EXHIBIT 41

[Filed Under Seal]

From: Ciobanu, Bogdan [bogdan.ciobanu@citi.com]
Sent: Thursday, March 27, 2008 5:45:03 PM
To: Harding, Keith: Barclays Treasury (LDN)
Subject: RE: Project Rimu - draft due diligence lists
Attachments: Barclays - Business Due Diligence Mar 2008 v5.DOC

Hello Keith,

Attached please find the due diligence questions in Word format.

Cheers,
Bogdan

From: Keith.Harding@barclaystreasury.com [mailto:Keith.Harding@barclaystreasury.com]
Sent: Thursday, March 27, 2008 1:21 PM
To: Ciobanu, Bogdan [CMB-GBKG]
Subject: RE: Project Rimu - draft due diligence lists

Hi Bogdan,

Please could you send the due diligence list through to me in Word format please.

Many thanks and kind regards

Keith

From: Hardy, Victoria: Barclays PLC
Sent: 26 March 2008 09:18
To: Aucutt, Ross: Barclays Treasury (LDN); Lambert, Nick: Barclays Treasury (LDN); Harding, Keith: Barclays Treasury (LDN)
Subject: FW: Project Rimu - draft due diligence lists

Revised dd questions omitting reference to Rimu.

From: Ciobanu, Bogdan [mailto:bogdan.ciobanu@citi.com]
Sent: 25 March 2008 21:53
To: Hardy, Victoria : Legal
Cc: Mcspadden, Jack D ; Harjani, Chandru ; Drumm, Laura ; Deese, Derrick
Subject: RE: Project Rimu - draft due diligence lists

Victoria,

Attached please find the revised due diligence list - as requested, all references to Project Rimu have been removed. Please let me know if you have further comments.

Upon confirmation of a time for the April 2 due diligence call, I will circulate the dial-in to all parties involved in Project Rimu. Please feel free to distribute to the other dealers that need to participate on the call. As mentioned earlier, I will ensure that all Project Rimu parties are aware of the situation and refrain from making any deal-specific comments on the due diligence call. Please let me know if this is Ok with 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

From: victoria.hardy@barclays.com [mailto:victoria.hardy@barclays.com]
Sent: Tuesday, March 25, 2008 9:44 AM
To: Ciobanu, Bogdan [CMB-GBKG]
Cc: Mcspadden, Jack D [CMB-GBKG]
Subject: RE: Project Rimu - draft due diligence lists

Bogdan,

Many thanks for sending the questions. When we have this call, we are also going to invite the dealers for our US, Canadian and UK note programmes as they are all entitled to participate in a due diligence session around the time of publication of our 20-F. We've done this for the last few years. Therefore, please can you remove all reference to Project Rimu (cover page) and the Prospectus Supplement (Q. 43) and anything else that hints at a current issue.

Many thanks.

Victoria

Victoria Hardy
Senior Legal Counsel
Group General Counsel's Office
Barclays PLC
Level 29, 1 Churchill Place
London
E14 5HP

Telephone: 020 7116 3351
Clearway: 7 600 63351
Mobile: 07917 503 598
Fax: 01452 638 389
E-mail: victoria.hardy@barclays.com

From: Ciobanu, Bogdan [mailto:bogdan.ciobanu@citi.com]
Sent: 20 March 2008 20:51
To: ross.aucutt@barclaysgt.com; nick.lambert@barclaysgt.com; keith.harding@barclaysgt.com; leigh.meyer@barclaysgt.com; Foreman, Todd : Legal; Hardy, Victoria : Legal; simon.sinclair@cliffordchance.com; mabel.tay@cliffordchance.com; oconnorj@sullcrom.com; vonlanthenc@sullcrom.com; nyattai@sullcrom.com
Cc: 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; bret.ganis@barcap.com; richard.smith3@barcap.com; Aherne, Peter O ; Greve, Leo-Hendrik ; Mason, Peter James ; Drumm, Laura ; White, Christopher K ; Deese, Derrick ; Mcspadden, Jack D ; Harjani, Chandru ; Rose-Smith, Alastair ; Siekel, Peter ; david.ludwick@linklaters.com; vinay.samani@linklaters.com; joost.vanamelsfort@linklaters.com; sarah.whittington@linklaters.com; jon.gray@linklaters.com
Subject: Project Rimu - draft due diligence lists

Barclays Team:

Attached please find the draft business and accounting due diligence lists for the proposed offering. Please note that we are collecting comments from the joint bookrunners and will update these lists as appropriate.

Regards,
Bogdan

<<Barclays - Business Due Diligence Mar 2008.pdf>> <<Barclays - Accounting Due Diligence Mar 2008.pdf>>

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EXHIBIT 42
[Filed Under Seal]

From: Drumm, Laura [CMB-GFICC] [/O=SALOMON/OU=NAM/CN=RECIPIENTS/CN=1000542835]
Sent: Friday, March 28, 2008 4:24:32 PM
To: Mason, Peter James [CMB-GFICC]; Motherway, Melissa [CMB-GFICC]
CC: Greve, Leo-Hendrik [CMB-GFICC]; Mcspadden, Jack D [CMB-GBKG]; Land, Matthew R [CMB-GFICC]
Subject: RE: RIMU call
Attachments: Barclays Retail