190	248
Finance lease receivables	4,357	4,240	1,580	41	45
Loans and advances to customers in Africa	39,167	31,691	33,221	2,759	1,759

See note under Table 6.

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Table 10: Loans and advances to customers in the Rest of the World

At 31st December	IFRS 2007 £m	IFRS 2006 £m	IFRS 2005 £m	IFRS 2004[a] £m	UK GAAP 2003 £m
Loans and advances	22,702	14,207	13,407	10,520	2,751
Finance lease receivables	118	108	107	74	–
Loans and advances to customers in the Rest of the World	22,820	14,315	13,514	10,594	2,751

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Notes
a Does not reflect the application of IAS 32, IAS 39 and IFRS 4 which became effective from 1st January 2005. The 2004 analysis excludes reverse repurchase agreements.

b Excludes commercial property mortgages.

Risk management
Statistical information

Table 11: Maturity analysis of loans and advances to customers

At 31st December 2007	On demand £m	Not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years but not more than ten years £m	Over ten years £m	Total £m
United Kingdom									
Corporate lending[a]	26,557	15,737	2,453	3,834	8,474	8,358	10,718	11,643	87,774
Other lending to customers in the United Kingdom	4,384	4,717	2,106	3,597	11,517	8,699	19,325	48,226	102,573
Total United Kingdom	30,941	20,454	4,559	7,431	19,991	17,057	30,043	59,871	190,347
Other European Union	4,016	7,665	2,229	3,284	5,842	4,883	8,842	19,772	56,533
United States	3,053	20,205	3,430	5,938	1,904	2,498	2,658	614	40,300
Africa	6,806	4,243	881	1,969	5,568	4,124	2,285	13,291	39,167
Rest of the World	1,085	9,733	1,695	859	2,223	2,586	3,685	954	22,820
Loans and advances to customers	45,901	62,300	12,784	19,481	35,528	31,148	47,513	94,502	349,167

At 31st December 2006	On demand £m	Not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years but not more than ten years £m	Over ten years £m	Total £m
United Kingdom									
Corporate lending[a]	22,923	13,569	2,262	2,850	7,562	6,499	8,349	10,342	76,356
Other lending to customers in the United Kingdom	3,784	4,427	2,110	3,586	11,937	7,459	16,358	44,501	94,162
Total United Kingdom	26,707	17,996	4,372	6,436	19,499	15,958	24,707	54,843	170,518
Other European Union	2,137	6,254	1,744	2,869	4,783	4,397	6,565	14,681	43,430
United States	2,489	11,630	1,669	3,402	1,949	1,671	1,464	1,183	25,877
Africa	2,676	2,471	1,272	2,177	5,212	4,177	3,555	10,252	31,691
Rest of the World	86	6,377	1,015	1,020	1,116	1,465	1,800	1,436	14,315
Loans and advances to customers	33,994	44,728	10,092	15,904	32,559	27,868	38,091	82,395	285,631

A

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Table 12: Loans and advances in currencies other than the local currency of the borrower for countries where this exceeds 1% of total Group assets

	As % of assets	Total £m	Banks and other financial institutions £m	Governments and official institutions £m	Commercial Industrial and other private sectors £m
At 31st December 2007 United States	2.1	26,249	7,151	6	19,092
At 31st December 2006 United States	1.7	16,579	7,307	89	9,188
At 31st December 2005 United States	2.6	24,274	15,693	–	8,581

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At 31st December 2007, 2006 and 2005, there were no countries where Barclays had cross-currency loans to borrowers between 0.75% and 1% of total Group assets.

Note
a In the UK, finance lease receivables are included in 'Other lending', although some leases are to corporate customers.

Risk management
Statistical information

Table 13: Off-balance sheet and other credit exposures as at 31st December

	2007 £m	2006 £m	2005 £m
Off-balance sheet exposures			
Contingent liabilities	45,774	39,419	47,143
Commitments	192,639	205,504	203,785
On-balance sheet exposures			
Trading portfolio assets	193,691	177,867	155,729
Financial assets designated at fair value held on own account	56,629	31,799	12,904
Derivative financial instruments	248,088	138,353	136,823
Available for sale financial investments	43,072	51,703	53,497

A

Table 14: Notional principal amounts of credit derivatives as at 31st December

	2007 £m	2006 £m	2005 £m
Credit derivatives held or issued for trading purposes[a]	2,472,249	1,224,548	609,981
Total	2,472,249	1,224,548	609,981

A

Table 15: Credit risk loans summary

	IFRS				UK GAAP
At 31st December	2007 £m	2006 £m	2005 £m	2004[b] £m	2003 £m
Impaired loans[c]	8,574	4,444	4,550	n/a	n/a
Non-accruing loans	n/a	n/a	n/a	2,115	2,261
Accruing loans where interest is being suspended with or without provisions	n/a	n/a	n/a	492	629
Other accruing loans against which provisions have been made	n/a	n/a	n/a	943	821
Subtotal	8,574	4,444	4,550	3,550	3,711
Accruing loans which are contractually overdue 90 days or more as to principal or interest	794	598	609	550	590
Impaired and restructured loans	273	46	51	15	4
Credit risk loans	9,641	5,088	5,210	4,115	4,305

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Notes

a Includes credit derivatives held as economic hedges which are not designated as hedges for accounting purposes.

b 2004 does not reflect the application of IAS 32, IAS 39 and IFRS 4 which became effective from 1st January 2005.

c Includes £3,344m of ABS CDO Super Senior exposures.

Table 16: Credit risk loans

	IFRS				UK GAAP
At 31st December	2007 £m	2006 £m	2005 £m	2004[a] £m	2003 £m
Impaired loans: [b]					
United Kingdom	3,605	3,340	2,965	n/a	n/a
Other European Union	472	410	345	n/a	n/a
United States	3,703	129	230	n/a	n/a
Africa	757	536	831	n/a	n/a
Rest of the World	37	30	179	n/a	n/a
Total	8,574	4,444	4,550	n/a	n/a
Non-accrual loans:					
United Kingdom	n/a	n/a	n/a	1,509	1,572
Other European Union	n/a	n/a	n/a	243	143
United States	n/a	n/a	n/a	258	383
Africa	n/a	n/a	n/a	74	86
Rest of the World	n/a	n/a	n/a	31	77
Total	n/a	n/a	n/a	2,116	2,261
Accruing loans where interest is being suspended with or without provisions:					
United Kingdom	n/a	n/a	n/a	323	559
Other European Union	n/a	n/a	n/a	31	29
Africa	n/a	n/a	n/a	21	37
Rest of the World	n/a	n/a	n/a	117	4
Total	n/a	n/a	n/a	492	629
Other accruing loans against which provisions have been made:					
United Kingdom	n/a	n/a	n/a	865	750
Other European Union	n/a	n/a	n/a	27	35
United States	n/a	n/a	n/a	26	–
Africa	n/a	n/a	n/a	21	22
Rest of the World	n/a	n/a	n/a	4	4
Total	n/a	n/a	n/a	943	821
Accruing loans which are contractually overdue 90 days or more as to principal or interest:					
United Kingdom	676	516	539	513	566
Other European Union	79	58	53	34	24
United States	10	3	–	1	–
Africa	29	21	17	1	–
Rest of the World	–	–	–	1	–
Total	794	598	609	550	590
Impaired and restructured loans:					
United Kingdom	179	–	5	2	4
Other European Union	14	10	7	–	–
United States	38	22	16	13	–
Africa	42	14	23	–	–
Total	273	46	51	15	4
Total credit risk loans:					
United Kingdom	4,460	3,856	3,509	3,212	3,461
Other European Union	565	478	405	335	231
United States	3,751	154	246	298	383
Africa	828	570	871	117	145
Rest of the World	37	30	179	153	85
Credit risk loans	9,641	5,088	5,210	4,115	4,305

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Notes

a Does not reflect the application of IAS 32, IAS 39 and IFRS 4 which became effective from 1st January 2005.

b Includes £3,344m of ABS CDO Super Senior Exposures.

Risk management
Statistical information

Table 17: Potential problem loans

	IFRS				UK GAAP
At 31st December	**2007 £m**	**2006 £m**	**2005 £m**	**2004[a] £m**	**2003 £m**
United Kingdom	419	465	640	658	999
Other European Union	59	32	26	32	23
United States	964	21	12	27	259
Africa	355	240	248	67	53
Rest of the World	–	3	3	14	3
Potential problem loans[b]	1,797	761	929	798	1,327

Table 18: Interest foregone on credit risk loans

	2007 £m	2006 £m	2005 £m
Interest income that would have been recognised under the original contractual terms			
United Kingdom	340	357	304
Rest of the World	91	70	52
Total	431	427	356

Interest income of approximately £48m (2006: £72m, 2005: £29m) from such loans was included in profit, of which £26m (2006: £49m, 2005: £20m) related to domestic lending and the remainder related to foreign lending.

In addition, a further £113m (2006: £98m, 2005: £76m) was recognised arising from impaired loans. Following impairment, interest income is recognised using the original effective rate of interest which was used to discount the expected future cash flows for the purpose of measuring the impairment loss. £93m (2006: £88m, 2005: £70m) of this related to domestic impaired loans and the remainder related to foreign impaired loans.

Table 19: Analysis of impairment/provision charges

	IFRS				UK GAAP
At 31st December	**2007 £m**	**2006 £m**	**2005 £m**	**2004[a] £m**	**2003 £m**
Impairment charge/net specific provisions charge					
United Kingdom	1,593	1,880	1,382	1,021	1,132
Other European Union	123	92	75	102	37
United States	374	12	76	57	84
Africa	214	143	37	27	21
Rest of the World	2	(53)	4	103	46
Impairment on loans and advances	2,306	2,074	1,574	n/a	n/a
Impairment on available for sale assets	13	86	4	n/a	n/a
Impairment charge	2,319	2,160	1,578	n/a	n/a
Total net specific provisions charge	n/a	n/a	n/a	1,310	1,320
General provisions (release)/charge	n/a	n/a	n/a	(206)	27
Other credit provisions charge/(release)	476	(6)	(7)	(11)	–
Impairment/provision charges	2,795	2,154	1,571	1,093	1,347

Notes

a Does not reflect the application of IAS 32, IAS 39 and IFRS 4 which became effective from 1st January 2005.

b Includes £951m of ABS CDO Super Senior and SIV-lites exposures.

Table 20: Impairment/provisions charges ratios ('Loan loss ratios')

	IFRS				UK GAAP
	2007 %	2006 %	2005 %	2004 [a] %	2003 %
Impairment/provisions charges as a percentage of average loans and advances for the year:					
Specific provisions charge	n/a	n/a	n/a	0.40	0.46
General provisions charge	n/a	n/a	n/a	(0.07)	0.01
Impairment charge	0.64	0.66	0.58	n/a	n/a
Total	0.64	0.66	0.58	0.33	0.47
Amounts written off (net of recoveries)	0.49	0.61	0.50	0.40	0.48

E

Table 21: Analysis of allowance for impairment/provision for bad and doubtful debts

	IFRS				UK GAAP
	2007 £m	2006 £m	2005 £m	2004 [a] £m	2003 £m
Impairment allowance/Specific provisions					
United Kingdom	2,526	2,477	2,256	1,683	1,856
Other European Union	344	311	284	149	97
United States	356	100	130	155	121
Africa	514	417	647	70	79
Rest of the World	32	30	123	90	80
Specific provision balances	n/a	n/a	n/a	2,147	2,233
General provision balances	n/a	n/a	n/a	564	795
Allowance for impairment provision balances	3,772	3,335	3,450	2,711	3,028
Average loans and advances for the year	357,353	313,614	271,421	328,134	285,963

D

A

Table 22: Allowance for impairment/provision balance ratios

	IFRS				UK GAAP
	2007 %	2006 %	2005 %	2004 [a] %	2003 %
Allowance for impairment/provision balance at end of year as a percentage of loans and advances at end of year:					
Specific provision balances	n/a	n/a	n/a	0.62	0.77
General provision balances	n/a	n/a	n/a	0.16	0.27
Impairment balance	0.97	1.05	1.14	n/a	n/a
Total	0.97	1.05	1.14	0.78	1.04

B

Notes

a Does not reflect the application of IAS 32, IAS 39 and IFRS 4 which became effective from 1st January 2005.

Risk management
Statistical information

Table 23: Movements in allowance for impairment/provisions charge for bad and doubtful debts

	IFRS				UK GAAP
	2007 £m	2006 £m	2005 £m	2004 [a] £m	2003 £m
Allowance for impairment/provision balance at beginning of year	3,335	3,450	2,637	2,946	2,998
Acquisitions and disposals	(73)	(23)	555	21	62
Unwind of discount	(113)	(98)	(76)	n/a	n/a
Exchange and other adjustments	53	(153)	125	(33)	(18)
Amounts written off	(1,963)	(2,174)	(1,587)	(1,582)	(1,474)
Recoveries	227	259	222	255	113
Impairment/provision charged against profit [b]	2,306	2,074	1,574	1,104	1,347
Allowance for impairment/provision balance at end of year	3,772	3,335	3,450	2,711	3,028

Table 24: Amounts written off

	IFRS				UK GAAP
	2007 £m	2006 £m	2005 £m	2004 [a] £m	2003 £m
United Kingdom	(1,530)	(1,746)	(1,302)	(1,280)	(1,175)
Other European Union	(143)	(74)	(56)	(63)	(54)
United States	(145)	(46)	(143)	(50)	(215)
Africa	(145)	(264)	(81)	(15)	(13)
Rest of the World	–	(44)	(5)	(174)	(17)
Amounts written off	(1,963)	(2,174)	(1,587)	(1,582)	(1,474)

Table 25: Recoveries

	IFRS				UK GAAP
	2007 £m	2006 £m	2005 £m	2004 [a] £m	2003 £m
United Kingdom	154	178	160	217	95
Other European Union	32	10	13	9	7
United States	7	22	15	14	10
Africa	34	33	16	4	1
Rest of the World	–	8	18	11	
Recoveries	227	259	222	255	113

Notes

a Does not reflect the application of IAS 32, IAS 39 and IFRS 4 which became effective from 1st January 2005.

b Does not reflect the impairment of available for sale assets or other credit risk provisions.

Table 26: Impairment allowances/provision charged against profit

	IFRS				UK GAAP
	2007 £m	2006 £m	2005 £m	2004 [a] £m	2003 £m
New and increased impairment allowance/specific provision charge:					
United Kingdom	1,960	2,253	1,763	1,358	1,373
Other European Union	192	182	113	131	57
United States	431	60	105	85	118
Africa	268	209	109	47	33
Rest of the World	20	18	39	134	47
	2,871	2,722	2,129	1,755	1,628
Reversals of impairment allowance/specific provision charge:					
United Kingdom	(213)	(195)	(221)	(120)	(146)
Other European Union	(37)	(72)	(25)	(20)	(13)
United States	(50)	(26)	(14)	(14)	(24)
Africa	(20)	(33)	(66)	(16)	(10)
Rest of the World	(18)	(63)	(17)	(20)	(2)
	(339)	(389)	(333)	(190)	(195)
Recoveries	(227)	(259)	(222)	(255)	(113)
Net impairment allowance/specific provision charge [b]	2,306	2,074	1,574	1,310	1,320
General provision (release)/charge	n/a	n/a	n/a	(206)	27
Net charge to profit	2,306	2,074	1,574	1,104	1,347

Table 27: Total impairment/specific provision charges for bad and doubtful debts by industry

	IFRS				UK GAAP
	2007 £m	2006 £m	2005 £m	2004 [a] £m	2003 £m
United Kingdom:					
Financial services	32	64	22	(1)	13
Agriculture, forestry and fishing	–	5	9	–	(3)
Manufacturing	72	1	120	28	79
Construction	14	17	14	10	(23)
Property	36	15	18	(42)	(3)
Energy and water	1	(7)	1	3	13
Wholesale and retail distribution and leisure	118	88	39	66	38
Transport	3	19	(27)	(19)	100
Postal and communication	15	15	3	(1)	1
Business and other services	81	133	45	64	76
Home loans	1	4	(7)	17	9
Other personal	1,187	1,526	1,142	894	757
Overseas customers [c]	–	–	–	–	66
Finance lease receivables	33	–	3	2	9
	1,593	1,880	1,382	1,021	1,132
Overseas	713	194	192	289	188
Impairment/specific provision charges [c]	2,306	2,074	1,574	1,310	1,320

The category 'other personal' now includes credit cards, personal loans, second liens and personal overdrafts.

The industry classifications in Tables 27, 28 and 29 have been prepared at the level of the borrowing entity. This means that a loan to the subsidiary of a major corporation is classified by the industry in which the subsidiary operates, even though the parent's predominant business may be in a different industry.

Notes
a Does not reflect the application of IAS 32, IAS 39 and IFRS 4 which became effective from 1st January 2005.
b Does not reflect the impairment of available for sale assets or other credit risk provisions.
c Overseas customers are now classified as part of other industry segments.

Table 28: Allowance for impairment/specific provision for bad and doubtful debts by industry

	IFRS								UK GAAP	
	2007		2006		2005		2004[a]		2003	
	£m	%	£m	%	£m	%	£m	%	£m	%
United Kingdom:										
Financial services	103	2.7	67	2.0	26	0.8	7	0.3	12	0.5
Agriculture, forestry and fishing	5	0.1	17	0.5	12	0.3	4	0.2	5	0.2
Manufacturing	65	1.7	85	2.5	181	5.2	37	1.7	58	2.6
Construction	16	0.4	16	0.5	13	0.4	6	0.3	7	0.3
Property	54	1.4	26	0.8	24	0.7	26	1.2	3	0.1
Energy and water	1	–	–	–	18	0.5	23	1.0	27	1.2
Wholesale and retail distribution and leisure	102	2.7	81	2.4	99	2.9	70	3.3	52	2.3
Transport	11	0.3	24	0.7	32	0.9	55	2.6	103	4.6
Postal and communication	25	0.7	12	0.4	2	0.1	13	0.6	15	0.7
Business and other services	158	4.2	186	5.6	102	3.0	105	4.9	121	5.4
Home loans	15	0.4	10	0.3	50	1.4	58	2.7	55	2.5
Other personal [b]	1,915	50.6	1,953	58.6	1,696	49.2	1,265	58.9	1,359	60.9
Overseas customers [c]	–	–	–	–	–	–	–	–	24	1.1
Finance lease receivables	56	1.5	–	–	11	0.3	14	0.7	15	0.7
	2,526	67.0	2,477	74.3	2,266	65.7	1,683	78.4	1,856	83.1
Overseas	1,246	33.0	858	25.7	1,184	34.3	464	21.6	377	16.9
Total	3,772	100.0	3,335	100.0	3,450	100.0	2,147	100.0	2,233	100.0

See note under Table 27.

Table 29: Analysis of amounts written off and recovered by industry

	Amounts written off for the year					Recoveries of amounts previously written off				
	IFRS				UK GAAP	IFRS				UK GAAP
	2007 £m	2006 £m	2005 £m	2004[a] £m	2003 £m	2007 £m	2006 £m	2005 £m	2004[a] £m	2003 £m
United Kingdom:										
Financial services	6	13	2	7	14	1	–	1	3	12
Agriculture, forestry and fishing	5	8	3	2	–	2	1	–	1	1
Manufacturing	83	73	47	79	126	7	21	11	30	8
Construction	23	17	15	13	19	3	2	1	2	14
Property	16	23	4	2	5	10	6	1	69	1
Energy and water	–	1	22	9	15	–	2	–	2	–
Wholesale and retail distribution and leisure	109	120	85	55	45	12	14	25	7	5
Transport	13	11	29	44	5		1	10	15	1
Postal and communication	3	5	15	2	1	–	–	–	1	–
Business and other services	83	124	83	96	58	22	17	14	18	11
Home loans	1	–	2	10	11	1	7	4	5	3
Other personal	1,164	1,351	992	948	790	96	107	92	65	38
Overseas customers [b]	–	–	–	–	82	–	–	–	–	–
Finance lease receivables	24	–	3	4	4	–	–	1	1	1
	1,530	1,746	1,302	1,280	1,175	154	178	160	217	95
Overseas	433	428	285	302	299	73	81	62	38	18
Total	1,963	2,174	1,587	1,582	1,474	227	259	222	255	113

See note under Table 27.

Notes
a Does not reflect the application of IAS 32, IAS 39 and IFRS 4 which became effective from 1st January 2005.
b Overseas customers are now classified as part of other industry segments.

Directors' report

Profit Attributable

The profit attributable to equity shareholders of Barclays PLC for the year amounted to £4,417m compared with £4,571m in 2006.

Dividends

The final dividends for the year ended 31st December 2007 of 22.5p per ordinary share of 25p each and 10p per staff share of £1 each have been agreed by the Directors. The final dividends will be paid on 25th April 2008 in respect of the ordinary shares registered at the close of business on 7th March 2008 and in respect of the staff shares so registered on 31st December 2007. With the interim dividends of 11.5p per ordinary share and of 10p per staff share that were paid on 1st October 2007, the total distribution for 2007 is 34.0p (2006: 31.0p) per ordinary share and 20p (2006: 20p) per staff share. The dividends for the year absorb a total of £2,253m (2006: £1,973m).

Dividend Reinvestment Plan

Ordinary shareholders may have their dividends reinvested in Barclays PLC ordinary shares by participating in the Dividend Reinvestment Plan. The plan is available to all ordinary shareholders provided that they do not live in, and are not subject to the jurisdiction of, any country where their participation in the plan would require Barclays or The Plan Administrator to take action to comply with local government or regulatory procedures or any similar formalities. Any shareholder wishing to obtain details of the plan and a mandate form should contact The Plan Administrator to Barclays at Aspect House, Spencer Road, Lancing BN99 6DA. Those wishing to participate for the first time in the plan should send their completed mandate form to The Plan Administrator so as to be received by 4th April 2008 for it to be applicable to the payment of the final dividend on 25th April 2008. Existing participants should take no action unless they wish to alter their current mandate instructions, in which case they should contact The Plan Administrator.

Share Capital

During the year Barclays PLC purchased in the market for cancellation 299,547,510 of its ordinary shares of 25p each, at a total cost of £1,802,173,355, in order to minimise the dilutive effect on existing shareholders of the issuance of a total of 336,805,556 Barclays ordinary shares to Temasek Holdings and China Development Bank. These transactions represent 4.5% of the issued share capital at 31st December 2007. As at 27th February 2008 (the latest practicable date for inclusion in this report), the Company had an unexpired authority to repurchase shares up to a maximum of 645.1 million ordinary shares.

The issued ordinary share capital was increased by 65.5m ordinary shares during the year as a result of the exercise of options under the Sharesave and Executive Share Option Schemes. At 31st December 2007 the issued ordinary share capital totalled 6,600,181,801 shares. Ordinary shares represent 99.99% of the total issued share capital and Staff shares represent the remaining 0.01% as at 31st December 2007.

The Barclays PLC Memorandum and Articles of Association, a summary of which can be found in the Shareholder Information section on pages 269-270, contain the following details, which are incorporated into this report by reference:

- The structure of the Company's capital, including the rights and obligations attaching to each class of shares.
- Restrictions on the transfer of securities in the Company, including limitations on the holding of securities and requirements to obtain approvals for a transfer of securities.
- Restrictions on voting rights.
- The powers of the Directors, including in relation to issuing or buying back shares in accordance with the Companies Act 1985. It will be proposed at the 2008 AGM that the Directors be granted new authority to allot under the Companies Act 1985.
- Rules that the Company has about the appointment and removal of Directors or amendments to the Company's Articles of Association.

Employee Benefit Trusts ('EBTs') operate in connection with certain of the Group's Employee Share Plans ('Plans'). The Trustees of the EBTs may exercise all rights attached to the shares in accordance with their fiduciary duties other than as specifically restricted in the relevant Plan governing documents. Further information on the EBTs' voting policy can be found on page 132.

Substantial Shareholdings

As at 27th February 2008, the Company had been notified under Rule 5 of the Disclosure and Transparency Rules of the FSA of the following holdings of voting rights in its shares:

China Development Bank (via its subsidiary Upper Chance Group Ltd)	3.02%
Legal & General Group plc	4.02%
Lloyds TSB Group Plc	5.01%

Substantial shareholders do not have different voting rights from those of other shareholders. As at 27th February 2008, the Company had been notified that Lloyds TSB Group Plc held voting rights over 329,048,746 of its ordinary shares, amounting to 5.01% of the Company's total voting rights, as shown above.

Board Membership

The membership of the Boards of Directors of Barclays PLC and Barclays Bank PLC is identical and biographical details of the Board members are set out on pages 112 and 113.

Chris Lucas joined the Board as Group Finance Director on 1st April 2007 and Naguib Kheraj left the Board on 31st March 2007.

David Booth joined the Board as a non-executive Director on 1st May 2007 and Patience Wheatcroft and Sir Michael Rake were appointed as non-executive Directors with effect from 1st January 2008.

Retirement and Re-election of Directors

In accordance with its Articles of Association, one-third (rounded down) of the Directors of Barclays PLC are required to retire by rotation at each Annual General Meeting (AGM), together with Directors appointed by the Board since the last AGM. The retiring Directors are eligible to stand for re-election. In addition, the UK Combined Code on Corporate Governance (the Code), recommends that every Director should seek re-election by shareholders at least every three years.

The Committee reviews the elements of remuneration relative to the policies stated in this report and to the practice of other comparable organisations. Remuneration is benchmarked against the markets in which we compete for talent. This includes benchmarking against other leading international banks and financial services organisations, and other companies of similar size to Barclays in the FTSE 100 Index.

The component parts for each executive Director are detailed in the tables accompanying this report.

The Committee guideline that executive Directors should hold, as a minimum, the equivalent of one times their base salary in Barclays shares, including shares held under award through ESAS, was met by all executive Directors.

Each element of remuneration is important and has a specific role in achieving the aims of the remuneration policy. The combined potential remuneration from bonus and PSP outweighs the other elements, and is subject to personal and Group performance, thereby placing the majority of total remuneration at risk.

Of the key elements of remuneration (salary, annual performance bonus, ESAS and PSP), salary made up a maximum of 30% of the 2007 remuneration for executive Directors and 1.4% in respect of Robert E Diamond Jr's arrangements, which reflects general practice in the investment banking and investment management industry. The remaining proportion of the key compensation elements for executive Directors is at risk. The relative weighting summarised in this paragraph does not include pension and benefits.

The purpose of each element of remuneration for executive Directors is summarised in the table below and discussed in greater detail in the sections that follow.

Remuneration element	Purpose	Delivery	Programme detail
Base salary	To reflect the market value of the individual and their role	– Cash – Monthly – Pensionable	– Reviewed annually, with changes typically effective on 1st April
Annual performance bonus and ESAS	To incentivise the delivery of annual goals at the Group, business division and individual levels	– Typically 75% cash [a] – Typically 25% deferred Barclays shares under ESAS – Annual – Non-pensionable	– Based on annual business unit performance, performance of the Group as a whole and leadership contribution
PSP [b]	To reward the creation of above median, sustained growth in shareholder value	– Free shares subject to a performance condition – Annual awards that vest after three years – Non-pensionable	– Discretionary awards – Participation reviewed annually – Barclays performance over three years determines the number of performance shares eligible for release to each individual – For awards made in 2007, and awards to be made in 2008, EP threshold, thereafter 50% under a TSR performance condition and 50% under an EP performance condition
Pension [c]	To provide market competitive post-retirement benefit	– Deferred cash or cash allowance – Monthly	– Non-contributory, defined benefit scheme and/or defined contribution scheme, or cash allowance in lieu of pension contributions

Changes to Group Chairman and executive Directors

Marcus Agius was appointed Group Chairman with effect from 1st January 2007.

Marcus Agius receives a fee of £750,000 (inclusive of Director's fees). He is also eligible for private health insurance. The minimum time commitment is equivalent to 60% of a full time role. Marcus Agius is not eligible to participate in Barclays bonus and share incentive plans, nor will he participate in Barclays pension plans or receive any pension contributions. The letter of appointment provides for a notice period of 12 months from Barclays and six months from Marcus Agius.

Naguib Kheraj ceased to be an executive Director on 31st March 2007. Naguib Kheraj was succeeded by Chris Lucas, who was appointed to the position of Group Finance Director with effect from 1st April 2007. The key terms of executive Directors' service contracts are on page 133.

Base Salary

The annual base salaries for the current executive Directors are shown in the table below:

£

	As at 31st Dec 2007	As at 1st April 2008	Date of previous increase
John Varley	£1,000,000	£1,100,000	1st Apr 2007
Robert E Diamond Jr	£250,000	£250,000	1st Mar 1999
Gary Hoffman	£625,000	£625,000	1st Apr 2006
Frits Seegers	£700,000	£700,000	n/a
Chris Lucas	£600,000	£650,000	n/a

In respect of John Varley and Chris Lucas, having regard to the levels of salary and total compensation in comparable organisations, the Committee approved an increase to base salary effective from 1st April 2008.

Notes

a Eligible executives may request that all or part of the cash bonus to which they would otherwise become entitled, be granted in the form of an additional award under ESAS or as a pension contribution by way of Special Company Contribution (Bonus Sacrifice). For 2007 Robert E Diamond Jr received 43% of his annual bonus in cash and 57% as a recommendation for an award of Barclays shares under Mandatory ESAS.

b Please refer to Note 44 to the accounts for further information on PSP.

c Please refer to Note 30 to the accounts for further information on the Group's pension plans.

2007 Annual Remuneration[a]

	Salary and fees £000	Benefits[b] £000	Annual cash bonus £000	2007 Total £000	2006 Total £000
Group Chairman					
Marcus Agius[c]	750	1	–	751	22
Executive Directors					
John Varley[d]	975	18	1,425	2,418	2,516
Robert E Diamond Jr[d,e]	250	14	6,500	6,764	10,692
Gary Hoffman[d]	625	15	506	1,146	1,108
Chris Lucas[f]	450	135	450	1,035	–
Frits Seegers[d,g]	700	199	1,313	2,212	1,630
Non-executive Directors[h]					
David Booth[i]	43	–	–	43	–
Sir Richard Broadbent	180	–	–	180	147
Leigh Clifford	80	–	–	80	76
Fulvio Conti	85	–	–	85	54
Dr Danie Cronjé	217	–	–	217	326
Professor Dame Sandra Dawson	85	–	–	85	81
Sir Andrew Likierman	100	–	–	100	96
Sir Nigel Rudd	200	–	–	200	200
Stephen Russell	145	–	–	145	137
Sir John Sunderland	95	–	–	95	81
Former Director					
Naguib Kheraj[d,j]	175	44	438	657	2,565

-E

Forthcoming ESAS and PSP awards[k]

	Mandatory ESAS – 2007 results £000	March 2008 PSP – value of shares under initial allocation £000	Mandatory ESAS – 2006 results £000	March 2007 PSP – value of shares under initial allocation £000
Executive Directors				
John Varley	618	1,200	699	1,200
Robert E Diamond Jr[l]	11,375	3,000	4,518	8,850
Gary Hoffman	219	625	203	625
Chris Lucas	195	800	–	600
Frits Seegers	569	1,600	520	1,000

Notes

a Emoluments include amounts, if any, payable by subsidiary undertakings. Amounts payable to Dr Danie Cronjé include an amount of ZAR1,926,400 (£136,774) in respect of his Chairmanship of Absa Group Limited from which he retired on 31st July 2007 (2006: ZAR3,114,800 (£249,629)).

b The Group Chairman and executive Directors receive benefits in kind, which may include life and disability cover, the use of a Company owned vehicle or cash equivalent, medical insurance and tax advice. Benefits are provided on similar terms to other senior executives. No Director has an expense allowance.

c Marcus Agius was appointed as a non-executive Director on 1st September 2006 and as Group Chairman from 1st January 2007.

d In 2007 John Varley was a Director of Ascot Authority (Holdings) Limited (Directorship ceased on 31st December 2007) and British Grolux Investments Limited for which he received fees of £20,085 and £7,613 respectively (2006: £26,000 and £7,500 respectively). John Varley is a non-executive Director of AstraZeneca plc for which he received fees of £56,486 in 2007 (2006: £21,075). John Varley is also a member of the International Advisory Panel of the Monetary Authority of Singapore for which he received fees of US$10,000 in 2007 (2006: US$10,000). John Varley is Chairman of Business Action on Homelessness and President of the Employers' Forum on Disability for which he receives no fees. Robert E Diamond Jr is Chairman of Old Vic Productions plc for which he received no fees in 2007. Gary Hoffman is a Director of Visa (Europe) Limited and Visa (International) Limited for which he receives no fees. Gary Hoffman is also a Director of Trinity Mirror plc for which he received fees of £62,754 in 2007 (2006: £50,000). During the course of his Directorship Naguib Kheraj was a member of the Board of Governors of the Institute of Ismaili Studies and Chairman of the National Committee of the Aga Khan Foundation for which he received no fees in 2007. Naguib Kheraj (up to 31st March 2007) and Frits Seegers are non-executive Directors of Absa Group Limited and Absa Bank Limited. They have both waived their fees, which were paid to Barclays. Their respective fees in 2007 were ZAR136,533 (£9,694) and ZAR469,900 (£33,363) (2006: ZAR425,100 (£34,096) and ZAR75,400 (£6,048) respectively).

e The remuneration for 2007 for Robert E Diamond Jr was based on the performance of Barclays Group, Barclays Capital, Barclays Global Investors and Barclays Wealth, both on an absolute and industry relative basis. The composition of this package continues to be heavily weighted towards elements that are 'at risk' and reflects practice in the investment banking and investment management industry.

f Chris Lucas was appointed as an executive Director with effect from 1st April 2007. In addition to the amount shown in the 'Salary and fees' column above, Chris Lucas received an award under ESAS in recognition of forfeited compensation from his previous employment. Bonus shares are not applicable to this award. Details of this ESAS award are shown in the table on page 137 and the first table on page 138, and are not included in the table above. In addition, Chris Lucas received an award under the PSP which is shown in the table above (footnote k on this page provides further information). Chris Lucas received an allowance of 25% of base salary (£112,500) in lieu of pension contributions. This amount is included in the column for 'Benefits' in the table above.

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Executive Directors: illustration of change in value of Barclays PLC shares owned beneficially, or held under option or awarded under employee share plans as at 31st December 2007[a]

	Number at 31st December 2007									
	Shares owned beneficially[b]	ESAS[c]	PSP[d]	Executive Share Option Scheme (ESOS)[e]	ISOP[e]	Sharesave	Total	Notional value based on share price of £7.30[f] £000	Notional value based on share price of £5.04[g] £000	Change in notional value £000
Executive Directors										
John Varley	470,650	344,711	459,503	–	920,000	3,638	2,198,502	11,976	7,056	(4,920)
Robert E Diamond Jr	3,402,192	4,863,749	1,755.335	100.000	560,000	–	10,681.276	75,033	50,942	(24,091)
Gary Hoffman	431,761	274,402	257,116	–	540,000	6,160	1,509,429	8,555	5,187	(3,368)
Chris Lucas	38,003	69,091	82,910	–	–	3,638	193,642	1,382	958	(424)
Frits Seegers	699,870	231.383	294,154	–	–	3,390	1,228,797	8,954	6.177	(2.777)

E

Notes

a Under PSP, ESAS, ISOP, ESOS and Sharesave, nothing was paid by the participants on the grant of options or awards.

b The number shown includes shares held under Sharepurchase.

c ESAS includes the maximum potential 30% bonus share element where applicable, and any voluntary ESAS awards.

d The number of shares shown represents the initial allocation of shares.

e The number of shares shown represents the vested shares under option.

f With the exception of Chris Lucas, the notional value is based on the share price as at 31st December 2006. The notional value for Chris Lucas is based on a share price of £7.23, which was the share price as at 2nd April 2007, the first working day after he was appointed executive Director.

g The notional value is based on the share price as at 31st December 2007. The highest and lowest market prices per share during the year were £7.90 and £4.775 respectively.

EXHIBIT 24
[Filed Under Seal]

From: Harding, Keith: Barclays Treasury (LDN) [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=HARDINGK]
Sent: Friday, April 18, 2008 10:48:58 AM
To: Hill, Nick
CC: Aucutt, Ross: Barclays Treasury (LDN); Lambert, Nick: Barclays Treasury (LDN); Meyer, Leigh: Barclays Treasury (LDN)
Subject: RE: Confidential - Project Rimu
Attachments: US$2,650m 8.125% Non-Cum Call Pref Shares, Series 5 Prospectus Supplement.pdf

Dear Nick,

Further to our correspondence below, I am pleased to advise that this issue closed on 11 April, 2008 for an amount of US$2,500,000,000 (100,000,000 preference shares).

The Greenshoe option was exercised last night for US$150,000,000 (6,000,000 preference shares), taking the total issue size to US$2,650,000,000 (106,000,000 preference shares). Closing in respect of the Greenshoe will take place on 22 April, 2008.

I would be grateful if you could now issue us with a final rating letter and, in connection therewith, please find attached a pdf of the final Prospectus Supplement.

Many thanks and kind regards

Keith

-----Original Message-----
From: Hill, Nick [mailto:nick_hill@standardandpoors.com]
Sent: 28 March 2008 11:29
To: Harding, Keith: Barclays Treasury (LDN)
Cc: Aucutt, Ross: Barclays Treasury (LDN); Lambert, Nick: Barclays Treasury (LDN); Meyer, Leigh: Barclays Treasury (LDN)
Subject: RE: Confidential - Project Rimu

Dear Keith

Please find attached the indicative rating letter for this Core Tier 1 issue. Hard copy follows in the mail.

As usual, grateful for final documents when available in order that we can issue the final rating letter.

Best regards

Nick Hill
Western European Group | Financial Institutions Ratings Standard & Poor's 20 Canada Square | Canary Wharf London E14 5LH | United Kingdom Tel. +44 (0)20 7176 7216 | Fax +44 (0)20 7176 7002 www.standardandpoors.com

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-----Original Message-----
From: Keith.Harding@barclaystreasury.com
[mailto:Keith.Harding@barclaystreasury.com]

EXHIBIT RME
371
10/28/15

Sent: 17 March 2008 16:59
To: Hill, Nick
Cc: Ross.Aucutt@barclaystreasury.com; Nick.lambert@barclaystreasury.com; Leigh.Meyer@barclaystreasury.com
Subject: Confidential - Project Rimu

Dear Nick,

Barclays is planning on making a benchmark issue of US$ denominated Non-Cumulative Callable Dollar Preference Shares to count as Core Tier 1 capital for FSA capital adequacy purposes.

This will be a NYSE listed, SEC Registered transaction and sold to primarily retail investors, although some sales may also be made to institutional investors. It is expected that the coupon will be fixed for life and that the issue will have a first call after 5 years. In essence it is a repeat of the Series 4 Preference Shares issue (Project Sycamore) that was made in December 2007.

Current timings are that we wish to be in a position to launch in the week commencing 7 April 2008 (but obviously dependent on market conditions at that time), with pricing one or two days after that and with close and proceeds being received 5 days after pricing. As this is a retail transaction, it would be appreciated if we could have an indicative rating by close of business on 28 March 2008. In this connection please find attached the current draft of the Prospectus Supplement which has been marked up with the minor changes from the Series 4 issue.

Please let Ross Aucutt, Nick Lambert or me know if you have any questions.

Many thanks and kind regards

Keith

Keith Harding
Assistant Director, Capital Issuance
Barclays Treasury
Barclays PLC
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email keith.harding@barclaystreasury.com

Please note new email address

EXHIBIT 25
[Filed Under Seal]

1.1(

EXHIBIT

PENGAD 800-631-6989

389

10.29.15 AW

PAPER FOR BOARD MEETING ON THURSDAY 17 APRIL 2008

Agenda Item No.

1.1(1)

TO: The Directors

FROM: Lawrence Dickinson

DATE: 11 April 2008

SUBJECT: APPROVAL OF MINUTES OF PREVIOUS MEETING – 20 MARCH 2008, MINI BOARD MEETING ON 7 MARCH 2008 AND FINANCE COMMITTEE MEETING ON 17 MARCH 2008

The minutes of the Board meeting held on 20 March 2008, the Mini Board meeting held on 7 March 2008 and Finance Committee meeting on 17 March 2008 are submitted for the Board's approval.

BARCLAYS PLC

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS
HELD AT 1 CHURCHILL PLACE, LONDON E14 5HP
ON THURSDAY 20 MARCH 2008

Present:

Marcus Agius - Chairman

David Booth	Sir Richard Broadbent
Leigh Clifford*	Fulvio Conti
Dr Danie Cronjé	Professor Dame Sandra Dawson
Bob Diamond*	Gary Hoffman
Sir Andrew Likierman	Chris Lucas
Sir Michael Rake	Sir Nigel Rudd
Stephen Russell	Frits Seegers
Sir John Sunderland	John Varley
Patience Wheatcroft	

In Attendance:

Lawrence Dickinson	Company Secretary
Patrick Gonsalves	Deputy Company Secretary
Mark Harding	General Counsel
Robert Le Blanc	Group Risk Director (in attendance for items 1.1, 1.2(2)(a) and 2.2 only)

* via conference call

1. CHAIRMAN'S MATTERS

1.1 APPROVAL OF MINUTES AND ACTIONS ARISING FROM PREVIOUS MEETINGS

(1) Minutes

The minutes of the Board meeting held on 14 February 2008 and the Mini Board meeting held on 18 February 2008 were approved for signature by the Chairman.

(2) Actions Arising

Lawrence Dickinson drew the Board's attention to the schedule of Actions Arising from the 14 February 2008 Board meeting, which had been sent to Directors in advance of the meeting and noted that all actions arising from previous meetings were in hand.

(3) External Board Appointments

The Board noted the appointment of Patience Wheatcroft as a Non-Executive Director of Shaftesbury PLC, with effect from 27 February 2008.

The Board also noted the appointment of John Varley as Honorary President of the UK Drug Policy Commission. The appointment was expected to be effective from the end of March/beginning of April 2008 but the time commitment was not expected to be onerous.

1.2 BOARD COMMITTEE REPORTS

(1) Report of the Board Risk Committee Meeting Held on 19 March 2008

Sir Richard Broadbent presented his Report on the key issues discussed at the meeting of the Board Risk Committee meeting held on 19 March 2008, which had been laid on the table at the meeting, and highlighted the following points:

(a) Risk Appetite

At the time of recommending the Group's risk appetite for 2008 to the Board, the Board Risk Committee had noted that the capital position was tight relative to the proposed risk appetite. This was even more the case in current market conditions.

(b) Forward Risk Trends

Sir Richard drew the Board's attention to the summary of forward risk trends attached to the Quarterly Risk Report and noted that in addition to the 12 identified risks, there were risks relating to the cost of support for BGI's money market funds and the capital position.

(c) Wholesale Credit Risk and Stress Testing

Net exposures to the Asset Backed Securities and Leveraged Finance markets have not moved materially since the year-end. The outlook for the Alt-A market had deteriorated but the position on the monoline insurers had

improved as new injections of capital had allowed them to retain their AAA rating.

The Committee had discussed two different stress scenarios. First, a short-term severe stress environment and the potential losses that could be incurred in one month. This could result in a loss of up to £850 million before tax, in a reasonably severe scenario. That level of loss could be absorbed without breaching minimum capital ratios. Losses materially above that level would require assumptions increasingly implying systemic failure. Longer term moderate and severe stress scenarios over 2-3 years again remained within the Group's capital ratios, assuming the impact of management actions.

(d) Liquidity

The Committee was reassured by both the level of the Group's funding and by its continuing good reputation in the market.

The Board noted the report from the Board Risk Committee Chairman.

(2) Quarterly Risk Reports

(a) Group Risk Report

Robert Le Blanc referred the Board to his Quarterly Risk Update, which had been sent to Directors in advance of the Board meeting and highlighted the following points:

i) Market Environment - Mr Le Blanc described how stresses in different areas such as mortgages, a slowdown in the global economic cycle, a major change in the credit cycle and efforts to de-leverage and de-risk had resulted in a loss of confidence and the current difficult market conditions. The combination of these events had reinforced each other and this would take time to work itself out.

ii) Hedge Funds - The Group's exposure to hedge funds had been reviewed as the sector was under continued pressure. The Group's positions were well collateralised but the Group could not be immune to the problems and Barclays Capital had lost £23 million in the rapid liquidation of Peloton.

iii) Market Risk - The Board discussed the Standard Chartered SIV, Whistlejacket, and noted that Standard Chartered's reputation in the market had not suffered so far as a result of its failure to stand behind Whistlejacket. BGI's cash funds had held approximately $1.8 billion of Whistlejacket paper. Half of that holding had been purchased by Barclays to mitigate the risk of net asset values in certain of their money market cash funds falling below par.

In response to a question, it was noted that BGI's exposures to Bear Stearns were being closely watched. There remained litigation outstanding between the Group and Bear Stearns.

The Board noted the Quarterly Risk Update.

Robert Le Blanc left the meeting.

(b) Legal Risk Report

Mark Harding referred the Board to the Quarterly Legal Risk Report, which had been sent to Directors in advance of the meeting and highlighted the following points:

Redacted:
Redacted For Privilege

Redacted:
Redacted For Privilege

1.3 BOARD EFFECTIVENESS REVIEW ACTION PLAN

Mr Dickinson presented the report on the Board Effectiveness Review Action Plan for 2008, which had been sent to Directors in advance of the meeting and noted that no major changes to Board processes were being proposed. A small number of specific actions would be taken including: the UK Retail Bank strategy presentation specifically covering the health of its customer franchise, Non-Executive Director training and additional material being presented to the Strategy Board on the external environment.

The Board discussed the proposed actions to respond to the Board Effectiveness Review and noted that the perceived decline in the Group's comparative financial performance did not indicate any complacency on the Board's part but rather that management was already fully aware of the Board's desire for improvement.

The Board noted the Board Effectiveness Review Action Plan.

2. CHIEF EXECUTIVE'S MATTERS

2.1 BUSINESS REPORTS

(1) Chief Executive's Report

John Varley presented his monthly Report, which had been sent to the Directors in advance of the meeting, and highlighted the following:

(a) <u>HBOS</u>

Mr Varley had spoken to the Chief Executive of HBOS to offer support following the sudden decline in their share price and market rumours of possible failure. Their situation had been very serious indeed. This highlighted the significant difference in approach between the Bank of

England and the US banking authorities. Mr Varley noted that a high-level group of banks would be meeting shortly with the Bank of England to discuss the current market conditions and the proposed changes to the deposit protection regime post Northern Rock. The Board noted the importance of being well prepared to respond to market rumours and being ready to issue appropriately robust statements.

(b) Current Market Conditions

Bob Diamond updated the Board on current market conditions. As previously reported, three pre-conditions needed to be met to start the process of bringing confidence back to the markets: the publication of audited accounts by the leading banks, obtaining clarity on the position of the monoline insurers and the central banks taking concerted action to address global liquidity problems. The bank results season had overall been mixed and the position of the monoline insurers was still not completely clear, which could have serious implications for both Citigroup and UBS. However, the central banks had made some significant efforts in addressing liquidity and the problems at Bear Stearns had been very rapidly resolved. The strident statements of Mr Paulson and the concerted efforts of the central banks were likely to have a slow but material impact in the process of rebuilding confidence. It was possible that the worst of the crisis had now passed as, for the first time, there were signs of new money being invested, albeit very selectively, but it would be many months before real confidence returned to the markets.

(c) Zimbabwe

Frits Seegers briefed the Board on the contingency arrangements being made ahead of the Zimbabwe presidential elections to ensure the Group maintained control of its business in Zimbabwe. Part of the Group shareholding could be sold to an employee trust to meet new indigenisation legislation.

(d) Tax Status of Non Domiciled Residents

Up to 10,000 of the Group's 55,000 UK employees could be impacted by these proposals which could undermine the competitiveness of the UK financial services industry. The Group was lobbying Government strongly on this matter.

(e) Corporate Development

Following the Chairman's meeting with the Chairman of the FSA on the Group's capital position (which the Chairman had separately briefed Directors on), the corporate development opportunities the Group was currently working on had been put on hold until a way forward was agreed with the FSA.

(f) Russia - Expobank Acquisition

There had been very little reaction to the Group's Russian acquisition, given that it was consistent with the Group's strategy. The price paid ($745m) was in line with comparable transactions and the transaction had been concluded within the overall cost limits approved by the Board Finance Committee.

(g) VISA Flotation

Gary Hoffman reported that VISA's flotation in the US had been successfully completed with the Group expected to receive $200 million in cash in October 2008 and approximately $140 million in shares. The European flotation could raise a further $300 million to $400 million. £90 million had been included in the Medium Term Plan for 2008.

The Board noted the report.

(2) Finance Director's Report

Chris Lucas presented his monthly Report for February 2008, which had been sent to Directors in advance of the meeting, and highlighted the following:

(a) Results for February

Profit Before Tax (PBT) for the year-to-date at £1,156 million was £2 million ahead of STP but £121 million behind the same period in 2007. There had been a good income performance with net income before impairment charges increasing by 12%. Impairment charges of £641 million reflect the credit markets charges in Barclays Capital. As a result, net income increased by 5% compared to the prior year. Total costs increased by 14% including the £127 million of costs incurred in BGI relating to the provision of support to various liquidity products. Excluding that item, costs increased by 8% reflecting continued investment levels in the business.

(b) Balance Sheet and Capital Ratios

The total balance sheet at 29 February 2008 was £1,584 billion, an increase of 29% since 31 December 2007. This increase was largely driven by the accounting gross up under IFRS of derivative financial instruments and the increase in repurchase transactions which had been reduced at the year-end. The GRCB balance sheet was growing in mortgages and in the International businesses. At the end of January 2008 on a Basel II basis the Tier 1 ratio stood at 7.3% and the Equity Tier 1 ratio stood at 5%, reflecting an increase of 4% in Risk Weighted Assets (RWAs) since the year-end.

(c) Business Level Performance

GRCB PBT for the year-to-date was £653 million, which was £42 million ahead of the plan. UK Retail Bank, Barclaycard and the International Businesses were all performing well but the performance of Commercial Bank was being monitored. IBIM PBT for the year-to-date was £595 million, slightly behind plan. Barclays Capital were ahead of plan despite further credit related write-downs of £800 million. These had been partially offset by Own Credit resulting in a net negative impact of £50 million. However, BGI had been adversely impacted by the support to its money market funds resulting in PBT for the year so far of £27 million.

(d) Market Consensus

Analysts' forecasts for the year were now trending down and, excluding the outliers, were in the range £6.9 billion to £7 billion. A revised forecast for the year would be conducted at the end of March but the short term plan for the year indicated PBT of £7.7 billion. It was expected that the revised forecast would be lower than the STP.

In response to a question, Mr Lucas advised that difficult decisions would need to be made in the near future as to whether BGI would continue to provide support to money market funds, given the contribution that that part of its business made.

The Board noted the report.

(3) 2007 Interim Results - Peer Group Comparison of Results

Mr Lucas presented his paper on Peer Group Comparison of Results, which had been sent to Directors in advance of the meeting, and drew the Board's attention to:

(a) Peer Group Performance

Barclays performance against the peer group was fairly strong, without being outstanding. Income performance was below top quartile in 2007 but cost and impairment performance was good compared to its peers. Over the period 2004 to 2007, Barclays PBT performance was joint 5th in the peer group with good income growth and some productivity improvement.

(b) 2007 Net Losses

Barclays net write-downs of £1.6 billion were 3% of the total investment-banking losses and 2% of total losses. This was 11th within the peer group and top investment banks, with Citigroup, Merrill Lynch and UBS incurring the largest losses.

The Board discussed the relative performance in respect of sub-prime losses across the banks. Mr Varley noted that Goldman Sachs, Lehman Brothers, BNP and Barclays had performed relatively strongly

(c) Costs and Productivity

Barclays productivity improved in 2007 with a cost income ratio 1.3% lower than in 2006. BBVA and Santander were the peer group leaders for cost management.

(d) Balance Sheet

Royal Bank of Scotland's acquisition of ABN Amro had increased its balance sheet to nearly £2 trillion. Barclays asset growth was in line with others in the peer group and was largely driven by growth in investment-banking assets. This area was impacted by the introduction of IFRS.

The Board noted that HBOS had a significant gap between loans and deposits.

(e) Capital Ratios and Gearing

Royal Bank of Scotland's ratios were the lowest. Excluding the revaluation gain on its investment in Bank of China, its equity ratio would stand at about

4.2%. Barclays gearing was near the top end of the peer group as it had raised non-equity Tier 1 capital rather than equity due to its greater tax efficiency.

Board discussed whether the comparative strength of some banks' balance sheets would make them potential predators and noted that JP Morgan and Santander could be considered to be in that category, although JP Morgan's hands would now be full with Bear Stearns. The Board Finance Committee had recently reviewed some of the work that was under way to prepare the Group in the event of an approach from a predator or, more likely in the current circumstances, an activist shareholder proposing a break-up of the Group. The Board also noted the very encouraging progress being made by GRCB.

The Board noted the Report.

(4) **Franchise Health**

Mr Hoffman presented his Franchise Health report, which had been sent to Directors in advance of the meeting and highlighted the following points:

(a) UK Retail Bank

The reputation of the banking industry in the eyes of the media and customers remains tarnished and Barclays had not been able to differentiate itself from its competitors. UK Retail Bank had improved its relative performance against its peer group in terms of overall customer satisfaction from 7th out of the banks to 5th. First Direct and Nationwide still stand out from the crowd. The Board discussed the trade off between costs and services in the Retail Bank. First point of contact complaint resolution had increased so that by the end of 2007 the performance was 4% above the year-end target of 70%. One increase is the feature of complaints related to the use of overseas call centres. Approximately 50% of complaints could be easily avoidable as they arose from errors, attitude or a lack of knowledge on the part of staff.

(b) Barclays Commercial Bank

There has been significant change in the Commercial Bank and during the period of 'transition' satisfaction ratings have fallen, particularly in larger business which had lost its leading position to Lloyds TSB. Medium business

satisfaction scores had also declined as a result of various one-off business initiatives which had mostly ended, so a recovery was expected.

(c) Barclaycard

Customer satisfaction and value for money measures returned to 2006 levels after the decreases in the first half of 2007. This was likely to be because of a campaign to increase the credit limits of low-risk customers and perceived satisfaction with interest rates had improved as a result of focused marketing activity.

(d) GRCB Western Europe and Emerging Markets

Barclays Spain currently had no complaints capture tool in its branches. This would be rectified. The change to a mass-market bank in Spain has had a material impact on its franchise health. This was an important lesson for when major strategic or operational changes were being made to ensure there was close monitoring of the impact on franchise health.

The Board discussed the drivers of the EOS and customer satisfaction scores which were impacted by the very significant level of change in the business but was also positively affected by increased innovation, more competitive products and a desire to be associated with a successful business.

In response to a question, Mr Seegers noted that Barclays Commercial's customer satisfaction scores had suffered as a result of the very high levels of change in the last year with 89% of the management team having been replaced.

The UK's negative attitude to overseas call centres was unusual but the very high cost of running UK call centres made them difficult to justify, although it was important to get the training of overseas call centre staff right. Over 7,000 jobs had been moved off-shore and the Indian call centres had experienced problems earlier in the year. However, the decision to bring the service in-house had resulted in an improving trend although further enhancement was needed.

The Board discussed the hidden costs of poor customer satisfaction and what would be an appropriate target for the business to set for itself. Reducing credit lines and more robust collections activity were likely to negatively affect customer satisfaction in the short term but both were significant contributors to the

businesses' financial performance. It was agreed that in trying to influence public perception of the business it was necessary to make a particular effort for key opinion formers.

In response to a question, Mr Seegers advised that the Group's internet banking offering needed to be enhanced to improve the customer experience. It was a very attractive market as on-line customers tended to buy more products than others.

Another important indicator of franchise health is the flow of new customers into Barclays. These figures are very positive.

The Board noted the report.

Robert Le Blanc joined the meeting.

2.2 CAPITAL MANAGEMENT UPDATE

Mr Lucas referred the Board to his presentation entitled Capital Management Update, which had been sent to Directors in advance of the meeting and highlighted the following points:

(a) Financial Services Authority (FSA)

The Group's Capital Management Plan had been shared with the FSA and discussions were continuing as to the appropriate target ratios that the Group should be seeking to achieve. The indications were that the FSA would wish the Group to achieve its own target equity ratio before the end of 2008.

(b) Capital and Dividend Policies

The Group's capital ratio targets correlate to the amount of economic capital required for the risks in the business, with the aim of maintaining a strong AA credit rating which was considered the most efficient level for the business. The achievement of those objectives translate into a target Tier 1 Capital Ratio of 7.25% and an Equity Tier 1 ratio of 5.25%. Both the FSA and the Federal Reserve Bank set minimum capital requirements with the Federal Reserve Bank's requirements being in practice more binding than those of the FSA. The Group's own targets were more challenging still. The dividend policy was to achieve dividend growth in line with the long-term growth of underlying profits, whilst ensuring that dividends

were twice covered by profits after tax and minority interests. At 31 December 2007 the Tier 1 ratio was 7.6% and the Equity Tier 1 Ratio was 5.1%.

(c) STP Capital Plan

The STP Capital Plan had assumed a minimum RWA capacity of £21 billion in February 2008 and a 4.89% equity ratio by June 2008. Although mark to market of Own Credit creates a profit and loss benefit, it does not qualify as capital. The effect of that, together with the accelerated growth of RWAs, both planned and as a result of market conditions, means that the revised capital plan shows the equity ratio at 4.5% in June 2008, with a Tier 1 ratio of 6.9%. The maximum reduction in core equity which could be seen without breaching Federal Reserve Bank requirements of a "well capitalised" bank was £1.2 billion in February, rising to £2.6 billion in June. This compares favourably with the maximum loss in a severe stress environment in one month of £850 million (pre tax).

(d) Proposed Capital Issuance

To achieve an equity ratio of 5% by June 2008 the Group would need to reduce RWAs by £38 billion or increase equity by £1.9 billion. Discussions were under way with a Japanese bank and a Korean insurance company to enter into strategic partnerships which would include them taking equity stakes amounting to between £1 billion and £2 billion. Plans were also being formulated to release equity Tier 1 through changing the ESAS hedge from an equity holding to a derivative, which would release some £500 million on a conservative estimate. The businesses have also been challenged to reduce RWAs by £20 billion by 30 June 2008.

(e) Stress Testing of the Capital Plan

A severe economic downturn could reduce PBT by £2.7 billion in 2008 or £2.3 billion after tax. Over a 3 year period, the Group would continue to be profitable but cumulative PBT would be £8.8 billion (33%) below plan. Without management action, the equity ratio would fall below 4.6%. Actions to rebuild the capital ratios could include: disposal of non-core businesses, reducing the annual dividend, a significant reduction in RWAs coupled with a focus on higher returning RWAs and issuance of equity through private placements or scrip dividends. Enhancements to the capital management planning process were already being formulated for the 2008 MTP process, to ensure optimal allocation of capital across businesses in a more capital constrained environment.

The Board discussed the sensitive commercial judgements that would be required to achieve the improved capital ratios without causing long term harm to the business. Concern was expressed at the prospect of issuing equity to new investors at the current stock price and management were encouraged to give full consideration to other alternatives, including more aggressive management of RWAs, disposal of non-core businesses and a lower level of dividend growth while stopping short of actually cutting the dividend. Management were also encouraged to consider the opportunities that might be available to it if its capital position could be enhanced beyond the minimum target levels. It would be necessary to engage both CDB and Temasek before going forward with the two new investors.

The Board also discussed the likely reaction of the rating agencies to the reduction in the Group's equity Tier 1 ratio. The ratio had fallen to a similar level following the acquisition of Absa and the AA rating had been maintained. Rating agencies were, however, likely to be much more robust given the criticism that they have recently received.

A further paper on this subject would be presented to the Board in April for a final decision on the approach to be taken by the Group.

<u>Papers circulated for information</u>

Committee minutes:

Board Corporate Governance and Nominations Committee on 31 January 2008

Board Audit Committee Meetings on 5 February, 13 February and 28 February 2008

Board HR and Remuneration Committee Meeting on 6 February 2008

EXHIBIT 26
[Filed Under Seal]

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; alikierman@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@csplc.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.

EXHIBIT
391
10.29.15 AW
PENGAD 800-631-6989

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

EXHIBIT 27

[Filed Under Seal]

PAPER FOR BOARD MEETING ON THURSDAY 6 DECEMBER 2007

Agenda Item No.
1.4(4)

TO: The Directors

FROM: Sir Richard Broadbent

DATE: 6 December 2007

SUBJECT: REPORT OF THE BOARD RISK COMMITTEE MEETING ON 5 DECEMBER 2007

The Board Risk Committee met on Wednesday 5 December 2007.

Update on Leveraged and Sub-Prime Credit Markets

We received a detailed report on current market conditions and our exposures. Since the Trading Update on Barclays Capital performance to end October was issued, the ABX Indices, which are based on sub-prime securities, have fallen by as much as 10% in November. There have consequently been further write downs of £400m ($800m), sub-divided as follows:

NIMS / Post NIMS	£125m	($250m)
Retained / Warehouse positions	£150m	($300m)
Super Senior ABS CDOs (High Grade and Mezzanine)	£100m	($200m)
Whole Loans	£25m	($50m)

The above write-offs have been partially off-set by a £200m ($400m) benefit from Own Credit in November.

The indices did rally towards the end of the month and the opportunity was taken to hedge a further £750m ($1.5bn) of exposure. The table below shows the movements in gross and net exposure in dollars since September in the same format that I used in reporting then:

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Asset Backed Securities

Our gross exposure (i.e., before taking account of collateral) can be summarised as follows:

	Sept 19 $m	Oct 22 $m	End Nov $m
US Sub-Prime Residential Mortgage Exposure			
Financing of US Sub-prime Residential Mortgages	502	0	0
Whole Loans Purchase and Securitisation	7,517	6,333	6,267
Post-NIM Residuals			
- *cost basis*	1030	803	719
- *stress test loss basis*	491	307	
CDO Warehousing	1,554	1,319	1,196
Backstop/Liquidity			
Barclays sponsored conduits	500	0	0
Third party conduits	198	331	545
Super senior tranches of CDOs*	4,942	8,316	8,200
Synthetic liquidity facilities	4,025	3,987	3,575
* *Total facility is up to $8,454m*			
SIV/SIV-lites			
Drawn Backstop liquidity	298	298	298
SIV Derivative exposure	362	452	522

The figures above reflect gross write-downs totalling $3,458m as at end October and rising to $4,286m as at end November. Hedges have increased from $1,898m as at end October to $3,451m as at end November.

Barclays Capital has undertaken stress testing on the Super Senior ABS CDO book. This reflects a one in twenty stress from the current position and would result in an additional $2bn loss.

The Leveraged Finance Portfolio has increased from £7.5bn at end October to £8.7bn as a result of new business being written. The volatility in the sub-prime market is not being seen in this sector and we are comfortable with the credit quality of these assets.

The Group's counterparty exposures remain broadly unchanged in the order of $14bn and none are giving significant cause for concern at present.

The anticipated shift of approximately $20bn of assets onto our own balance sheet has taken place. It is not anticipated at present that further significant assets will come onto the balance sheet directly as a result of market conditions.

A potential new area of concern is the exposure to monoline insurers. These insurers guarantee the cash-flow associated with the underlying instruments they support, of which a small proportion comprise sub-prime assets. Credit equivalent exposure to these monolines is $7.8bn. The primary source of risk arises from any potential downgrade of the insurers although this risk is already largely reflected in widened credit spreads.

Finally we noted that market risk is emerging in BGI in two respects:

- Potential capital injections for reputational reasons to keep whole certain money market funds. Our exposure might be of the order $200-300million.
- The need to respond to potential downgrades in Citigroup SIVs where held by BGI funds. It is not possible to quantify yet this exposure, if any.

Group Risk Profile Report

We also discussed the regular Group Risk Profile Report, the main points of which are covered in the Quarterly Risk Report, which you have received with your Board papers. The Board should note that the Committee ratified the increase in Wholesale Expected Loss (impairment), which is currently £1,048m. This compares to £515m for Wholesale Expected Loss in the Risk Appetite for 2007 approved by the Board and the Committee in December last year. The increase reflects the increased wholesale impairment in sub-prime in Barclays Capital. There are no other specific issues arising from the report to draw to your attention.

Forward Risk Trends

We received a new report setting out an assessment of those risk areas where the environment is changing significantly or where growth rates are increasing. The main areas we discussed were FirstPLUS, Absa and Emerging Markets, in particular, India. The report was useful in focusing attention on potential future risk issues. It is intended that this report will be produced semi–annually.

Risk Appetite

We agreed to recommend the Risk Appetite for 2008 to the Board for approval. A separate paper sets out the recommendation in more detail.

Basel II

We received an update on the Basel II programme, which has just completed its fourth parallel run (PR4). Under PR4, total Risk Weighted Assets have increased to 101% of Basel I. We continue to work with the FSA on some outstanding items, including the treatment of pension risk and private equity, but it is clear that there is unlikely to be any reduction in capital demand.

Annual Review of Policies

We reviewed the FSA Required Policies in respect of Credit Impairment, Large Exposures, Liquidity and the Trading Book, as we are required to each year. No material changes to the policies were proposed and we approved the revised policies. We also considered and adopted some minor amendments to the Principal Risks Policy.

EXHIBIT 28
[Filed Under Seal]

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EXHIBIT RME
416
10/30/15

PAPER FOR BOARD MEETING ON THURSDAY 17 APRIL 2008

Agenda Item No.
1.1(1)

TO: The Directors

FROM: Lawrence Dickinson

DATE: 11 April 2008

SUBJECT: APPROVAL OF MINUTES OF PREVIOUS MEETING – 20 MARCH 2008, MINI BOARD MEETING ON 7 MARCH 2008 AND FINANCE COMMITTEE MEETING ON 17 MARCH 2008

The minutes of the Board meeting held on 20 March 2008, the Mini Board meeting held on 7 March 2008 and Finance Committee meeting on 17 March 2008 are submitted for the Board's approval.

BARCLAYS PLC

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS
HELD AT 1 CHURCHILL PLACE, LONDON E14 5HP
ON THURSDAY 20 MARCH 2008

Present:

Marcus Agius - Chairman

David Booth	Sir Richard Broadbent
Leigh Clifford*	Fulvio Conti
Dr Danie Cronjé	Professor Dame Sandra Dawson
Bob Diamond*	Gary Hoffman
Sir Andrew Likierman	Chris Lucas
Sir Michael Rake	Sir Nigel Rudd
Stephen Russell	Frits Seegers
Sir John Sunderland	John Varley
Patience Wheatcroft	

In Attendance:

Lawrence Dickinson	Company Secretary
Patrick Gonsalves	Deputy Company Secretary
Mark Harding	General Counsel
Robert Le Blanc	Group Risk Director (in attendance for items1.1, 1.2(2)(a) and 2.2 only)

* via conference call

1. CHAIRMAN'S MATTERS

1.1 APPROVAL OF MINUTES AND ACTIONS ARISING FROM PREVIOUS MEETINGS

(1) Minutes

The minutes of the Board meeting held on 14 February 2008 and the Mini Board meeting held on 18 February 2008 were approved for signature by the Chairman.

(2) Actions Arising

Lawrence Dickinson drew the Board's attention to the schedule of Actions Arising from the 14 February 2008 Board meeting, which had been sent to Directors in advance of the meeting and noted that all actions arising from previous meetings were in hand.

(3) External Board Appointments

The Board noted the appointment of Patience Wheatcroft as a Non-Executive Director of Shaftesbury PLC, with effect from 27 February 2008.

The Board also noted the appointment of John Varley as Honorary President of the UK Drug Policy Commission. The appointment was expected to be effective from the end of March/beginning of April 2008 but the time commitment was not expected to be onerous.

1.2 BOARD COMMITTEE REPORTS

(1) Report of the Board Risk Committee Meeting Held on 19 March 2008

Sir Richard Broadbent presented his Report on the key issues discussed at the meeting of the Board Risk Committee meeting held on 19 March 2008, which had been laid on the table at the meeting, and highlighted the following points:

(a) Risk Appetite

At the time of recommending the Group's risk appetite for 2008 to the Board, the Board Risk Committee had noted that the capital position was tight relative to the proposed risk appetite. This was even more the case in current market conditions.

(b) Forward Risk Trends

Sir Richard drew the Board's attention to the summary of forward risk trends attached to the Quarterly Risk Report and noted that in addition to the 12 identified risks, there were risks relating to the cost of support for BGI's money market funds and the capital position.

(c) Wholesale Credit Risk and Stress Testing

Net exposures to the Asset Backed Securities and Leveraged Finance markets have not moved materially since the year-end. The outlook for the Alt-A market had deteriorated but the position on the monoline insurers had

improved as new injections of capital had allowed them to retain their AAA rating.

The Committee had discussed two different stress scenarios. First, a short-term severe stress environment and the potential losses that could be incurred in one month. This could result in a loss of up to £850 million before tax, in a reasonably severe scenario. That level of loss could be absorbed without breaching minimum capital ratios. Losses materially above that level would require assumptions increasingly implying systemic failure. Longer term moderate and severe stress scenarios over 2-3 years again remained within the Group's capital ratios, assuming the impact of management actions.

(d) Liquidity

The Committee was reassured by both the level of the Group's funding and by its continuing good reputation in the market.

The Board noted the report from the Board Risk Committee Chairman.

(2) Quarterly Risk Reports

(a) Group Risk Report

Robert Le Blanc referred the Board to his Quarterly Risk Update, which had been sent to Directors in advance of the Board meeting and highlighted the following points:

i) Market Environment - Mr Le Blanc described how stresses in different areas such as mortgages, a slowdown in the global economic cycle, a major change in the credit cycle and efforts to de-leverage and de-risk had resulted in a loss of confidence and the current difficult market conditions. The combination of these events had reinforced each other and this would take time to work itself out.

ii) Hedge Funds - The Group's exposure to hedge funds had been reviewed as the sector was under continued pressure. The Group's positions were well collateralised but the Group could not be immune to the problems and Barclays Capital had lost £23 million in the rapid liquidation of Peloton.

iii) Market Risk - The Board discussed the Standard Chartered SIV, Whistlejacket, and noted that Standard Chartered's reputation in the market had not suffered so far as a result of its failure to stand behind Whistlejacket. BGI's cash funds had held approximately $1.8 billion of Whistlejacket paper. Half of that holding had been purchased by Barclays to mitigate the risk of net asset values in certain of their money market cash funds falling below par.

In response to a question, it was noted that BGI's exposures to Bear Stearns were being closely watched. There remained litigation outstanding between the Group and Bear Stearns.

The Board noted the Quarterly Risk Update.

Robert Le Blanc left the meeting.

(b) Legal Risk Report

Mark Harding referred the Board to the Quarterly Legal Risk Report, which had been sent to Directors in advance of the meeting and highlighted the following points:

Redacted:
Redacted For Privilege

Redacted:
Redacted For Privilege

1.3 BOARD EFFECTIVENESS REVIEW ACTION PLAN

Mr Dickinson presented the report on the Board Effectiveness Review Action Plan for 2008, which had been sent to Directors in advance of the meeting and noted that no major changes to Board processes were being proposed. A small number of specific actions would be taken including: the UK Retail Bank strategy presentation specifically covering the health of its customer franchise, Non-Executive Director training and additional material being presented to the Strategy Board on the external environment.

The Board discussed the proposed actions to respond to the Board Effectiveness Review and noted that the perceived decline in the Group's comparative financial performance did not indicate any complacency on the Board's part but rather that management was already fully aware of the Board's desire for improvement.

The Board noted the Board Effectiveness Review Action Plan.

2. CHIEF EXECUTIVE'S MATTERS

2.1 BUSINESS REPORTS

(1) Chief Executive's Report

John Varley presented his monthly Report, which had been sent to the Directors in advance of the meeting, and highlighted the following:

(a) <u>HBOS</u>

Mr Varley had spoken to the Chief Executive of HBOS to offer support following the sudden decline in their share price and market rumours of possible failure. Their situation had been very serious indeed. This highlighted the significant difference in approach between the Bank of

England and the US banking authorities. Mr Varley noted that a high-level group of banks would be meeting shortly with the Bank of England to discuss the current market conditions and the proposed changes to the deposit protection regime post Northern Rock. The Board noted the importance of being well prepared to respond to market rumours and being ready to issue appropriately robust statements.

(b) Current Market Conditions

Bob Diamond updated the Board on current market conditions. As previously reported, three pre-conditions needed to be met to start the process of bringing confidence back to the markets; the publication of audited accounts by the leading banks, obtaining clarity on the position of the monoline insurers and the central banks taking concerted action to address global liquidity problems. The bank results season had overall been mixed and the position of the monoline insurers was still not completely clear, which could have serious implications for both Citigroup and UBS. However, the central banks had made some significant efforts in addressing liquidity and the problems at Bear Stearns had been very rapidly resolved. The strident statements of Mr Paulson and the concerted efforts of the central banks were likely to have a slow but material impact in the process of rebuilding confidence. It was possible that the worst of the crisis had now passed as, for the first time, there were signs of new money being invested, albeit very selectively, but it would be many months before real confidence returned to the markets.

(c) Zimbabwe

Frits Seegers briefed the Board on the contingency arrangements being made ahead of the Zimbabwe presidential elections to ensure the Group maintained control of its business in Zimbabwe. Part of the Group shareholding could be sold to an employee trust to meet new indigenisation legislation.

(d) Tax Status of Non Domiciled Residents

Up to 10,000 of the Group's 55,000 UK employees could be impacted by these proposals which could undermine the competitiveness of the UK financial services industry. The Group was lobbying Government strongly on this matter.

(e) Corporate Development

Following the Chairman's meeting with the Chairman of the FSA on the Group's capital position (which the Chairman had separately briefed Directors on), the corporate development opportunities the Group was currently working on had been put on hold until a way forward was agreed with the FSA.

(f) Russia - Expobank Acquisition

There had been very little reaction to the Group's Russian acquisition, given that it was consistent with the Group's strategy. The price paid ($745m) was in line with comparable transactions and the transaction had been concluded within the overall cost limits approved by the Board Finance Committee.

(g) VISA Flotation

Gary Hoffman reported that VISA's flotation in the US had been successfully completed with the Group expected to receive $200 million in cash in October 2008 and approximately $140 million in shares. The European flotation could raise a further $300 million to $400 million. £90 million had been included in the Medium Term Plan for 2008.

The Board noted the report.

(2) **Finance Director's Report**

Chris Lucas presented his monthly Report for February 2008, which had been sent to Directors in advance of the meeting, and highlighted the following:

(a) Results for February

Profit Before Tax (PBT) for the year-to-date at £1,156 million was £2 million ahead of STP but £121 million behind the same period in 2007. There had been a good income performance with net income before impairment charges increasing by 12%. Impairment charges of £641 million reflect the credit markets charges in Barclays Capital. As a result, net income increased by 5% compared to the prior year. Total costs increased by 14% including the £127 million of costs incurred in BGI relating to the provision of support to various liquidity products. Excluding that item, costs increased by 8% reflecting continued investment levels in the business.

(b) Balance Sheet and Capital Ratios

The total balance sheet at 29 February 2008 was £1,584 billion, an increase of 29% since 31 December 2007. This increase was largely driven by the accounting gross up under IFRS of derivative financial instruments and the increase in repurchase transactions which had been reduced at the year-end. The GRCB balance sheet was growing in mortgages and in the international businesses. At the end of January 2008 on a Basel II basis the Tier 1 ratio stood at 7.3% and the Equity Tier 1 ratio stood at 5%, reflecting an increase of 4% in Risk Weighted Assets (RWAs) since the year-end.

(c) Business Level Performance

GRCB PBT for the year-to-date was £653 million, which was £42 million ahead of the plan. UK Retail Bank, Barclaycard and the International Businesses were all performing well but the performance of Commercial Bank was being monitored. IBIM PBT for the year-to-date was £595 million, slightly behind plan. Barclays Capital were ahead of plan despite further credit related write-downs of £800 million. These had been partially offset by Own Credit resulting in a net negative impact of £50 million. However, BGI had been adversely impacted by the support to its money market funds resulting in PBT for the year so far of £27 million.

(d) Market Consensus

Analysts' forecasts for the year were now trending down and, excluding the outliers, were in the range £6.9 billion to £7 billion. A revised forecast for the year would be conducted at the end of March but the short term plan for the year indicated PBT of £7.7 billion. It was expected that the revised forecast would be lower than the STP.

In response to a question, Mr Lucas advised that difficult decisions would need to be made in the near future as to whether BGI would continue to provide support to money market funds, given the contribution that that part of its business made.

The Board noted the report.

(3) **2007 Interim Results - Peer Group Comparison of Results**

Mr Lucas presented his paper on Peer Group Comparison of Results, which had been sent to Directors in advance of the meeting, and drew the Board's attention to:

(a) Peer Group Performance

Barclays performance against the peer group was fairly strong, without being outstanding. Income performance was below top quartile in 2007 but cost and impairment performance was good compared to its peers. Over the period 2004 to 2007, Barclays PBT performance was joint 5th in the peer group with good income growth and some productivity improvement.

(b) 2007 Net Losses

Barclays net write-downs of £1.6 billion were 3% of the total investment-banking losses and 2% of total losses. This was 11th within the peer group and top investment banks, with Citigroup, Merrill Lynch and UBS incurring the largest losses.

The Board discussed the relative performance in respect of sub-prime losses across the banks. Mr Varley noted that Goldman Sachs, Lehman Brothers, BNP and Barclays had performed relatively strongly.

(c) Costs and Productivity

Barclays productivity improved in 2007 with a cost income ratio 1.3% lower than in 2006. BBVA and Santander were the peer group leaders for cost management.

(d) Balance Sheet

Royal Bank of Scotland's acquisition of ABN Amro had increased its balance sheet to nearly £2 trillion. Barclays asset growth was in line with others in the peer group and was largely driven by growth in investment-banking assets. This area was impacted by the introduction of IFRS.

The Board noted that HBOS had a significant gap between loans and deposits.

(e) Capital Ratios and Gearing

Royal Bank of Scotland's ratios were the lowest. Excluding the revaluation gain on its investment in Bank of China, its equity ratio would stand at about

4.2%. Barclays gearing was near the top end of the peer group as it had raised non-equity Tier 1 capital rather than equity due to its greater tax efficiency.

Board discussed whether the comparative strength of some banks' balance sheets would make them potential predators and noted that JP Morgan and Santander could be considered to be in that category, although JP Morgan's hands would now be full with Bear Stearns. The Board Finance Committee had recently reviewed some of the work that was under way to prepare the Group in the event of an approach from a predator or, more likely in the current circumstances, an activist shareholder proposing a break-up of the Group. The Board also noted the very encouraging progress being made by GRCB.

The Board noted the Report.

(4) Franchise Health

Mr Hoffman presented his Franchise Health report, which had been sent to Directors in advance of the meeting and highlighted the following points:

(a) UK Retail Bank

The reputation of the banking industry in the eyes of the media and customers remains tarnished and Barclays had not been able to differentiate itself from its competitors. UK Retail Bank had improved its relative performance against its peer group in terms of overall customer satisfaction from 7th out of the banks to 5th. First Direct and Nationwide still stand out from the crowd. The Board discussed the trade off between costs and services in the Retail Bank. First point of contact complaint resolution had increased so that by the end of 2007 the performance was 4% above the year-end target of 70%. One increase is the feature of complaints related to the use of overseas call centres. Approximately 50% of complaints could be easily avoidable as they arose from errors, attitude or a lack of knowledge on the part of staff.

(b) Barclays Commercial Bank

There has been significant change in the Commercial Bank and during the period of 'transition' satisfaction ratings have fallen, particularly in larger business which had lost its leading position to Lloyds TSB. Medium business

satisfaction scores had also declined as a result of various one-off business initiatives which had mostly ended, so a recovery was expected.

(c) Barclaycard

Customer satisfaction and value for money measures returned to 2006 levels after the decreases in the first half of 2007. This was likely to be because of a campaign to increase the credit limits of low-risk customers and perceived satisfaction with interest rates had improved as a result of focused marketing activity.

(d) GRCB Western Europe and Emerging Markets

Barclays Spain currently had no complaints capture tool in its branches. This would be rectified. The change to a mass-market bank in Spain has had a material impact on its franchise health. This was an important lesson for when major strategic or operational changes were being made to ensure there was close monitoring of the impact on franchise health.

The Board discussed the drivers of the EOS and customer satisfaction scores which were impacted by the very significant level of change in the business but was also positively affected by increased innovation, more competitive products and a desire to be associated with a successful business.

In response to a question, Mr Seegers noted that Barclays Commercial's customer satisfaction scores had suffered as a result of the very high levels of change in the last year with 89% of the management team having been replaced.

The UK's negative attitude to overseas call centres was unusual but the very high cost of running UK call centres made them difficult to justify, although it was important to get the training of overseas call centre staff right. Over 7,000 jobs had been moved off-shore and the Indian call centres had experienced problems earlier in the year. However, the decision to bring the service in-house had resulted in an improving trend although further enhancement was needed.

The Board discussed the hidden costs of poor customer satisfaction and what would be an appropriate target for the business to set for itself. Reducing credit lines and more robust collections activity were likely to negatively affect customer satisfaction in the short term but both were significant contributors to the

businesses' financial performance. It was agreed that in trying to influence public perception of the business it was necessary to make a particular effort for key opinion formers.

In response to a question, Mr Seegers advised that the Group's internet banking offering needed to be enhanced to improve the customer experience. It was a very attractive market as on-line customers tended to buy more products than others.

Another important indicator of franchise health is the flow of new customers into Barclays. These figures are very positive.

The Board noted the report.

Robert Le Blanc joined the meeting.

2.2 CAPITAL MANAGEMENT UPDATE

Mr Lucas referred the Board to his presentation entitled Capital Management Update, which had been sent to Directors in advance of the meeting and highlighted the following points:

(a) Financial Services Authority (FSA)

The Group's Capital Management Plan had been shared with the FSA and discussions were continuing as to the appropriate target ratios that the Group should be seeking to achieve. The indications were that the FSA would wish the Group to achieve its own target equity ratio before the end of 2008.

(b) Capital and Dividend Policies

The Group's capital ratio targets correlate to the amount of economic capital required for the risks in the business, with the aim of maintaining a strong AA credit rating which was considered the most efficient level for the business. The achievement of those objectives translate into a target Tier 1 Capital Ratio of 7.25% and an Equity Tier 1 ratio of 5.25%. Both the FSA and the Federal Reserve Bank set minimum capital requirements with the Federal Reserve Bank's requirements being in practice more binding than those of the FSA. The Group's own targets were more challenging still. The dividend policy was to achieve dividend growth in line with the long-term growth of underlying profits, whilst ensuring that dividends

were twice covered by profits after tax and minority interests. At 31 December 2007 the Tier 1 ratio was 7.6% and the Equity Tier 1 Ratio was 5.1%.

(c) STP Capital Plan

The STP Capital Plan had assumed a minimum RWA capacity of £21 billion in February 2008 and a 4.89% equity ratio by June 2008. Although mark to market of Own Credit creates a profit and loss benefit, it does not qualify as capital. The effect of that, together with the accelerated growth of RWAs, both planned and as a result of market conditions, means that the revised capital plan shows the equity ratio at 4.5% in June 2008, with a Tier 1 ratio of 6.9%. The maximum reduction in core equity which could be seen without breaching Federal Reserve Bank requirements of a "well capitalised" bank was £1.2 billion in February, rising to £2.6 billion in June. This compares favourably with the maximum loss in a severe stress environment in one month of £850 million (pre tax).

(d) Proposed Capital Issuance

To achieve an equity ratio of 5% by June 2008 the Group would need to reduce RWAs by £38 billion or increase equity by £1.9 billion. Discussions were under way with a Japanese bank and a Korean insurance company to enter into strategic partnerships which would include them taking equity stakes amounting to between £1 billion and £2 billion. Plans were also being formulated to release equity Tier 1 through changing the ESAS hedge from an equity holding to a derivative, which would release some £500 million on a conservative estimate. The businesses have also been challenged to reduce RWAs by £20 billion by 30 June 2008.

(e) Stress Testing of the Capital Plan

A severe economic downturn could reduce PBT by £2.7 billion in 2008 or £2.3 billion after tax. Over a 3 year period, the Group would continue to be profitable but cumulative PBT would be £8.8 billion (33%) below plan. Without management action, the equity ratio would fall below 4.6%. Actions to rebuild the capital ratios could include: disposal of non-core businesses, reducing the annual dividend, a significant reduction in RWAs coupled with a focus on higher returning RWAs and issuance of equity through private placements or scrip dividends. Enhancements to the capital management planning process were already being formulated for the 2008 MTP process, to ensure optimal allocation of capital across businesses in a more capital constrained environment.

The Board discussed the sensitive commercial judgements that would be required to achieve the improved capital ratios without causing long term harm to the business. Concern was expressed at the prospect of issuing equity to new investors at the current stock price and management were encouraged to give full consideration to other alternatives, including more aggressive management of RWAs, disposal of non-core businesses and a lower level of dividend growth while stopping short of actually cutting the dividend. Management were also encouraged to consider the opportunities that might be available to it if its capital position could be enhanced beyond the minimum target levels. It would be necessary to engage both CDB and Temasek before going forward with the two new investors.

The Board also discussed the likely reaction of the rating agencies to the reduction in the Group's equity Tier 1 ratio. The ratio had fallen to a similar level following the acquisition of Absa and the AA rating had been maintained. Rating agencies were, however, likely to be much more robust given the criticism that they have recently received.

A further paper on this subject would be presented to the Board in April for a final decision on the approach to be taken by the Group.

<u>Papers circulated for information</u>

Committee minutes:

Board Corporate Governance and Nominations Committee on 31 January 2008

Board Audit Committee Meetings on 5 February, 13 February and 28 February 2008

Board HR and Remuneration Committee Meeting on 6 February 2008

EXHIBIT 29
[Filed Under Seal]

From: Dickinson, Lawrence: Barclays PLC [/O=BZW/OU=EUROPE/CN=BARCLAYSGROUP/CN=RETAIL.LAWRENCE.DICKINSON]
Sent: Tuesday, November 06, 2007 1:23:54 PM
To: danie.cronje@telkomsa.net; steve.russell2@tiscali.co.uk; alikierman@london.edu
CC: rjbroadbent@btinternet.com; Lucas, Chris: Barclays PLC; Le Blanc, Robert: Group Risk (LDN)
Subject: Update on Credit Markets
Attachments: Credit Markets Update - Oct 2007.doc

Dear All,

Please find attached an update on the sub-prime, ABS and Leveraged Credit Markets which was recently provided to Sir Richard Broadbent and which he has asked to be circulated to other members of Risk Committee. Richard will be discussing the paper with Robert Le Blanc and will revert if there have been any significant developments.

Credit Markets
Update - Oct 20...

Password will follow under separate cover.

Lawrence

Lawrence Dickinson
Company Secretary

One Churchill Place
London E14 5HP

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External : 020 7116 8099
Fax : 020 7116 7785
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EXHIBIT PLX 448 6NOV15 DB PENGAD 800-631-6989

TO:	Sir Richard Broadbent
FROM:	Chris Lucas / Robert Le Blanc
DATE:	30 October 2007
SUBJECT:	UPDATE ON SUB PRIME ABS AND LEVERAGED CREDIT MARKETS

This provides an update on our positions using recent data, with a comparison to the update provided to BRC on 19th September.

1. <u>Asset Backed Securities</u>
Our gross exposure (i.e. before taking account of collateral) can be summarised as follows:

	Sept 19 $m	Oct 22 $m
<u>US Sub-Prime Residential Mortgage Exposure</u>		
Financing of US Sub-prime Residential Mortgages	502	0
Whole Loans Purchase and Securitisation	7,517	6,333
Post-NIM Residuals		
- cost basis	1030	803
- stress test loss basis	491	307
<u>CDO Warehousing</u>	1,554	1,319
<u>Backstop/Liquidity</u>		
Barclays sponsored conduits	500	0
Third party conduits	198	331
Super senior tranches of CDOs*	4,942	8,316
Synthetic liquidity facilities	4,025	3,987
** Total Liquidity facilities were $8,316 and are now fully drawn – we own the AAA notes in full.*		
<u>SIV/SIV-lites</u>		
Drawn Backstop liquidity	298	298
SIV Derivative exposure	362	452

In addition to the above, we have counterparty exposures which are collateralised by mortgages or other asset-backed securities totalling $12.5 bn. $9.787 bn is comprised of US residential mortgage backed securites, of which US Sub Prime collateral is $2.8 bn, with the balance Prime and Alt A. We have reviewed again the top 10 hedge fund exposures, none of which are giving cause for concern at present.

2. Leveraged Finance
BarCap has the following exposures:

Committed underwritings and targeted holds	£10,975	£10,121
CLO Warehouse positions	£2,168	£1,562
Leveraged Investment Vehicles (LIVs) *Note 1*	£1,558	£1,249
Total return swaps *Note 2*	£11,476	£13,176

Note 1: LIV exposure not included in the Sept return, although included in the Portfolio Review
Note 2: The above is the notional value of Total Return Swap exposure but all trades attract haircuts (overall global 20%) assessed at a level assumed to equate to a nil risk position. Increase reflects new and upsized trades.

Note 3: Above excludes positions on the trading book

There are no unanticipated or unusual signs of stress in the corporates that underlie this exposure.

3. Capital

Managing these assets in current market conditions has involved assets being brought onto the balance sheet in order to preserve economic and reputational advantage. As of October a total of £6.0bn of assets had been brought onto the balance sheet. Our earlier estimate was that this could be £20bn for the year and this remains our best estimate. It is projected that up to a further £14bn of assets could be brought onto the balance sheet by year end (primarily from the funding of committed underwritings). Assuming the full £20bn was added to the balance sheet, the equity ratio at year end would fall from 5.25% to 5.07% and the Tier 1 ratio from 7.69% to 7.64%.

4. Outlook

The market has deteriorated since our last update, with a number of market price reductions in late October following amongst other situations, the rating agency downgrades of some 5000 structured CDO's. We are working through the likely impact of the market moves and expect further P/L impact in October's numbers.

As flagged at the September BRC, the CDO liquidity facilities have been drawn as expected, and their valuation may be effected by year end should impairment arise on these assets.

As soon as we have any further information on these areas we will contact you to discuss.

EXHIBIT 30

[Filed Under Seal]

From: Diamond, Bob: Barclays Capital [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=DIAMONDB]
Sent: Wednesday, November 21, 2007 1:03:03 PM
To: del Missier, Jerry: Barclays Capital (LDN); Ricci, Rich: Barclays Capital
Subject: FW: Lower Tier 2 Issue

fyi

-----Original Message-----
From: Seegers, Frits: Barclays PLC
Sent: 21 November 2007 13:00
To: Diamond, Bob: Barclays Capital; Lucas, Chris: Barclays PLC; Varley, John: Barclays PLC; Idzik, Paul: Barclays Group
Cc: Stone, Jonathan: Barclays Treasury (LDN)
Subject: Re: Lower Tier 2 Issue

Gentlemen

1) Agree that subordinated spreads seem high, but,

2) With current market conditions I worry that spreads may get still higher-and will remain high next year.

3) What happens if another big bank jumps in, could spreads jump wider?

4) With securitisation markets shut, GRCB has virtually no way to reduce its WRA's by year-end (or early next for that matter)

My strong preference is not to wait. Best frits

Sent from my BlackBerry Wireless Handheld

-----Original Message-----
From: Diamond, Bob : Barclays Capital
To: Lucas, Chris : Group Exec; Varley, John : Group Exec; Seegers, Frits : Group Exec; Idzik, Paul : Barclays Group
CC: Stone, Jonathan: Barclays Treasury (LDN) <jonathan.stone@barclaysgt.com>
Sent: Wed Nov 21 09:35:55 2007
Subject: Re: Lower Tier 2 Issue

Gents

Worry very much about reputational risk here, being back in the papers as desperate, etc. Met wit Jon, Jerry, Boath, Rich and we all agree to hold and not issue today at these levels, and we need to

1 begin looking at private Xactions to shed rwa

2 begin group wide reduction as much as possible b4 year end

3 plan to execute if market better up to a £bill 11/27 and also early Jan

We will have working group on this all the way. Hugely important.

----- Original Message -----
From: Lucas, Chris: Barclays PLC
To: Varley, John: Barclays PLC; Diamond, Bob: Barclays Capital; frits.seegers@barclays.com

EXHIBIT NO. 483
DATE: 11/13/15
Reporter - Laurie A. Collins

<frits.seegers@barclays.com>; Idzik, Paul:
Barclays Group
Cc: jonathan.britton@barclays.com <jonathan.britton@barclays.com>; Stone, Jonathan: Barclays Treasury (LDN)
Sent: Wed Nov 21 08:24:51 2007
Subject: Fw: Lower Tier 2 Issue

Please see the note from Jon , while it seems expensive , I feel getting a sizable tier 2 issue away this side of the trading statement is important .
If we complete this successfully , we would have the option of delaying futher issuance into next year .

We also believe there are many issuers waiting for conditions to improve with some possibility that they do not in the short term . This could to excess supply of paper with an impact on pricing .

-----Original Message-----
From: Stone, Jonathan: Barclays Treasury (LDN) <jonathan.stone@barclaysgt.com>
To: Lucas, Chris : Group Exec; Britton, Jonathan : Group Central Functions
CC: Aucutt, Ross: Barclays Treasury (LDN) <Ross.Aucutt@barclaysgt.com>
Sent: Wed Nov 21 08:15:23 2007
Subject: Lower Tier 2 Issue

As you will be aware we have a need in our current capital plan to raise in the region £2.3bn of lower tier 2 capital in advance of the year end. Given the current market conditions and the broad negative sentiment on financials with regard to credit concerns, credit spreads have widened considerably and remain at the highs for this year.

As a consequence indicative spreads for a sterling lower tier 2 for a bench mark transaction (£750m) are Libor plus 150 -160bps. By contrast we issued lower tier 2 issues in March and May of this year at approx Libor plus 20bps. While these spread levels are the historic lows we have not been more than Libor plus 45bps for at least 6years.

Nevertheless we are proposing with the Barclays Capital syndicate desk that we launch an issue this morning at these levels given that there is only a further three weeks before the market will close for this year and it remains uncertain that the market will improve further from this point. We will seek to build a book larger than the target £750m and will reassess the options we have to reduce the further issuance that we had planned to meet the £2.3bn of lower tier 2 target.

As an indication of the current market the only financial trades to price over the past two weeks are : UBS' £250mm and DNB Nor's £150mm (both at Libor +110bp) and Commerzbank, who brought a €750m lower tier 2 issue to the market last week. Due to deteriorating market sentiment, however, they were forced to widen price guidance from Libor plus 125bp area to Libor plus130-135bp

It is likely that the market will read this as "Barclays is desperate" given the spread and why is it issuing at this point in the market. We have to date indicated to the market that our capital raising calendar has been restricted by the ABN Amro transaction closed periods and that is we are considering an issue at this point. Nevertheless, we will be working with Corporate Comms to manage the press enquiries.

Kingdom.

Barclays Bank PLC is authorised and regulated by the Financial Services Authority

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For important statutory and regulatory disclosures and more information about Barclays Capital, please visit our web site at http://www.barcap.com.

EXHIBIT 31
[Filed Under Seal]

From: Varley, John: Barclays PLC [/O=BZW/OU=EUROPE/CN=BARCLAYSGROUP/CN=RETAIL.VARLEYJ1]
Sent: Thursday, March 20, 2008 11:29:50 PM
To: Le Blanc, Robert: Group Risk (LDN); marcus.agius@barclays.com; chris.lucas@barclays.com; Diamond, Bob: Barclays Capital
Subject: Re: Em to callum

Thanks for the rapid response robert.
I don't think marcus should make reference to a number. I don't want to get more boxed in than we already are. I can see there are plusses and minuses, but the minuses of doing this outweigh the plusses.
John

-----Original Message-----
From: Le Blanc, Robert : Barclays Capital
To: Varley, John : Group Exec; marcus.agius@barclays.com <marcus.agius@barclays.com>; chris.lucas@barclays.com <chris.lucas@barclays.com>; Diamond, Bob : Barclays Capital
Sent: Thu Mar 20 23:11:56 2008
Subject: Re: Em to callum

John

Only input I would add is to ask if we want to refer to the steer that Hector gave us at the end of the meeting; that they will be expecting us to be moving toward our target of 5.25. (Please remember that Callum also added that they are reserving judgement on whether they might ask for more.) Marcus referring to 5.25 may be too specific for a note to Callum however it would a) show that we got the message and b) allow us to reiterate that 5.25 remains our target (and not a higher number).

Robert

----- Original Message -----
From: Varley, John: Barclays PLC
To: marcus.agius@barclays.com <marcus.agius@barclays.com>; chris.lucas@barclays.com <chris.lucas@barclays.com>; Diamond, Bob: Barclays Capital; Le Blanc, Robert: Group Risk (LDN)
Sent: Thu Mar 20 22:27:29 2008
Subject: Em to callum

Marcus

Herewith a draft note for you to send to callum. You'll see I'm copying to chris, bob and robert to give them the opportunity to input before you transmit. I quite like the idea of transmission over the holiday weekend, which will make a point.

"Callum

I wanted to make contact again following our last conversation.

You will know that there has been much subsequent dialogue between our teams. That dialogue, and the written material supporting it, was presented

EXHIBIT NO. 486
DATE: 11/13/15
Reporter - Laurie A. Collins

to the board risk committee, and then to the full board, this week.

John indicated to hector on wednesday that our intention is to do more work ahead of our april board meeting in response to the points made by julian adams and mark wharton to john last week, (which were reiterated by hector on wednesday). This will enable us to come back to the fsa after the april board meeting with proposals as to our capital plan that are directed at addressing your concerns.

There will be supervening discussion between the fsa and barclays teams: this will include the continuation of a briefing of hector next week that started on wednesday.

My intention would be, if you are agreable to this, to visit you again shortly after our team has been back to yours with the revised capital plan.

Marcus"

John

EXHIBIT 32
[Filed Under Seal]

1.1(

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EXHIBIT NO. 487
DATE: 11/13/15
Reporter - Laurie A. Collins

PAPER FOR BOARD MEETING ON THURSDAY 17 APRIL 2008

Agenda Item No.
1.1(1)

TO: The Directors

FROM: Lawrence Dickinson

DATE: 11 April 2008

SUBJECT: APPROVAL OF MINUTES OF PREVIOUS MEETING – 20 MARCH 2008, MINI BOARD MEETING ON 7 MARCH 2008 AND FINANCE COMMITTEE MEETING ON 17 MARCH 2008

The minutes of the Board meeting held on 20 March 2008, the Mini Board meeting held on 7 March 2008 and Finance Committee meeting on 17 March 2008 are submitted for the Board's approval.

BARCLAYS PLC

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS HELD AT 1 CHURCHILL PLACE, LONDON E14 5HP ON THURSDAY 20 MARCH 2008

Present:

Marcus Agius - Chairman

David Booth	Sir Richard Broadbent
Leigh Clifford*	Fulvio Conti
Dr Danie Cronjé	Professor Dame Sandra Dawson
Bob Diamond*	Gary Hoffman
Sir Andrew Likierman	Chris Lucas
Sir Michael Rake	Sir Nigel Rudd
Stephen Russell	Frits Seegers
Sir John Sunderland	John Varley
Patience Wheatcroft	

In Attendance:

Lawrence Dickinson	Company Secretary
Patrick Gonsalves	Deputy Company Secretary
Mark Harding	General Counsel
Robert Le Blanc	Group Risk Director (in attendance for items1.1, 1.2(2)(a) and 2.2 only)

* via conference call

1. CHAIRMAN'S MATTERS

1.1 APPROVAL OF MINUTES AND ACTIONS ARISING FROM PREVIOUS MEETINGS

(1) Minutes

The minutes of the Board meeting held on 14 February 2008 and the Mini Board meeting held on 18 February 2008 were approved for signature by the Chairman.

(2) Actions Arising

Lawrence Dickinson drew the Board's attention to the schedule of Actions Arising from the 14 February 2008 Board meeting, which had been sent to Directors in advance of the meeting and noted that all actions arising from previous meetings were in hand.

(3) External Board Appointments

The Board noted the appointment of Patience Wheatcroft as a Non-Executive Director of Shaftesbury PLC, with effect from 27 February 2008.

The Board also noted the appointment of John Varley as Honorary President of the UK Drug Policy Commission. The appointment was expected to be effective from the end of March/beginning of April 2008 but the time commitment was not expected to be onerous.

1.2 BOARD COMMITTEE REPORTS

(1) Report of the Board Risk Committee Meeting Held on 19 March 2008

Sir Richard Broadbent presented his Report on the key issues discussed at the meeting of the Board Risk Committee meeting held on 19 March 2008, which had been laid on the table at the meeting, and highlighted the following points:

(a) Risk Appetite

At the time of recommending the Group's risk appetite for 2008 to the Board, the Board Risk Committee had noted that the capital position was tight relative to the proposed risk appetite. This was even more the case in current market conditions.

(b) Forward Risk Trends

Sir Richard drew the Board's attention to the summary of forward risk trends attached to the Quarterly Risk Report and noted that in addition to the 12 identified risks, there were risks relating to the cost of support for BGI's money market funds and the capital position.

(c) Wholesale Credit Risk and Stress Testing

Net exposures to the Asset Backed Securities and Leveraged Finance markets have not moved materially since the year-end. The outlook for the Alt-A market had deteriorated but the position on the monoline insurers had

improved as new injections of capital had allowed them to retain their AAA rating.

The Committee had discussed two different stress scenarios. First, a short-term severe stress environment and the potential losses that could be incurred in one month. This could result in a loss of up to £850 million before tax, in a reasonably severe scenario. That level of loss could be absorbed without breaching minimum capital ratios. Losses materially above that level would require assumptions increasingly implying systemic failure. Longer term moderate and severe stress scenarios over 2-3 years again remained within the Group's capital ratios, assuming the impact of management actions.

(d) Liquidity

The Committee was reassured by both the level of the Group's funding and by its continuing good reputation in the market.

The Board noted the report from the Board Risk Committee Chairman.

(2) Quarterly Risk Reports

(a) Group Risk Report

Robert Le Blanc referred the Board to his Quarterly Risk Update, which had been sent to Directors in advance of the Board meeting and highlighted the following points:

i) Market Environment - Mr Le Blanc described how stresses in different areas such as mortgages, a slowdown in the global economic cycle, a major change in the credit cycle and efforts to de-leverage and de-risk had resulted in a loss of confidence and the current difficult market conditions. The combination of these events had reinforced each other and this would take time to work itself out.

ii) Hedge Funds - The Group's exposure to hedge funds had been reviewed as the sector was under continued pressure. The Group's positions were well collateralised but the Group could not be immune to the problems and Barclays Capital had lost £23 million in the rapid liquidation of Peloton.

iii) <u>Market Risk</u> - The Board discussed the Standard Chartered SIV, Whistlejacket, and noted that Standard Chartered's reputation in the market had not suffered so far as a result of its failure to stand behind Whistlejacket. BGI's cash funds had held approximately $1.8 billion of Whistlejacket paper. Half of that holding had been purchased by Barclays to mitigate the risk of net asset values in certain of their money market cash funds falling below par.

In response to a question, it was noted that BGI's exposures to Bear Stearns were being closely watched. There remained litigation outstanding between the Group and Bear Stearns.

The Board noted the Quarterly Risk Update.

Robert Le Blanc left the meeting.

(b) <u>Legal Risk Report</u>

Mark Harding referred the Board to the Quarterly Legal Risk Report, which had been sent to Directors in advance of the meeting and highlighted the following points:

Redacted:
Redacted For Privilege

Redacted:
Redacted For Privilege

1.3 BOARD EFFECTIVENESS REVIEW ACTION PLAN

Mr Dickinson presented the report on the Board Effectiveness Review Action Plan for 2008, which had been sent to Directors in advance of the meeting and noted that no major changes to Board processes were being proposed. A small number of specific actions would be taken including: the UK Retail Bank strategy presentation specifically covering the health of its customer franchise, Non-Executive Director training and additional material being presented to the Strategy Board on the external environment.

The Board discussed the proposed actions to respond to the Board Effectiveness Review and noted that the perceived decline in the Group's comparative financial performance did not indicate any complacency on the Board's part but rather that management was already fully aware of the Board's desire for improvement.

The Board noted the Board Effectiveness Review Action Plan.

2. CHIEF EXECUTIVE'S MATTERS

2.1 BUSINESS REPORTS

(1) Chief Executive's Report

John Varley presented his monthly Report, which had been sent to the Directors in advance of the meeting, and highlighted the following:

(a) HBOS

Mr Varley had spoken to the Chief Executive of HBOS to offer support following the sudden decline in their share price and market rumours of possible failure. Their situation had been very serious indeed. This highlighted the significant difference in approach between the Bank of

England and the US banking authorities. Mr Varley noted that a high-level group of banks would be meeting shortly with the Bank of England to discuss the current market conditions and the proposed changes to the deposit protection regime post Northern Rock. The Board noted the importance of being well prepared to respond to market rumours and being ready to issue appropriately robust statements.

(b) Current Market Conditions

Bob Diamond updated the Board on current market conditions. As previously reported, three pre-conditions needed to be met to start the process of bringing confidence back to the markets; the publication of audited accounts by the leading banks, obtaining clarity on the position of the monoline insurers and the central banks taking concerted action to address global liquidity problems. The bank results season had overall been mixed and the position of the monoline insurers was still not completely clear, which could have serious implications for both Citigroup and UBS. However, the central banks had made some significant efforts in addressing liquidity and the problems at Bear Stearns had been very rapidly resolved. The strident statements of Mr Paulson and the concerted efforts of the central banks were likely to have a slow but material impact in the process of rebuilding confidence. It was possible that the worst of the crisis had now passed as, for the first time, there were signs of new money being invested, albeit very selectively, but it would be many months before real confidence returned to the markets.

(c) Zimbabwe

Frits Seegers briefed the Board on the contingency arrangements being made ahead of the Zimbabwe presidential elections to ensure the Group maintained control of its business in Zimbabwe. Part of the Group shareholding could be sold to an employee trust to meet new indigenisation legislation.

(d) Tax Status of Non Domiciled Residents

Up to 10,000 of the Group's 55,000 UK employees could be impacted by these proposals which could undermine the competitiveness of the UK financial services industry. The Group was lobbying Government strongly on this matter.

(e) Corporate Development

Following the Chairman's meeting with the Chairman of the FSA on the Group's capital position (which the Chairman had separately briefed Directors on), the corporate development opportunities the Group was currently working on had been put on hold until a way forward was agreed with the FSA.

(f) Russia - Expobank Acquisition

There had been very little reaction to the Group's Russian acquisition, given that it was consistent with the Group's strategy. The price paid ($745m) was in line with comparable transactions and the transaction had been concluded within the overall cost limits approved by the Board Finance Committee.

(g) VISA Flotation

Gary Hoffman reported that VISA's flotation in the US had been successfully completed with the Group expected to receive $200 million in cash in October 2008 and approximately $140 million in shares. The European flotation could raise a further $300 million to $400 million. £90 million had been included in the Medium Term Plan for 2008.

The Board noted the report.

(2) Finance Director's Report

Chris Lucas presented his monthly Report for February 2008, which had been sent to Directors in advance of the meeting, and highlighted the following:

(a) Results for February

Profit Before Tax (PBT) for the year-to-date at £1,156 million was £2 million ahead of STP but £121 million behind the same period in 2007. There had been a good income performance with net income before impairment charges increasing by 12%. Impairment charges of £641 million reflect the credit markets charges in Barclays Capital. As a result, net income increased by 5% compared to the prior year. Total costs increased by 14% including the £127 million of costs incurred in BGI relating to the provision of support to various liquidity products. Excluding that item, costs increased by 8% reflecting continued investment levels in the business.

(b) Balance Sheet and Capital Ratios

The total balance sheet at 29 February 2008 was £1,584 billion, an increase of 29% since 31 December 2007. This increase was largely driven by the accounting gross up under IFRS of derivative financial instruments and the increase in repurchase transactions which had been reduced at the year-end. The GRCB balance sheet was growing in mortgages and in the international businesses. At the end of January 2008 on a Basel II basis the Tier 1 ratio stood at 7.3% and the Equity Tier 1 ratio stood at 5%, reflecting an increase of 4% in Risk Weighted Assets (RWAs) since the year-end.

(c) Business Level Performance

GRCB PBT for the year-to-date was £653 million, which was £42 million ahead of the plan. UK Retail Bank, Barclaycard and the International Businesses were all performing well but the performance of Commercial Bank was being monitored. IBIM PBT for the year-to-date was £595 million, slightly behind plan. Barclays Capital were ahead of plan despite further credit related write-downs of £800 million. These had been partially offset by Own Credit resulting in a net negative impact of £50 million. However, BGI had been adversely impacted by the support to its money market funds resulting in PBT for the year so far of £27 million.

(d) Market Consensus

Analysts' forecasts for the year were now trending down and, excluding the outliers, were in the range £6.9 billion to £7 billion. A revised forecast for the year would be conducted at the end of March but the short term plan for the year indicated PBT of £7.7 billion. It was expected that the revised forecast would be lower than the STP.

In response to a question, Mr Lucas advised that difficult decisions would need to be made in the near future as to whether BGI would continue to provide support to money market funds, given the contribution that that part of its business made.

The Board noted the report.

(3) 2007 Interim Results - Peer Group Comparison of Results

Mr Lucas presented his paper on Peer Group Comparison of Results, which had been sent to Directors in advance of the meeting, and drew the Board's attention to:

(a) Peer Group Performance

Barclays performance against the peer group was fairly strong, without being outstanding. Income performance was below top quartile in 2007 but cost and impairment performance was good compared to its peers. Over the period 2004 to 2007, Barclays PBT performance was joint 5th in the peer group with good income growth and some productivity improvement.

(b) 2007 Net Losses

Barclays net write-downs of £1.6 billion were 3% of the total investment-banking losses and 2% of total losses. This was 11th within the peer group and top investment banks, with Citigroup, Merrill Lynch and UBS incurring the largest losses.

The Board discussed the relative performance in respect of sub-prime losses across the banks. Mr Varley noted that Goldman Sachs, Lehman Brothers, BNP and Barclays had performed relatively strongly.

(c) Costs and Productivity

Barclays productivity improved in 2007 with a cost income ratio 1.3% lower than in 2006. BBVA and Santander were the peer group leaders for cost management.

(d) Balance Sheet

Royal Bank of Scotland's acquisition of ABN Amro had increased its balance sheet to nearly £2 trillion. Barclays asset growth was in line with others in the peer group and was largely driven by growth in investment-banking assets. This area was impacted by the introduction of IFRS.

The Board noted that HBOS had a significant gap between loans and deposits.

(e) Capital Ratios and Gearing

Royal Bank of Scotland's ratios were the lowest. Excluding the revaluation gain on its investment in Bank of China, its equity ratio would stand at about

4.2%. Barclays gearing was near the top end of the peer group as it had raised non-equity Tier 1 capital rather than equity due to its greater tax efficiency.

Board discussed whether the comparative strength of some banks' balance sheets would make them potential predators and noted that JP Morgan and Santander could be considered to be in that category, although JP Morgan's hands would now be full with Bear Stearns. The Board Finance Committee had recently reviewed some of the work that was under way to prepare the Group in the event of an approach from a predator or, more likely in the current circumstances, an activist shareholder proposing a break-up of the Group. The Board also noted the very encouraging progress being made by GRCB.

The Board noted the Report.

(4) **Franchise Health**

Mr Hoffman presented his Franchise Health report, which had been sent to Directors in advance of the meeting and highlighted the following points:

(a) UK Retail Bank

The reputation of the banking industry in the eyes of the media and customers remains tarnished and Barclays had not been able to differentiate itself from its competitors. UK Retail Bank had improved its relative performance against its peer group in terms of overall customer satisfaction from 7th out of the banks to 5th. First Direct and Nationwide still stand out from the crowd. The Board discussed the trade off between costs and services in the Retail Bank. First point of contact complaint resolution had increased so that by the end of 2007 the performance was 4% above the year-end target of 70%. One increase is the feature of complaints related to the use of overseas call centres. Approximately 50% of complaints could be easily avoidable as they arose from errors, attitude or a lack of knowledge on the part of staff.

(b) Barclays Commercial Bank

There has been significant change in the Commercial Bank and during the period of 'transition' satisfaction ratings have fallen, particularly in larger business which had lost its leading position to Lloyds TSB. Medium business

satisfaction scores had also declined as a result of various one-off business initiatives which had mostly ended, so a recovery was expected.

(c) Barclaycard

Customer satisfaction and value for money measures returned to 2006 levels after the decreases in the first half of 2007. This was likely to be because of a campaign to increase the credit limits of low-risk customers and perceived satisfaction with interest rates had improved as a result of focused marketing activity.

(d) GRCB Western Europe and Emerging Markets

Barclays Spain currently had no complaints capture tool in its branches. This would be rectified. The change to a mass-market bank in Spain has had a material impact on its franchise health. This was an important lesson for when major strategic or operational changes were being made to ensure there was close monitoring of the impact on franchise health.

The Board discussed the drivers of the EOS and customer satisfaction scores which were impacted by the very significant level of change in the business but was also positively affected by increased innovation, more competitive products and a desire to be associated with a successful business.

In response to a question, Mr Seegers noted that Barclays Commercial's customer satisfaction scores had suffered as a result of the very high levels of change in the last year with 89% of the management team having been replaced.

The UK's negative attitude to overseas call centres was unusual but the very high cost of running UK call centres made them difficult to justify, although it was important to get the training of overseas call centre staff right. Over 7,000 jobs had been moved off-shore and the Indian call centres had experienced problems earlier in the year. However, the decision to bring the service in-house had resulted in an improving trend although further enhancement was needed.

The Board discussed the hidden costs of poor customer satisfaction and what would be an appropriate target for the business to set for itself. Reducing credit lines and more robust collections activity were likely to negatively affect customer satisfaction in the short term but both were significant contributors to the

businesses' financial performance. It was agreed that in trying to influence public perception of the business it was necessary to make a particular effort for key opinion formers.

In response to a question, Mr Seegers advised that the Group's internet banking offering needed to be enhanced to improve the customer experience. It was a very attractive market as on-line customers tended to buy more products than others.

Another important indicator of franchise health is the flow of new customers into Barclays. These figures are very positive.

The Board noted the report.

Robert Le Blanc joined the meeting.

2.2 **CAPITAL MANAGEMENT UPDATE**

Mr Lucas referred the Board to his presentation entitled Capital Management Update, which had been sent to Directors in advance of the meeting and highlighted the following points:

(a) Financial Services Authority (FSA)

The Group's Capital Management Plan had been shared with the FSA and discussions were continuing as to the appropriate target ratios that the Group should be seeking to achieve. The indications were that the FSA would wish the Group to achieve its own target equity ratio before the end of 2008

(b) Capital and Dividend Policies

The Group's capital ratio targets correlate to the amount of economic capital required for the risks in the business, with the aim of maintaining a strong AA credit rating which was considered the most efficient level for the business. The achievement of those objectives translate into a target Tier 1 Capital Ratio of 7.25% and an Equity Tier 1 ratio of 5.25%. Both the FSA and the Federal Reserve Bank set minimum capital requirements with the Federal Reserve Bank's requirements being in practice more binding than those of the FSA. The Group's own targets were more challenging still. The dividend policy was to achieve dividend growth in line with the long-term growth of underlying profits, whilst ensuring that dividends

were twice covered by profits after tax and minority interests. At 31 December 2007 the Tier 1 ratio was 7.6% and the Equity Tier 1 Ratio was 5.1%.

(c) STP Capital Plan

The STP Capital Plan had assumed a minimum RWA capacity of £21 billion in February 2008 and a 4.89% equity ratio by June 2008. Although mark to market of Own Credit creates a profit and loss benefit, it does not qualify as capital. The effect of that, together with the accelerated growth of RWAs, both planned and as a result of market conditions, means that the revised capital plan shows the equity ratio at 4.5% in June 2008, with a Tier 1 ratio of 6.9%. The maximum reduction in core equity which could be seen without breaching Federal Reserve Bank requirements of a "well capitalised" bank was £1.2 billion in February, rising to £2.6 billion in June. This compares favourably with the maximum loss in a severe stress environment in one month of £850 million (pre tax).

(d) Proposed Capital Issuance

To achieve an equity ratio of 5% by June 2008 the Group would need to reduce RWAs by £38 billion or increase equity by £1.9 billion. Discussions were under way with a Japanese bank and a Korean insurance company to enter into strategic partnerships which would include them taking equity stakes amounting to between £1 billion and £2 billion. Plans were also being formulated to release equity Tier 1 through changing the ESAS hedge from an equity holding to a derivative, which would release some £500 million on a conservative estimate. The businesses have also been challenged to reduce RWAs by £20 billion by 30 June 2008.

(e) Stress Testing of the Capital Plan

A severe economic downturn could reduce PBT by £2.7 billion in 2008 or £2.3 billion after tax. Over a 3 year period, the Group would continue to be profitable but cumulative PBT would be £8.8 billion (33%) below plan. Without management action, the equity ratio would fall below 4.6%. Actions to rebuild the capital ratios could include: disposal of non-core businesses, reducing the annual dividend, a significant reduction in RWAs coupled with a focus on higher returning RWAs and issuance of equity through private placements or scrip dividends. Enhancements to the capital management planning process were already being formulated for the 2008 MTP process, to ensure optimal allocation of capital across businesses in a more capital constrained environment.

The Board discussed the sensitive commercial judgements that would be required to achieve the improved capital ratios without causing long term harm to the business. Concern was expressed at the prospect of issuing equity to new investors at the current stock price and management were encouraged to give full consideration to other alternatives, including more aggressive management of RWAs, disposal of non-core businesses and a lower level of dividend growth while stopping short of actually cutting the dividend. Management were also encouraged to consider the opportunities that might be available to it if its capital position could be enhanced beyond the minimum target levels. It would be necessary to engage both CDB and Temasek before going forward with the two new investors.

The Board also discussed the likely reaction of the rating agencies to the reduction in the Group's equity Tier 1 ratio. The ratio had fallen to a similar level following the acquisition of Absa and the AA rating had been maintained. Rating agencies were, however, likely to be much more robust given the criticism that they have recently received.

A further paper on this subject would be presented to the Board in April for a final decision on the approach to be taken by the Group.

<u>Papers circulated for information</u>

Committee minutes:

Board Corporate Governance and Nominations Committee on 31 January 2008

Board Audit Committee Meetings on 5 February, 13 February and 28 February 2008

Board HR and Remuneration Committee Meeting on 6 February 2008

EXHIBIT 33
[Filed Under Seal]

From: Owens, Bryant H (London) [bryant.h.owens@cf.funb.com]
Sent: Friday, November 16, 2007 9:08:07 AM
To: Norton, Dan
Subject: RE: Barclays to Write Down $2.7 Billion on U.S. Subprime

I hear you

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From: Norton, Dan
Sent: 15 November 2007 15:05
To: Owens, Bryant H (London)
Subject: RE: Barclays to Write Down $2.7 Billion on U.S. Subprime

As of a week ago...

Chatter that that British financial giant Barclays has large a write-down in the pipeline sent its shares sliding today. Barclays denied it, saying there was "no substance" to the rumor, or to reports of imminent resignations by senior executives.

I hear it is much larger over time....

From: Owens, Bryant H (London)
Sent: Thursday, November 15, 2007 3:52 AM
To: CP IG High Grade Synd & Debt
Cc: Bales, Brandon
Subject: Barclays to Write Down $2.7 Billion on U.S. Subprime

By Ben Livesey and Jon Menon

Nov. 15 (Bloomberg) -- Barclays Plc, the U.K.'s third-biggest bank, posted writedowns of about 1.3 billion pounds ($2.7 billion) on credit-related securities tied to the U.S. subprime-mortgage market collapse.

The company will write down and take net charges of 500 million pounds for the third quarter and 800 million pounds for October, the London-based bank said in a statement today. The company said both it and the securities unit posted an increase in net income and pretax profit for the 10 months through October.

Barclays fell 12 percent this month in London trading as investors criticized it for not disclosing the extent of writedowns following the five-month rout in the $6 trillion market for U.S. home-loan bonds. Chief Executive Officer John Varley said last week the bank's ``silence'' indicated that market speculation was unjustified. The bank said it would not update shareholders until Nov. 27.

``They came in better than the market expected,'' said Mamoun Tazi, an analyst at MF Global Securities in London, who has a ``buy'' rating on the stock. ``Any concerns about an emergency rights issue are out of the door. They have enough capital to weather the storm.''

The world's largest securities firms and banks have announced more than $40 billion of third-and fourth-quarter losses from writedowns of collateralized debt obligations and other debt backed by mortgages to people with poor credit. The writedowns prompted the resignations of the CEOs of New York-based Citigroup Inc. and Merrill Lynch & Co.

Profit Forecast

Barclays wrote down 1.7 billion pounds gross on subprime-related assets and loans for leveraged buyouts. It booked gains of about 200 million pounds in the third quarter and 200 million pounds in October. The charges and writedowns in October reflected ``rating agency downgrades on a broad range of CDOs and the subsequent market downturn,'' the bank said.

The company posted 1.9 billion pretax profit for the first ten months of the year, ahead of the same period last year, it said. The Barclays Capital securities unit contributed more than a third of the bank's first-half pretax profit.

``The diversity of our business, our strong risk management and our focus on execution and clients has allowed Barclays Capital to deliver year to date performance in 2007 ahead of last year's record October year-to-date profits,'' Barclays President Robert Diamond said in the statement.

The writedown is in line with 1.6 billion-pound estimate of Sanford C. Bernstein & Co. analysts in a report Nov. 7. Royal Bank of Scotland Group Plc, the second-biggest U.K. bank after HSBC Holdings Plc, may write down 500 million pounds in the second half, they wrote.

Credit-default swaps on Barclays fell 5 basis points to 60 basis points today, according to Deutsche Bank AG. The contracts decline when perceptions of credit quality improve. A basis point on a credit-default swap contract protecting 10 million euros ($14.6 million) of debt for five years is equivalent to 1,000 euros a year.

The company holds a conference call with analysts at 8:30 a.m. today.

Bryant H. Owens
Managing Director

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EXHIBIT 34
[Filed Under Seal]

From: Ross.Aucutt@barclaysgt.com [Ross.Aucutt@barclaysgt.com]
Sent: Thursday, November 29, 2007 5:55:16 PM
To: leohendrik.greve@citi.com
CC: Nick.lambert@barclaysgt.com
Subject: FW: Analyst Research Notes #3 - Citigroup
Attachments: 11 28 2007 (Citigroup) The Runaway Balance Sheet.pdf

Please remind me - we are paying you to sell our preference shares, when your research guys wouldn't touch us with a barge pole

> ________________________________
> From: Sec, IR: Barclays PLC On Behalf Of Sheppard, Matt: Barclays PLC
> Sent: 29 November 2007 17:00
> Subject: Analyst Research Notes #3 - Citigroup
>
> Please see the attached research note from Citigroup following Tuesday> '> s trading update:
>
>
> 2007 PBT(£m) Change 2007
> eps 2008
> PBT (£m) Change 2008
> eps TP REC
> Citigroup 6,861 -2% n/a 7,038 u/c n/a
> 500p
> (from 575p) SELL (u/c)
> u/c > -> unchanged since previous forecast (to nearest %)
>
> The key points made are as follows:
>
> CITIGROUP
> (SELL) * Calculations show that WRA yoy growth in > "> mid to high teens> "> implies WRA growth of c23% (annualised) in H207. This is a trend we expect to continue
> * Tier 1 issuance of £1.3bn and a £400m gain from the share buyback programme boosts Tier 1 capital in H207, which with WRAs forecast at c£353bn is consistent with a Tier 1 ratio of 7.6% not 7.25%
> * Less loan syndication, higher risk weightings and increased funding costs will put pressure on profitability
> * Expect return on WRAs and to drop from 1.66% in H107 to 0.81% in H207 and 1.15% in 2008
> * Expect BarCap to show a 2% drop in pre-tax profits in 2008, and zero growth on Group basis
>
>
> Best regards
> Matt
>
> Matt Sheppard
>
> Barclays Investor Relations
> 1 Churchill Place, London, E14 5HP
>
> Tel: 020 7116 5724 [7 6006 5724]
>

> www.investorrelations.barclays.com
>
> > <<11 28 2007 (Citigroup) The Runaway Balance Sheet.pdf>>
>
>
>

EXHIBIT 35
[Filed Under Seal]

Barclays PLC (BARC.L)

Target price change ☑
Estimate change ☑

The Runaway Balance Sheet

- **Risk Weighted Asset growth accelerates** – Subsequent to its Q3 trading update Barclays has disclosed that its RWA growth will be 'mid to high teens' for the full year 2007E. Although we find this inconsistent with the statement that the Tier 1 ratio 'is expected to be in line with the group's target of 7.25%', this still implies a sharp pick-up in the rate of growth to c23% annualised in 2H07. This is a trend we expect to continue. Tier 1 issuance of £1.3bn and a £400m gain from the share buyback programme boosts Tier 1 capital in 2H07, which with RWAs forecast at c£353bn is consistent with a Tier 1 ratio of 7.6%.

- **Increased capital intensity to reduce profitability** – Less loan syndication, higher risk weightings and increased funding costs is likely to put downward pressure on the group's profitability in future. We estimate that the return on risk weighted assets drops from 1.66% in 1H07 to 0.81% in 2H07 and 1.15% in 2008E. On a 'normalised' capital structure this would deliver a RoE of 20%. Having fallen 7% in 2007E we expect BarCap to show a 2% drop in pre-tax profits in 2008E, leading to zero group EPS growth (company basis).

- **We cut our target price from 570p to 500p and retain a Sell (3M) rating** – In this environment we believe that price to book is a more useful valuation tool than P/E ratios. Assuming a 20% RoE, an 11% CoE and 2% long-term growth justifies a price to book value of 2x. Applying this to our estimated tangible book value of 254p in 2008E gives a fair value target of 500p. We cut our target price from 570p to 500p, which would imply a 2008E P/E ratio of 7.7x or 8.2x on a capital-adjusted basis.

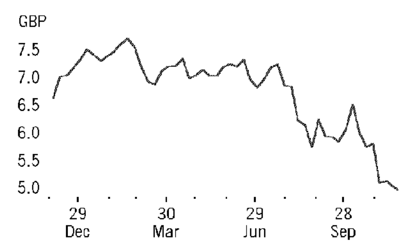
	2007E			2008E			2009E		
£m, unless stated	**Old**	**New**	**% Chg**	**Old**	**New**	**% Chg**	**Old**	**New**	**% Chg**
Total Revenues	22,782	23,189	2%	24,193	24,467	1%	25,926	26,050	0%
Total Costs	(14,124)	(13,789)	-2%	(14,971)	(14,635)	-2%	(15,920)	(16,063)	1%
Operating Profit	**8,658**	**9,400**	**9%**	**9,222**	**9,831**	**7%**	**10,006**	**9,987**	**0%**
Impairment losses	(2,005)	(2,669)	33%	(2,171)	(2,812)	30%	(2,327)	(2,463)	6%
Pre-Tax Profit	6,978	6,861	-2%	7,070	7,038	0%	7,699	7,544	-2%
Pre-Tax Profit Underlying	**6,671**	**6,749**	**1%**	**7,070**	**7,038**	**0%**	**7,699**	**7,544**	**-2%**
Reported EPS (c)	68.0p	66.5p	-2%	68.6p	67.3p	-2%	74.9p	72.2p	-4%
EPS (c) Underlying	**62.4p**	**63.0p**	**1%**	**66.3p**	**65.1p**	**-2%**	**72.5p**	**69.9p**	**-4%**
DPS (c)	35.0p	35.0p	0%	38.0p	38.0p	0%	41.0p	41.0p	0%
Cost Income Ratio (%)	62.0%	59.5%	-253bp	61.9%	59.8%	-206bp	61.4%	61.7%	26bp
Tier 1 Ratio (%)	7.7%	7.6%	-8bp	7.9%	7.8%	-16bp	8.2%	8.0%	-20bp

Source: Citigroup Investment Research estimates

See Appendix A-1 for Analyst Certification and important disclosures.

Sell/Medium Risk	**3M**
Price (28 Nov 07)	£5.40
Target price	£5.00
from £5.75	
Expected share price return	-7.4%
Expected dividend yield	7.0%
Expected total return	**-0.4%**
Market Cap	£35,751M
	US$73,974M

Price Performance (RIC: BARC.L, BB: BARC LN)



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Fiscal year end 31-Dec	2005	2006	2007E	2008E	2009E
Valuation Ratios					
P/E adjusted (x)	10.1	9.0	8.6	8.3	7.7
P/E reported (x)	10.2	7.7	8.4	8.3	7.7
P/BV (x)	2.0	1.8	1.6	1.5	1.4
P/Adjusted BV diluted (x)	2.1	1.8	1.7	1.5	1.4
Dividend yield (%)	4.9	5.7	6.5	7.0	7.6
Per Share Data (p)					
EPS adjusted	53.6	59.9	63.0	65.1	69.9
EPS reported	52.7	69.7	64.2	65.1	69.9
BVPS	268.5	303.0	332.2	358.7	386.9
Tangible BVPS	196.7	191.4	221.0	251.2	283.1
Adjusted BVPS diluted	262.5	296.2	323.4	349.2	376.7
DPS	26.6	31.0	35.0	38.0	41.0
Profit & Loss (£M)					
Net interest income	8,075	9,143	9,635	10,162	10,639
Fees and commissions	5,705	7,177	7,751	8,216	8,874
Other operating Income	3,553	5,275	5,802	6,088	6,538
Total operating income	**17,333**	**21,595**	**23,189**	**24,467**	**26,050**
Total operating expenses	-10,354	-12,949	-13,610	-14,456	-15,884
Oper. profit bef. provisions	**6,979**	**8,646**	**9,579**	**10,010**	**10,166**
Bad debt provisions	-1,571	-2,154	-2,669	-2,812	-2,463
Non-operating/exceptionals	-128	644	-49	-160	-159
Pre-tax profit	**5,280**	**7,136**	**6,861**	**7,038**	**7,544**
Tax	-1,439	-1,941	-1,990	-2,006	-2,112
Extraord./Min. Int./Pref. Div.	-394	-624	-642	-718	-754
Attributable profit	**3,447**	**4,571**	**4,230**	**4,314**	**4,678**
Adjusted earnings	3,507	3,934	4,151	4,314	4,678
Growth Rates (%)					
EPS adjusted	6.0	11.8	5.2	3.2	7.4
Oper. profit bef. prov.	22.4	23.9	10.8	4.5	1.6
Balance Sheet (£M)					
Total assets	**924,357**	**996,787**	**1,209,582**	**1,272,838**	**1,248,155**
Avg interest earning assets	297,168	347,374	379,439	409,711	436,521
Customer loans	272,342	285,631	314,491	330,938	349,483
Gross NPLs	6,139	5,849	7,108	7,479	7,898
Liab. & shar. funds	**924,357**	**996,787**	**1,209,582**	**1,272,838**	**1,248,155**
Total customer deposits	238,684	256,754	282,696	297,480	314,151
Reserve for loan losses	2,868	3,069	3,265	3,467	3,681
Shareholders' equity	**17,426**	**19,799**	**21,817**	**23,788**	**25,914**
Profitability/Solvency Ratios (%)					
ROE adjusted	21.5	21.1	20.0	18.9	18.8
Net interest margin	2.72	2.63	2.54	2.48	2.44
Cost/income ratio	59.7	60.0	58.7	59.1	61.0
Cash cost/average assets	1.4	1.3	1.2	1.2	1.3
NPLs/customer loans	2.3	2.0	2.3	2.3	2.3
Reserve for loan losses/NPLs	46.7	52.5	45.9	46.4	46.6
Bad debt prov./avg. cust. loans	0.7	0.8	0.9	0.9	0.7
Loans/deposit ratio	114.1	111.2	111.2	111.2	111.2
Tier 1 capital ratio	7.0	7.7	7.6	7.8	8.0
Total capital ratio	11.3	11.7	11.0	10.9	11.0

For further data queries on Citigroup's full coverage universe please contact CIR Data Services Europe at CitiResearchDataServices@citigroup.com or +44-207-986-4050

Powered by: dataCentral

Risk Weighted Asset growth accelerates

One problem facing Barclays, and to be fair a number of European banks, is that at a time where the group may wish to de-leverage its balance sheet, risk weighted asset growth is accelerating. This reflects a number of factors such as difficult conditions in the loan syndication market, a lack of securitisation opportunities and an increase in risk weighting being applied to market-related exposure. Estimating how bad this situation has become in 2H07 was not made easy by Barclays' recent trading statement. Figure 1 shows our estimate of the group's year end Tier 1 capital position having factored in our earnings and dividend estimates plus new capital issuance and a gain from the group's share buyback programme (in place to neutralise the impact of share issued to China Development Bank and Temasek at 720p per share).

Figure 1. Tier 1 Capital Forecast 2007

	£m	Ratio
Equity Tier 1		
1H07	17,013	5.3%
2H07 Attrib profit	1,596	
2H07 Dividend	(751)	
Gain on share buyback programme	400	
FY2007	18,257	5.2%
Non-equity Tier 1		
Non-equity Tier 1 (1H07)	7,456	
New issuance (Sept 2007)	1,300	
Non-equity Tier 1 (FY07)	8,756	
Tier 1 Capital		
Tier 1 Capital (1H07)	24,469	7.7%
Tier 1 Capital (FY07)	**27,013**	**7.6%**
% non-equity	32.4%	

Source: Citi Investment Research

The Q3 trading statement said that by year end the group expected the Tier 1 Capital Ratio 'to be in line with our target of 7.25%'. This means it should be possible to back out the implied rate of RWA growth in 2H07. Figure 2 shows the range of potential growth rates implied by different levels for the year end Tier 1 Capital ratio. It can be seen that a year end Tier 1 capital ratio of 7.25% would imply that RWAs grew by 37% annualised in the second half of the year or 25% year on year. The company has subsequently disclosed that RWA growth will only be in the range 'mid to high teens', which we believe would be consistent with a year end Tier 1 capital ratio of 7.65% (see Figure 2).

Figure 2. Implied Risk Weighted Assets Based on Range of Tier 1 Outcomes, £bn

Implied 2007 RWAs @ Tier 1 ratio of:	Risk Weighted Assets	Increase in 2H07	2H % annul	% yoy
7.00%	385.9	68	47%	30%
7.05%	383.2	65	45%	29%
7.10%	380.5	62	43%	28%
7.15%	377.8	60	41%	27%
7.20%	375.2	57	39%	26%
7.25%	**372.6**	**55**	**37%**	**25%**
7.30%	370.0	52	35%	24%
7.35%	367.5	49	34%	23%
7.40%	365.0	47	32%	23%
7.45%	362.6	45	30%	22%
7.50%	360.2	42	28%	21%
7.55%	357.8	40	27%	20%
7.60%	355.4	37	25%	19%
7.65%	**353.1**	**35**	**23%**	**19%**
7.70%	350.8	33	22%	18%
7.75%	348.6	31	20%	17%
7.80%	346.3	28	19%	16%
7.85%	344.1	26	17%	16%
7.90%	341.9	24	16%	15%
7.95%	339.8	22	14%	14%
8.00%	337.7	20	13%	13%

Source: Citi Investment Research

Increased capital intensity will reduce profitability

Although we still struggle to reconcile this difference, we have factored in 19% year-on-year growth into our model. In any event this still implies a significant pick up in the pace of RWA growth. With funding costs also expected to be higher as a result of the liquidity squeeze, we estimate that Barclays will experience a sharp drop in the return on RWAs (RoRWA) .We expect the RoRWA to drop from 1.66% in 1H07 to 0.81% in 2H07 and 1.15% in 2008E. Assuming a 'normalised' capital structure of 6% equity Tier 1 ratio this would be consistent with a RoE of c20% (having adjusted for Absa minority).

EPS falls by 6% on a capital adjusted basis

Although we believe that price to book valuations are more reliable in this environment we also look at capital-adjusted P/E multiples. In Figure 3 below we have assumed that Barclays would need to issue c£2.9bn of equity at 519p per share to take its Equity Tier 1 ratio up to 6%. This would reduce EPS in both 2007E and 2008E by c6%. On our target price of 500p per share this implies a capital-adjusted P/E ratio of 8.2x. We believe that this remains a realistic valuation given the difficult operating environment facing UK banks in general.

Figure 3. Capital Adjusted EPS Calculation

	2007E	2008E
<u>2007E Equity Tier 1</u>		
Equity Tier 1	18,257	
RWAs	353,361	
Equity Tier 1 Ratio	5.2%	
<u>Impact of New Equity Issuance</u>		
Equity issuance to reach 6% Equity Tier 1	2,944	
Issue price	5.19	
Number of new shares issued	567	
Existing average shares (fully diluted)	6,544	6,591
Adjusted share count	7,111	7,158
Earnings on new capital @ 5%	147	147
Post tax	103	103
<u>EPS Impact</u>		
Starting underlying EPS	**63.0**	**65.1**
Starting underlying attributable profit	4,125	4,288
post tax earnings on new equity	103	103
Adjusted attributable profit	4,228	4,391
Adjusted share count	7,111	7,158
Adjusted EPS	**59.5**	**61.3**
Change in EPS	**-6%**	**-6%**

Source: Citi Investment Research

Forecast Changes

At the underlying EPS level, we raise our 2007 estimate by 1% but reduce our forecast by 2% for 2008, with more significant downgrades in subsequent years as a result of the cumulative effect of slower loan growth. We raise revenue forecasts by 2% in 2007E and 1% in 2008E following company guidance that BarCap's write downs will be fairly evenly split between revenues and impairments. This is largely offset by a weakening operating environment for the UK Banking businesses. In terms of operating expenses, we expect Barclays to work hard to reach its targeted 48% cost income ratio for UK Banking in 2007E but for this to deteriorate to 52% in 2008E as revenues slow and cost growth resumes. In addition, we expect cost growth in BarCap to slow sharply from 17% in 1H07 to 6% for the full year and into 2008 as staff expenses are tightly controlled. We have raised impairment charges by 33% in 2007E and 30% in 2008E reflecting write downs in BarCap.

Figure 4. Summary Forecast Changes — BARCLAYS

	2007E			2008E			2009E			2010E		
£m, unless stated	**Old**	**New**	**% Chg**	**Old**	**New**	**% Chg**	**Old**	**New**	**% Chg**	**Old**	**New**	**% Chg**
PROFIT & LOSS ITEMS												
Customer Advances	315,588	314,491	0%	338,284	330,938	-2%	362,129	349,483	-3%	387,417	370,079	-4%
AIEA	395,033	394,465	0%	430,235	424,957	-1%	460,874	448,085	-3%	493,221	473,969	-4%
Net Interest Margin	**2.44%**	**2.44%**	**0%**	**2.39%**	**2.39%**	**0%**	**2.37%**	**2.37%**	**0%**	**2.36%**	**2.36%**	**0%**
Net Interest Income	9,636	9,635	0%	10,304	10,162	-1%	10,934	10,639	-3%	11,627	11,198	-4%
Non Interest Income	13,146	13,553	3%	13,889	14,305	3%	14,992	15,411	3%	16,247	16,656	3%
o/w Trading Income	3,903	4,192	7%	4,137	4,444	7%	4,510	4,844	7%	4,961	5,328	7%
Total Income	**22,782**	**23,189**	**2%**	**24,193**	**24,467**	**1%**	**25,926**	**26,050**	**0%**	**27,874**	**27,855**	**0%**
Total Costs	**(14,124)**	**(13,789)**	**-2%**	**(14,971)**	**(14,635)**	**-2%**	**(15,920)**	**(16,063)**	**1%**	**(16,978)**	**(17,172)**	**1%**
Cost Income Ratio (%)	62.0%	59.5%	-2.5%	61.9%	59.8%	-2.1%	61.4%	61.7%	0.3%	60.9%	61.6%	0.7%
Operating Profit	**8,658**	**9,400**	**9%**	**9,222**	**9,831**	**7%**	**10,006**	**9,987**	**0%**	**10,895**	**10,683**	**-2%**
Impairment Losses	(2,005)	(2,669)	33%	(2,171)	(2,812)	30%	(2,327)	(2,463)	6%	(2,504)	(2,611)	4%
- o/w UK Banking	(828)	(812)	-2%	(863)	(855)	-1%	(919)	(923)	0%	(951)	(941)	-1%
- o/w Int'l Retail & Commercial Banking	(221)	(217)	-2%	(322)	(326)	1%	(401)	(402)	0%	(477)	(475)	-1%
- o/w Barclaycard	(898)	(890)	-1%	(894)	(877)	-2%	(906)	(872)	-4%	(969)	(915)	-6%
- o/w Barclays Capital	(44)	(735)	1567%	(88)	(750)	750%	(97)	(262)	170%	(102)	(276)	170%
- o/w Other	(14)	(15)	5%	(4)	(5)	2%	(4)	(4)	4%	(5)	(5)	-2%
Impairments as % Average Loans & Advances	0.92%	1.23%	31bp	0.92%	1.20%	29bp	0.92%	1.00%	8bp	0.92%	1.00%	8bp
- o/w UK Banking	0.62%	0.61%	-1bp	0.61%	0.61%	0bp	0.61%	0.63%	2bp	0.59%	0.61%	2bp
- Retail Banking	0.71%	0.69%	-2bp	0.67%	0.65%	-2bp	0.65%	0.65%	-	0.62%	0.62%	-
- Business Banking	0.50%	0.50%	-	0.52%	0.55%	3bp	0.55%	0.60%	5bp	0.55%	0.60%	5bp
- o/w Int'l Retail & Commercial Banking	0.38%	0.37%	-1bp	0.49%	0.50%	1bp	0.56%	0.57%	1bp	0.61%	0.63%	1bp
- o/w Barclaycard	4.70%	4.68%	-2bp	4.50%	4.50%	-	4.30%	4.30%	-	4.30%	4.30%	-
Pre-Tax Profit Underlying	**6,671**	**6,749**	**1%**	**7,070**	**7,038**	**0%**	**7,699**	**7,544**	**-2%**	**8,412**	**8,093**	**-4%**
EPS (p) Underlying (fully diluted)	**62.4p**	**63.0p**	**1%**	**66.3p**	**65.1p**	**-2%**	**72.5p**	**69.9p**	**-4%**	**79.0p**	**74.7p**	**-5%**
DPS (p)	**35.0p**	**35.0p**	**0%**	**38.0p**	**38.0p**	**0%**	**41.0p**	**41.0p**	**0%**	**44.0p**	**44.0p**	**0%**
GROWTH RATES (% yoy)												
Loan Growth	10.5%	10.1%		7.2%	5.2%		7.0%	5.6%		7.0%	5.9%	
AIEA Growth	8.4%	8.2%		8.9%	7.7%		7.1%	5.4%		7.0%	5.8%	
Net Interest Income	5.4%	5.4%		6.9%	5.5%		6.1%	4.7%		6.3%	5.3%	
Non Interest Income	5.6%	8.8%		5.7%	5.5%		7.9%	7.7%		8.4%	8.1%	
Total Income	5.5%	7.4%		6.2%	5.5%		7.2%	6.5%		7.5%	6.9%	
Total Costs	7.8%	5.2%		6.0%	6.1%		6.3%	9.8%		6.6%	6.9%	
Operating Profit	2.0%	10.7%		6.5%	4.6%		8.5%	1.6%		8.9%	7.0%	
Impairment Losses	-6.9%	23.9%		8.3%	5.4%		7.2%	-12.4%		7.6%	6.0%	
Pre-Tax Profit Underlying	4.5%	5.8%		6.0%	4.3%		8.9%	7.2%		9.3%	7.3%	
EPS (p) Underlying (fully diluted)	4.2%	5.2%		6.2%	3.2%		9.3%	7.4%		9.0%	6.8%	
DPS (p)	12.9%	12.9%		8.6%	8.6%		7.9%	7.9%		7.3%	7.3%	

Source: Citi Investment Research estimates

Figure 5. Barclays — Profit and Loss Account, 2006A-10E (Pounds in Millions)

	2006		2007		2007E		2008E		2009E		2010E	
	1H	FY	1H	% Chg	FY	% Chg	FY	% Chg	FY	% Chg	FY	% Chg
Net Interest Income	**4,404**	**9,143**	**4,589**	**4.2%**	**9,635**	**5.4%**	**10,162**	**5.5%**	**10,639**	**4.7%**	**11,198**	**5.3%**
Net fees and commissions	3,652	7,177	3,899	6.8%	7,751	8.0%	8,216	6.0%	8,874	8.0%	9,583	8.0%
Net trading income	2,201	3,614	2,811	27.7%	4,192	16.0%	4,444	6.0%	4,844	9.0%	5,328	10.0%
Net insurance income	651	1,447	590	(9.4%)	1,375	(5.0%)	1,402	2.0%	1,444	3.0%	1,488	3.0%
Other	61	214	127	108.2%	235	10.0%	242	3.0%	250	3.0%	257	3.0%
Total Other Income	6,565	12,452	7,427	13.1%	13,553	8.8%	14,305	5.5%	15,411	7.7%	16,656	8.1%
Total Income	**10,969**	**21,595**	**12,016**	**9.5%**	**23,189**	**7.4%**	**24,467**	**5.5%**	**26,050**	**6.5%**	**27,855**	**6.9%**
Staff Costs	4,147	8,169	4,581	10.5%	8,659	6.0%	9,309	7.5%	10,565	13.5%	11,516	9.0%
Other Administrative	1,916	3,980	1,893	(1.2%)	4,081	2.6%	4,235	3.8%	4,360	3.0%	4,471	2.5%
Depreciation	207	455	227	9.7%	455	0.0%	478	5.0%	502	5.0%	527	5.0%
Amortisation of intangibles	69	157	89		179		179					
Operating Lease rental	168	345	204		414		435		456		479	
Total Costs	**6,507**	**13,106**	**6,994**	**7.5%**	**13,789**	**5.2%**	**14,635**	**6.1%**	**16,063**	**9.8%**	**17,172**	**6.9%**
Operating Profit	**4,462**	**8,489**	**5,022**	**12.6%**	**9,400**	**10.7%**	**9,831**	**4.6%**	**9,987**	**1.6%**	**10,683**	**7.0%**
Impairment loss	1,057	2,154	959	(9.3%)	2,669	23.9%	2,812	5.4%	2,463	(12.4%)	2,611	6.0%
Exceptionals	238	755	38		112		0		0		0	
Associates	30	46	0		18		19		20	5.0%	21	5.0%
PBT	**3,673**	**7,136**	**4,101**	**11.7%**	**6,861**	**(3.9%)**	**7,038**	**2.6%**	**7,544**	**7.2%**	**8,093**	**7.3%**
Taxation	(1,072)	(1,941)	(1,158)		(1,990)		(2,006)		(2,112)		(2,266)	
Minorities - equity	(155)	(342)	(167)		(345)		(384)		(420)		(450)	
Minorities - non equity	(139)	(282)	(142)		(296)		(334)		(334)		(334)	
Attributable Profit	**2,307**	**4,571**	**2,634**	**14.2%**	**4,230**	**(7.5%)**	**4,314**	**2.0%**	**4,678**	**8.4%**	**5,043**	**7.8%**
Dividends	1,105	1,771	1,311	18.6%	2,062	16.5%	2,391	15.9%	2,616	9.4%	2,845	8.8%
Retained Profit	**1,202**	**2,800**	**1,323**		**2,167**		**1,923**		**2,062**	**0.0%**	**2,198**	**0.0%**
EPS (Reported)	36.3p	71.9p	41.4p	14.1%	66.5p	(7.6%)	67.3p	1.2%	72.2p	7.4%	77.1p	6.7%
EPS (Fully Diluted Basis)	35.1p	69.7p	40.1p	14.4%	64.2p	(7.9%)	65.1p	1.3%	69.9p	7.4%	74.7p	6.8%
Dividend per share	**10.5p**	**31.0p**	**11.5p**	**9.5%**	**35.0p**	**12.9%**	**38.0p**	**8.6%**	**41.0p**	**7.9%**	**44.0p**	**7.3%**
Underlying Adjustments												
PBT	3,673	7,136	4,101	11.7%	6,861	(3.9%)	7,038	2.6%	7,544	7.2%	8,093	7.3%
minus exceptional items	(238)	(323)	109		138		0		0		0	
minus Sale & Leaseback Gain	0	(432)	(147)		(250)		0		0		0	
Underlying cash PBT	**3,435**	**6,381**	**4,063**	**18.3%**	**6,749**	**5.8%**	**7,038**	**4.3%**	**7,544**	**7.2%**	**8,093**	**7.3%**
EPS (Fully Diluted Basis)	35.1p	69.7p	40.1p		64.2p		65.1p		69.9p		74.7p	
less exceptional items	(2.6p)	(9.8p)	(0.4p)		(1.2p)		0.0p		0.0p		0.0p	
Underlying Cash EPS	**32.5p**	**59.9p**	**39.7p**	**22.2%**	**63.0p**	**5.2%**	**65.1p**	**3.2%**	**69.9p**	**7.4%**	**74.7p**	**6.8%**
Barclays Basis[2]	36.3p	66.8p	41.8p	15.1%	66.8p	(0.0%)	67.3p	0.7%	72.2p	7.4%	77.1p	6.7%
Summary Balance Sheet (£m)												
Customer Advances	285,497	285,631	324,517	13.7%	314,491	10.1%	330,938	5.2%	349,483	5.6%	370,079	5.9%
RWA	290,924	297,833	318,043	9.3%	353,361	18.6%	371,840	5.2%	388,315	4.4%	402,260	3.6%
Intangible Assets	7,093	7,307	7,863	10.9%	7,128	-2.4%	6,949	-2.5%	6,770	-2.6%	6,591	-2.6%
Balance Sheet Assets	986,124	996,787	1,158,262	17.5%	1,209,582	21.3%	1,272,838	5.2%	1,248,155	-1.9%	1,321,712	5.9%
Customer Deposits	253,200	256,754	292,444	15.5%	282,696	10.1%	297,480	5.2%	314,151	5.6%	332,665	5.9%
Equity	17,988	19,799	20,973	16.6%	21,817	10.2%	23,788	9.0%	25,914	8.9%	28,177	8.7%
Tier 1 Capital	21,017	23,005	24,469	16.4%	27,013	17.4%	28,937	7.1%	30,999	7.1%	33,197	7.1%
Loan to Deposit Ratio	113%	111%	111%		111%		111%		111%		111%	
Equity/Assets Ratio	1.82%	1.99%	1.81%		1.80%		1.87%		2.08%		2.13%	
Reported NAV (p)	**276p**	**303p**	**321p**	**16.1%**	**332p**	**9.7%**	**359p**	**8.0%**	**387p**	**7.9%**	**416p**	**7.7%**
Tangible NAV (p)	**167p**	**191p**	**201p**	**19.9%**	**224p**	**17.0%**	**254p**	**13.5%**	**286p**	**12.6%**	**319p**	**11.6%**
Tier 1 Ratio	**7.2%**	**7.7%**	**7.7%**		**7.6%**		**7.8%**		**8.0%**		**8.3%**	
Total Capital Ratio	**11.1%**	**11.7%**	**11.8%**		**11.0%**		**10.9%**		**11.0%**		**11.2%**	

[1] Fully Diluted Basis
[2] Inc. sale & lease-back gains
Please note profit and loss account continues overleaf.
Source: Company reports and Citi Investment Research estimates.

Figure 6. Barclays — Profit and Loss Account, 2006A-10E (Pounds in Millions)

	2006	2006	2007	2007E	2008E	2009E	20010E
Performance Ratios	1H	FY	1H	FY	FY	FY	FY
Margin (Divisional Basis)							
UK Retail Banking	3.74%	3.76%	3.70%	3.68%	3.55%	3.50%	3.47%
UK Business Banking	3.24%	3.27%	3.33%	3.27%	3.20%	3.20%	3.20%
UK Banking	3.54%	3.56%	3.55%	3.51%	3.40%	3.37%	3.36%
Wealth Management	7.35%	7.07%	6.40%	6.30%	6.10%	6.00%	6.00%
Barclaycard	7.85%	7.72%	7.52%	7.48%	7.42%	7.40%	7.40%
International ex Absa	2.27%	2.22%	2.18%	2.17%	2.15%	2.15%	2.15%
International	3.39%	3.20%	3.05%	3.04%	2.98%	2.96%	2.94%
Dealing Income as % of Total Income	20.1%	16.7%	23.4%	18.1%	18.2%	18.6%	19.1%
Non Interest Income/Total Income	59.9%	57.7%	61.8%	58.4%	58.5%	59.2%	59.8%
Cost Measures							
Cost/Income ratio	59.3%	60.7%	58.2%	59.5%	59.8%	61.7%	61.6%
Provision as % average balances							
UK Retail Banking	0.84%	0.86%	0.73%	0.69%	0.65%	0.65%	0.62%
UK Business Banking	0.39%	0.48%	0.47%	0.50%	0.55%	0.60%	0.60%
UK Banking	0.66%	0.71%	0.62%	0.61%	0.61%	0.63%	0.61%
Wealth Management	0.04%	0.04%	0.06%	0.05%	0.05%	0.05%	0.05%
Barclaycard	5.65%	5.95%	4.76%	4.68%	4.50%	4.30%	4.30%
International ex Absa	0.12%	0.15%	0.16%	0.18%	0.25%	0.30%	0.40%
International	0.27%	0.32%	0.34%	0.37%	0.50%	0.57%	0.63%
Total	**1.08%**	**1.07%**	**0.92%**	**1.23%**	**1.20%**	**1.00%**	**1.00%**
Tax Rate	**29.2%**	**27.2%**	**28.2%**	**29.0%**	**28.5%**	**28.0%**	**28.0%**
Returns							
Return on Equity (reported)	27.9%	25.2%	28.0%	20.9%	19.5%	19.4%	19.2%
Return on Equity (underlying)	24.4%	20.5%	26.1%	20.6%	19.5%	19.4%	19.2%
Return on RWA	1.55%	1.34%	1.66%	1.23%	1.15%	1.19%	1.24%
Dividends							
Conventional Dividend Cover	2.1x	2.6x	2.0x	2.1x	1.8x	1.8x	1.8x
Underlying Dividend Cover	3.1x	1.9x	3.5x	1.8x	1.7x	1.7x	1.7x

Please note profit and loss account continues overleaf.

Source: Company reports and Citi Investment Research estimates.

Figure 7. Barclays — Divisional Forecasts, 2006A-10E (Pounds in Millions)

	2006		2007		2007E		2008E		2009E		2010E	
	1H	FY	1H	% Chg	FY	% Chg	FY	% Chg	FY	% Chg	FY	% Chg
UK Retail Banking												
Net Interest Income	1,358	2,765	1,407	4%	2,852	3%	2,902	2%	2,990	3%	3,128	5%
Other Income	751	1,581	801	7%	1,676	6%	1,760	5%	1,848	5%	1,940	5%
Total Income	**2,109**	**4,346**	**2,208**	**5%**	**4,528**	**4%**	**4,662**	**3%**	**4,838**	**4%**	**5,068**	**5%**
Costs	(1,319)	(2,785)	(1,307)	-1%	(2,701)	-3%	(2,782)	3%	(2,866)	3%	(2,952)	3%
Operating Profit	**790**	**1,561**	**901**	**14%**	**1,826**	**17%**	**1,880**	**3%**	**1,972**	**5%**	**2,116**	**7%**
Impairment Losses	(306)	(635)	(277)	-9%	(535)	-16%	(531)	-1%	(555)	4%	(559)	1%
Associates	0	2	1	0%	2	0%	2	5%	2	5%	2	5%
Trading Profit	**484**	**928**	**625**	**29%**	**1,294**	**39%**	**1,350**	**4%**	**1,419**	**5%**	**1,559**	**10%**
Loans & advances	72,200	74,700	77,500	7%	79,929	7%	83,126	4%	87,282	5%	92,519	6%
Average balances	73,128	73,593	76,747	5%	77,496	5%	81,758	5%	85,437	4%	90,136	5%
Margin (based on loans)	3.7%	3.8%	3.7%		3.7%		3.6%		3.5%		3.5%	
Impairment losses as % ave balances	0.8%	0.9%	0.7%		0.7%		0.7%		0.7%		0.6%	
Cost/Income Ratio	62.5%	64.1%	59.2%		59.7%		59.7%		59.2%		58.2%	
UK Business Banking												
Net Interest Income	822	1,702	863	5%	1,815	7%	1,883	4%	1,958	4%	2,037	4%
Other Income	332	693	388	17%	776	12%	815	5%	856	5%	899	5%
Total Income	**1,154**	**2,395**	**1,251**	**8%**	**2,591**	**8%**	**2,698**	**4%**	**2,814**	**4%**	**2,935**	**4%**
Costs	(432)	(917)	(441)	2%	(990)	8%	(1,060)	7%	(1,113)	5%	(1,168)	5%
Operating Profit	**722**	**1,478**	**810**	**12%**	**1,601**	**8%**	**1,638**	**2%**	**1,701**	**4%**	**1,767**	**4%**
Impairment Losses	(100)	(252)	(123)	23%	(278)	10%	(324)	17%	(367)	13%	(382)	4%
Associates	2	3	0	0%	1	-60%	1	5%	1	5%	1	5%
Trading Profit	**624**	**1,229**	**687**	**10%**	**1,325**	**8%**	**1,316**	**-1%**	**1,335**	**1%**	**1,386**	**4%**
Cost/Income Ratio	37.4%	38.3%	35.3%		38.2%		39.3%		39.5%		39.8%	
UK BANKING												
Net Interest Income	2,180	4,467	2,270	4%	4,667	4%	4,785	3%	4,949	3%	5,164	4%
Other Income	1,083	2,274	1,189	10%	2,452	8%	2,575	5%	2,703	5%	2,839	5%
Total Income	3,263	6,741	3,459	6%	7,119	6%	7,360	3%	7,652	4%	8,003	5%
Costs	(1,751)	(3,702)	(1,748)	0%	(3,692)	0%	(3,842)	4%	(3,979)	4%	(4,120)	4%
Operating Profit	**1,512**	**3,039**	**1,711**	**13%**	**3,427**	**13%**	**3,518**	**3%**	**3,673**	**4%**	**3,883**	**6%**
Impairment Losses	(406)	(887)	(400)	-1%	(812)	-8%	(855)	5%	(923)	8%	(941)	2%
Associates	2	5	1		3	-36%	3	5%	4	5%	4	5%
Trading Profit	**1,108**	**2,157**	**1,312**	**18%**	**2,618**	**21%**	**2,666**	**2%**	**2,754**	**3%**	**2,946**	**7%**
Cost/Income Ratio	53.7%	54.9%	50.5%		51.9%		52.2%		52.0%		51.5%	
Cost/Income Ratio (including property gains)	49.2%	50.3%	46.5%		48.3%							
Wealth Management												
Net Interest Income	192	392	205	7%	435	11%	505	16%	559	11%	609	9%
Other Income	386	768	430	11%	852	11%	938	10%	1,013	8%	1,094	8%
Total Income	**578**	**1,160**	**635**	**10%**	**1,287**	**11%**	**1,443**	**12%**	**1,572**	**9%**	**1,703**	**8%**
Costs	(448)	(913)	(460)	3%	(940)	3%	(987)	5%	(1,037)	5%	(1,089)	5%
Operating Profit	**130**	**247**	**175**	**35%**	**347**	**40%**	**455**	**31%**	**535**	**17%**	**614**	**15%**
Impairment Losses	(1)	(2)	(2)	0%	(3)		(4)		(5)		(5)	
Trading Profit	**129**	**245**	**173**	**34%**	**343**	**40%**	**451**	**31%**	**530**	**17%**	**609**	**15%**
Cost/Income Ratio	77.5%	78.7%	72.4%		73.1%		68.4%		66.0%		63.9%	
Int'l Retail and Commercial Banking (IRCB)												
Net Interest Income	844	1,653	844	0%	1,774	7%	1,955	10%	2,088	7%	2,229	7%
Other Income	767	1,596	802	5%	1,749	10%	2,018	15%	2,232	11%	2,456	10%
Total Income	**1,611**	**3,249**	**1,646**	**2%**	**3,523**	**8%**	**3,973**	**13%**	**4,320**	**9%**	**4,685**	**8%**
Costs	(1,113)	(2,217)	(1,116)	0%	(2,410)	9%	(2,657)	10%	(2,843)	7%	(3,102)	9%
Operating Profit	**498**	**1,032**	**530**	**6%**	**1,112**	**8%**	**1,317**	**18%**	**1,478**	**12%**	**1,583**	**7%**
Impairment Losses	(68)	(167)	(93)	37%	(217)	30%	(326)	50%	(402)	23%	(475)	18%
Associates	27	49	1		2	-95%	3	5%	3	5%	3	5%
Trading Profit	**457**	**914**	**438**	**-4%**	**898**	**-2%**	**994**	**11%**	**1,078**	**9%**	**1,111**	**3%**
Cost/Income Ratio	69.1%	68.2%	67.8%		68.4%		66.9%		65.8%		66.2%	
IRCB - ex Absa												
Net Interest Income	293	604	334	14%	693	15%	779	12%	833	7%	892	7%
Other Income	225	442	268	19%	530	20%	610	15%	683	12%	751	10%
Total Income	**518**	**1,046**	**602**	**16%**	**1,223**	**17%**	**1,389**	**14%**	**1,517**	**9%**	**1,643**	**8%**
Costs	(383)	(829)	(449)	17%	(962)	16%	(1,106)	15%	(1,216)	10%	(1,338)	10%
Operating Profit	**135**	**217**	**153**	**13%**	**261**	**20%**	**283**	**8%**	**300**	**6%**	**305**	**2%**
Impairment Losses	(16)	(41)	(24)	50%	(57)	40%	(91)	58%	(116)	28%	(166)	43%
Associates	21	40	(1)	-105%	(2)	-104%	(2)	6%	(2)	5%	(2)	5%
Trading Profit	**140**	**216**	**128**	**-9%**	**202**	**-6%**	**191**	**-6%**	**182**	**-5%**	**137**	**-25%**
Cost/Income Ratio	73.9%	79.3%	74.6%		78.6%		79.6%		80.2%		81.4%	

Barclays — Divisional Forecasts, 2006A-10E (Pounds in Millions) cont...

	2006		2007		2007E		2008E		2009E		2010E	
	1H	FY	1H	% Chg	FY	% Chg	FY	% Chg	FY	% Chg	FY	% Chg
ABSA £												
Net Interest Income	551	1,049	510	-7%	1,081	3%	1,176	9%	1,254	7%	1,338	7%
Other Income	542	1,154	534	-1%	1,219	6%	1,408	16%	1,549	10%	1,704	10%
Total Income	**1,093**	**2,203**	**1,044**	**-4%**	**2,300**	**4%**	**2,585**	**12%**	**2,804**	**8%**	**3,042**	**8%**
Costs	(730)	(1,388)	(667)	-9%	(1,449)	4%	(1,551)	7%	(1,626)	5%	(1,764)	8%
Operating Profit	**363**	**815**	**377**	**4%**	**851**	**4%**	**1,034**	**21%**	**1,178**	**14%**	**1,278**	**8%**
Impairment Losses	(52)	(126)	(69)	33%	(160)	27%	(235)	47%	(286)	22%	(309)	8%
Associates	6	9	9		4		4		4		0	0
Trading Profit	**317**	**698**	**310**	**-2%**	**695**	**0%**	**803**	**15%**	**896**	**12%**	**973**	**9%**
Cost/Income Ratio	66.8%	63.0%	63.9%		63.0%		60.0%		58.0%		58.0%	
£:Rand - period end	13.19	13.71			14.10	3%	14.10	0%	14.10	0%	14.10	0%
£:Rand - average	11.31	12.47			14.17	14%	14.10	-1%	14.10	0%	14.10	0%
ABSA Rm												
Net Interest Income	6,231	13,081	7,196	15%	15,322	17%	16,583	8%	17,686	7%	18,859	7%
Other Income	6,130	14,390	7,535	23%	17,268	20%	19,859	15%	21,845	10%	24,029	10%
Total Income	**12,361**	**27,471**	**14,731**	**19%**	**32,591**	**19%**	**36,442**	**12%**	**39,531**	**8%**	**42,888**	**8%**
Costs	(8,256)	(17,308)	(9,411)	14%	(20,532)	19%	(21,865)	6%	(22,928)	5%	(24,875)	8%
Operating Profit	**4,105**	**10,163**	**5,319**	**30%**	**12,059**	**19%**	**14,577**	**21%**	**16,603**	**14%**	**18,013**	**8%**
Impairment Losses	(588)	(1,571)	(974)	66%	(2,261)	44%	(3,317)	47%	(4,030)	22%	(4,352)	8%
Associates	68	112	28	-58%	56	-50%	59	5%	62	5%	65	5%
Trading Profit	**3,585**	**8,704**	**4,374**	**22%**	**9,854**	**13%**	**11,319**	**15%**	**12,635**	**12%**	**13,726**	**9%**
Cost/Income Ratio	66.8%	63.0%	63.9%		63.0%		60.0%		58.0%		58.0%	
Loans & advances	308,659	331,782	369,944	20%	392,403	18%	423,795	8%	457,699	8%	494,315	8%
Average balances	274,000	304,118	350,380	28%	373,714	23%	414,579	11%	447,745	8%	483,564	8%
RWAs	272,688	284,181	307,519	13%	336,105	18%	362,993	8%	392,032	8%	423,395	8%
Average RWAs	249,577	264,006	295,850	19%	310,143	17%	349,549	13%	377,513	8%	407,714	8%
Margin (based on ave loans)	4.59%	4.30%	4.14%		4.10%		4.00%		3.95%		3.90%	
Margin (based on ave RWAs)	5.03%	4.95%	4.91%		4.94%		4.74%		4.68%		4.63%	
Impairment losses as % ave balances	0.43%	0.52%	0.56%		0.61%		0.80%		0.90%		0.90%	
Barclaycard												
Net Interest Income	678	1,383	700	3%	1,423	3%	1,447	2%	1,500	4%	1,575	5%
Other Income	580	1,131	560	-3%	1,097	-3%	1,152	5%	1,221	6%	1,307	7%
Total Income	**1,258**	**2,514**	**1,260**	**0%**	**2,520**	**0%**	**2,599**	**3%**	**2,721**	**5%**	**2,882**	**6%**
Costs	(483)	(1,019)	(516)	7%	(1,090)	7%	(1,156)	6%	(1,225)	6%	(1,299)	6%
Operating Profit	**775**	**1,495**	**744**	**-4%**	**1,429**	**-4%**	**1,443**	**1%**	**1,496**	**4%**	**1,583**	**6%**
Impairment Losses	(488)	(1,067)	(443)	-9%	(890)	-17%	(877)	-1%	(872)	-1%	(915)	5%
Associates	1	(8)	(2)		(3)	-60%	(3)	5%	(4)	5%	(4)	
Trading Profit	**288**	**420**	**299**	**4%**	**536**	**28%**	**562**	**5%**	**621**	**10%**	**664**	**7%**
Cost/Income Ratio	38.4%	40.5%	41.0%		43.3%		44.5%		45.0%		45.1%	
Loans & advances	17,400	18,200	18,300	5%	18,564	2%	19,121	3%	20,077	5%	21,081	5%
Average Balances	17,408	17,918	18,761	8%	19,020	6%	19,496	2%	20,276	4%	21,289	5%
Margin (based on ave loans)	15,698	17,035	17,053	9%	16,865	-1%	17,033	1%	17,544	3%	18,071	3%
Impairment losses as % ave balances	7.85%	7.72%	7.52%		7.48%		7.42%		7.40%		7.40%	
Barclays Capital												
Net Interest Income	495	1,158	567	15%	1,332	15%	1,465	10%	1,538	5%	1,615	5%
Other Income	2,942	5,109	3,586	22%	5,722	12%	5,779	1%	6,299	9%	6,929	10%
Total Income	**3,437**	**6,267**	**4,153**	**21%**	**7,054**	**13%**	**7,244**	**3%**	**7,838**	**8%**	**8,544**	**9%**
Costs	(2,121)	(4,009)	(2,483)	17%	(4,250)	6%	(4,462)	5%	(5,354)	20%	(5,836)	9%
Operating Profit	**1,316**	**2,258**	**1,670**	**27%**	**2,804**	**24%**	**2,782**	**-1%**	**2,483**	**-11%**	**2,708**	**9%**
Impairment Losses	(70)	(42)	(10)	-86%	(735)	1650%	(750)	2%	(262)	-65%	(276)	5%
Trading Profit	**1,246**	**2,216**	**1,660**	**33%**	**2,069**	**-7%**	**2,032**	**-2%**	**2,221**	**9%**	**2,433**	**10%**
Cost/Income Ratio	62%	64%	60%		60%		62%		68%		68%	
Staff numbers	10,500	13,200	13,200	33%	15,840	20%	15,840	0%	16,157	2%	16,642	3%
Average headcount	10,200	11,025	11,850	30%	14,520	32%	15,840	9%	15,998	1%	16,399	3%
BGI												
Net Interest Income	7	10	(2)	-129%	5	-50%	5	0%	5	0%	5	0%
Other Income	838	1,655	945	13%	1,837	11%	1,929	5%	2,025	5%	2,127	5%
Total Income	**845**	**1,665**	**943**	**12%**	**1,842**	**11%**	**1,934**	**5%**	**2,030**	**5%**	**2,132**	**5%**
Costs	(481)	(951)	(555)	15%	(1,094)	15%	(1,203)	10%	(1,287)	7%	(1,377)	7%
Operating Profit	**364**	**714**	**388**	**7%**	**748**	**5%**	**731**	**-2%**	**743**	**2%**	**754**	**2%**
Cost/Income Ratio	56.9%	57.1%	58.9%		59.4%		62.2%		63.4%		64.6%	

Source: Company reports and Citi Investment Research

Barclays PLC

Company description

Barclays is a UK-based financial services group with a significant international presence, particularly in Europe, the USA and Africa. It is engaged in retail and commercial banking, investment banking and investment management. In addition to servicing retail customers, high net worth individuals and businesses from SMEs to multinationals, three businesses operate globally providing credit cards, investment banking and risk management and asset management.

Investment strategy

We have a Sell/Medium Risk (3M) rating on Barclays' shares. Having withdrawn from the bidding process Barclays will want to collect its €200m break-fee from ABN and move on. In reality it is unlikely to be that straightforward, as ABN was far from an 'infill' deal with the decision to bid raising a number of strategic questions for the group. The most obvious of these is how Barclays now achieves its stated ambition of becoming a 'global' bank. Replicating the business mix of ABN will not be an easy task and probably impossible to do organically. Another issue facing Barclays - and one that we suspect was largely behind its attempted merger - is that the group's key profit driver, Barclays Capital, looks set to enter a period of slower growth. With the core UK Retail Banking businesses struggling to deliver meaningful growth - arguably not helped by six months of uncertainty - we cut our group profit estimates accordingly. Lower earnings and a depressed rating - reflecting realistic concerns over future acquisitions - lead us to reiterate our 3M rating.

Valuation

We set a price target of £5. Our primary valuation tool is the fundamental fair value price to book model, which gives a final valuation that equals the sum of:

1) the expected dividend flow to 2010E, 2) surplus capital present on the balance sheet at end-2010E and 3) the terminal value of the normalised equity tier 1 capital in 2010E based on sustainable assumptions of returns and growth - all discounted to a NPV using the group's cost of equity. An alternative valuation tool calculates target prices based on the five-year average 12-month forward P/E relative to the UK market and the European bank sector.

Risks

We rate Barclays as Medium Risk because its exposure to higher risk banking activities, such as derivatives, is offset by its lower risk banking activities such as the UK mortgage market. There are a number of risks which could cause the share to deviate significantly from our target price, including a stronger-than-expected performance in fixed income and related capital market activities. A slowdown in the wider UK housing market could reduce demand for mortgages and result in borrowers getting into negative equity. Rising UK interest rates and a deterioration in economic conditions could increase arrears levels in the consumer and corporate businesses. If the impact on the company from any of these factors proves to be greater than we anticipate, the stock will likely have difficulty achieving our financial and price targets. Likewise, if any of these factors proves to have less of an effect than we anticipate, the stock could materially outperform our target.

Appendix A-1

Analyst Certification

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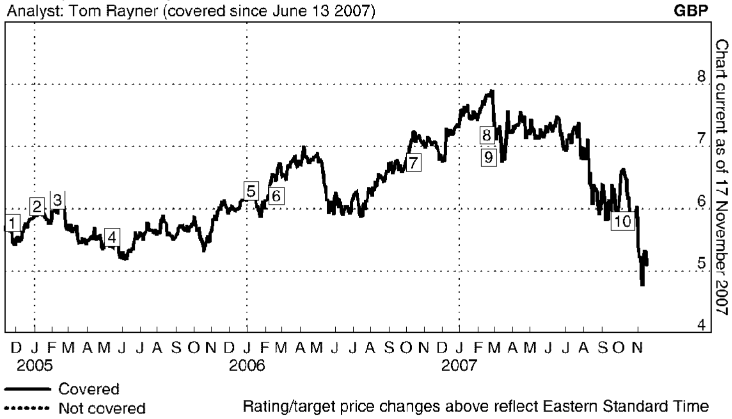
IMPORTANT DISCLOSURES

Barclays PLC (BARC.L)

Ratings and Target Price History - Fundamental Research

Analyst: Tom Rayner (covered since June 13 2007)



#	Date	Rating	Target Price	Closing Price
1:	25 Nov 04	*3M	5.00	5.45
2:	6 Jan 05	3M	*5.25	5.88
3:	10 Feb 05	3M	*5.50	5.94
4:	16 May 05	3M	*5.00	5.39
5:	9 Jan 06	3M	*5.50	6.28
6:	21 Feb 06	3M	*5.75	6.46
7:	13 Oct 06	3M	*6.00	7.24
8:	16 Feb 07	3M	*6.50	7.82
9:	20 Feb 07	3M	*6.60	7.85
10:	8 Oct 07	3M	*5.75	6.62

*Indicates change.

Rating/target price changes above reflect Eastern Standard Time

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% of companies in each rating category that are investment banking clients	53%	55%	42%

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The Product is made available in Poland by Dom Maklerski Banku Handlowego SA an indirect subsidiary of Citigroup Inc., which is regulated by Komisja Papierów Wartosciowych i Gield. Bank Handlowy w Warszawie S.A. ul. Senatorska 16, 00-923 Warszawa. The Product is made available in the Russian Federation through ZAO Citibank, which is licensed to carry out banking activities in the Russian Federation in accordance with the general banking license issued by the Central Bank of the Russian Federation and brokerage activities in accordance with the license issued by the Federal Service for Financial Markets. Neither the Product nor any information contained in the Product shall be considered as advertising the securities mentioned in this report within the territory of the Russian Federation or outside the Russian Federation. The Product does not constitute an appraisal within the meaning of the Federal Law of the Russian Federation of 29 July 1998 No. 135-FZ (as amended) On Appraisal Activities in the Russian Federation. 8-10 Gasheka Street, 125047 Moscow. The Product is made available in Singapore through Citigroup Global Markets Singapore Pte. Ltd., a Capital Markets Services Licence holder, and regulated by Monetary Authority of Singapore. 1 Temasek Avenue, #39-02 Millenia Tower, Singapore 039192. The Product is made available by The Citigroup Private Bank in Singapore through Citibank, N.A., Singapore branch, a licensed bank in Singapore that is regulated by Monetary Authority of Singapore. Citigroup Global Markets (Pty) Ltd. is incorporated in the Republic of South Africa (company registration number 2000/025866/07) and its registered office is at 145 West Street, Sandton, 2196, Saxonwold. 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If in doubt, investors should seek advice from a tax adviser. The Product does not purport to identify the nature of the specific market or other risks associated with a particular transaction. Advice in the Product is general and should not be construed as personal advice given it has been prepared without taking account of the objectives, financial situation or needs of any particular investor. Accordingly, investors should, before acting on the advice, consider the appropriateness of the advice, having regard to their objectives, financial situation and needs. Prior to acquiring any financial product, it is the client's responsibility to obtain the relevant offer document for the product and consider it before making a decision as to whether to purchase the product.

This Product is not intended for distribution in Poland. Any receipt or review of the Product in Poland is not authorized by the Firm.

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST

EXHIBIT 36
[Filed Under Seal]

Project Rimu

Organizational Conference Call

Schedule: Wednesday, March 5, 2008 09:00 NY / 14:00 London

Domestic Dial In: 1-866-905-8471
International Dial In: +44 (0) 20 77733113
Passcode: 1552#

1. **Brief Market Update Call**
   - Review of Wells Fargo transaction and forward calendar

2. **Proposed timing/filing schedule**
   - 20-F expected filing – March 25/26th

3. **Key documents and first draft responsibility**

Prospectus supplement and prospectus	Sullivan & Cromwell / Clifford Chance
Underwriting and Pricing Agreements	Linklaters
Deposit Agreement	Sullivan & Cromwell / Clifford Chance
Deed of Covenant	Clifford Chance
Agreement among Underwriters	Linklaters
Form of Preference Shares	Clifford Chance / Sullivan & Cromwell
NYSE listing application	Sullivan & Cromwell / Clifford Chance
Legal opinions	Company / Counsels
Tax opinions	Company / Counsels
Officers Certificates	Company / Clifford Chance
Closing memorandum	Company / Counsels

4. **Due diligence requirements**
   - Business
   - Accounting
   - Legal

5. **Comfort letter requirements**

6. **Rating agency issues**

7. **Other issues to be addressed when appropriate**
   - NYSE listing
   - NASD filings
   - Blue Sky
   - Barclays Capital Securities issues
   - Management and underwriting group

citi

EXHIBIT 37
[Filed Under Seal]

From: Drumm, Laura [CMB-GFICC] [1000542835@citigroup.com]
Sent: Monday, March 10, 2008 1:22:32 PM
To: Deese, Derrick [CMB-GFICC]; Ciobanu, Bogdan [CMB-GBKG]
Subject: RE: Project Rimu WPL 03-10-08.pdf
Attachments: Sycamore - Timeline 11 15 07.ppt

Barclays is asking for an updated WPL and timetable. We need to include Weil on the WPL as well as Linklaters.
Bogdan, pls add back in Weil to the next version. This is the only contact I have for Linklaters -David Ludwick - david.ludwick@linklaters.com. Do you mind emailing him to get the full information?

Can we update the timeline assuming April 7th launch?

Thx!
ld

-----Original Message-----
From: Deese, Derrick [CMB-GFICC]
Sent: Monday, March 10, 2008 9:10 AM
To: Drumm, Laura [CMB-GFICC]
Subject: Project Rimu WPL 03-10-08.pdf

EXHIBIT 38
[Filed Under Seal]

From: Nyatta, Inosi [NyattaI@sullcrom.com]
Sent: Thursday, March 13, 2008 1:22:23 PM
To: Aucutt, Ross: Barclays Treasury (LDN); Lambert, Nick: Barclays Treasury (LDN); Harding, Keith: Barclays Treasury (LDN); Meyer, Leigh: Barclays Treasury (LDN); Ahmed, Omar: Barclays Treasury (LDN); todd.foreman@barclays.com; james.booth@barclays.com; Victoria.Hardy@barclays.com; King, Samantha: Group Tax (LDN); Fyfe, Lucy: Group Tax (LDN); marie.smith@barclays.com; natalie.weedon@barclays.com; andrew.west@barclays.com; meen.adams@barclays.com; yaseen.macan-markar@barclays.com; McLeland, Kathryn: IBD (LDN); Ghori, Yenal: IBD (LDN); Gihr, Tanja: Sales (LDN); Croxford, Simon: Legal (LDN); Vickery, Belinda: Legal (LDN); Johnson, Richard: Legal (LDN); Bamford, Mark: Primary Bonds (NYK); Daley, Anne: Syndicate (NYK); O'Connor, Maureen: Syndicate (NYK); Graham, Mark: IBD (NYK); Ganis, Bret: Legal (NYK); Smith, Richard: Legal (NYK); peter.o.aherne@citi.com; leohendrik.greve@citi.com; peter.james.mason@citi.com; laura.drumm@citi.com; christopher.k.white@citi.com; derrick.deese@citi.com; john.w.dickey@citi.com; simon.mcgeary@citi.com; stanley.louie@citi.com; deborah.keat@citi.com; anastasia.letina@citi.com; laura.stephenson@citi.com; melissa.motherway@citi.com; matthew.r.land@citi.com; jack.d.mcspadden@citi.com; chandru.harjani@citi.com; bogdan.ciobanu@citi.com; alastair.rosesmith@citi.com; peter.siekel@citi.com; darrell.bridgers@citi.com; jane.pakenhan@citi.com; Simon.Sinclair@CliffordChance.com; vinay.samani@linklaters.com; david.ludwick@linklaters.com; chris.h.taylor@uk.pwc.com; drew.haigh@uk.pwc.com; chai.h.ng@uk.pwc.com; yu-liang.ooi@uk.pwc.com; kgalfo@bankofny.com; rspinogatti@bankofny.com; mkeyes@bankofny.com
CC: O'Connor, John; Vonlanthen, Christoph
Subject: Rimu - ProSupp and Document Checklist
Attachments: LONDON-#302954-v2-Rimu__ProsSupp.DOC; LONDON-#302954-vrtf-Rimu__ProsSupp.DOC; LONDON-#303211-v3-Rimu__Document_Checklist.DOC; LONDON-#303211-vrtf-Rimu__Document_Checklist.DOC

All,

Attached for your review are drafts of the Rimu Prospectus Supplement and Document Checklist in clean format and blacklined against the corresponding documents from the November 30, 2007 transaction.

Please let us know if you have any comments or questions on the attached drafts.

Best regards,

Inosi Nyatta

****

Inosi Nyatta
Sullivan & Cromwell LLP
A Limited Liability Partnership
1 New Fetter Lane
London EC4A 1AN
Tel: +44 (020) 7959-8447
Fax: +44 (020) 7959-8950
E-mail: nyattai@sullcrom.com

EXHIBIT 39
[Filed Under Seal]

From: Ciobanu, Bogdan [CMB-GBKG] [bogdan.ciobanu@citi.com]
Sent: Tuesday, March 18, 2008 2:38 PM
To: kathryn.mcleland@barcap.com; yenal.ghori@barcap.com; tanja.gihr@barcap.com; simon.croxford@barcap.com; richard.d.johnson@barcap.com; belinda.vickery@barcap.com; mark.graham@barcap.com; bret.ganis@barcap.com; richard.smith3@barcap.com; Aherne, Peter O [CMB-GFICC]; Greve, Leo-Hendrik [CMB-GFICC]; Mason, Peter James [CMB-GFICC]; Drumm, Laura [CMB-GFICC]; White, Christopher K [CMB-GFICC]; Deese, Derrick [CMB-GFICC]; Dickey, John W [CMB-GFICC]; Mcgeary, Simon [CMB-GFICC]; Louie, Stanley [CMB-GFICC]; Keat, Deborah [CMB-GFICC]; Letina, Anastasia [CMB-GFICC]; Stephenson, Laura [CMB-GFICC]; Walker, David [CMB-GBKG]; Reid, James [CMB-GBKG]; Mcspadden, Jack D [CMB-GBKG]; Harjani, Chandru [CMB-GBKG]; Rose-Smith, Alastair [CMB-GBKG]; Siekel, Peter [CMB-GBKG]; david.ludwick@linklaters.com; vinay.samani@linklaters.com; joost.vanamelsfort@linklaters.com; sarah.whittington@linklaters.com; jon.gray@linklaters.com
Subject: RE: Project Rimu - draft Due Diligence lists
Attachments: Barclays - Business Due Diligence Mar 2007 v2.pdf; Barclays - Accounting Due Diligence Mar 2007 v2.pdf

Team,

Attached please find the draft Business and Accounting due diligence lists for Project Rimu. Please review and revert with comments, as appropriate, by close of business Wednesday (3/19). We plan on sending the due diligence lists to Barclays before the end of this week. Due diligence has been tentatively scheduled for April 2.

Regards,
Bogdan

<<Barclays - Business Due Diligence Mar 2007 v2.pdf>> <<Barclays - Accounting Due Diligence Mar 2007 v2.pdf>>

Bogdan Ciobanu
Citi Markets and Banking
388 Greenwich St. | 34 Fl. | NY 10013
T: +1.212.816.9429 | F: +1.646.291.3712
M: +1.917.292.1184

EXHIBIT 40
[Filed Under Seal]

From: van Amelsfort, Joost [joost.vanamelsfort@linklaters.com]
Sent: Wednesday, March 26, 2008 9:47:55 AM
To: drew.haigh@uk.pwc.com; david.j.mayland@uk.pwc.com; vassos.vrachimis@uk.pwc.com
CC: simon.croxford@barcap.com; richard.d.johnson@barcap.com; belinda.vickery@barcap.com; laura.stephenson@citi.com; anastasia.letina@citi.com; bogdan.ciobanu@citi.com; peter.siekel@citi.com; Ludwick, David; Whittington, Sarah
Subject: RE: Project Rimu - Circle Up

Dear Drew

Just following up on David's email below - is there any indication as to when the draft comfort letters will be available?
Many thanks

Best regards

Joost van Amelsfort
Managing Associate
Equity and Debt Markets Group
Capital Markets
Linklaters LLP, London
Tel: +44 (0)20 7456 5204
Fax: +44 (0)20 7456 2222

mailto:joost.vanamelsfort@linklaters.com
http://www.linklaters.com

From: Ludwick, David
Sent: 20 March 2008 21:15
To: 'drew.haigh@uk.pwc.com'; 'david.j.mayland@uk.pwc.com'; vassos.vrachimis@uk.pwc.com
Cc: ross.aucutt@barclaysgt.com; nick.lambert@barclaysgt.com; keith.harding@barclaysgt.com; leigh.meyer@barclaysgt.com; todd.foreman@barclays.com; victoria.hardy@barclays.com; kathryn.mcleland@barcap.com; yenal.ghori@barcap.com; tanja.gihr@barcap.com; simon.croxford@barcap.com; richard.d.johnson@barcap.com; belinda.vickery@barcap.com; mark.graham@barcap.com; bret.ganis@barcap.com; richard.smith3@barcap.com; Aherne, Peter O ; Greve, Leo-Hendrik ; Mason, Peter James ; Drumm, Laura ; White, Christopher K ; Deese, Derrick ; Dickey, John W ; Mcgeary, Simon ; Louie, Stanley ; Keat, Deborah ; Letina, Anastasia ; Stephenson, Laura ; Walker, David ; Reid, James ; Mcspadden, Jack D ; Harjani, Chandru ; Rose-Smith, Alastair ; Siekel, Peter ; Ludwick, David; van Amelsfort, Joost; Whittington, Sarah
Subject: Project Rimu - Circle Up
Importance: High

Please find attached our circle up of the draft 20-F. Please let us know if you have any questions or there are items that you would like to discuss. We also look forward to seeing drafts of your comfort letters at your earliest convenience.

<< File: Form20F.zip >>
Kind regards
David

David Ludwick
Partner
Equity and Debt Markets
Member of the New York Bar
Linklaters LLP, London

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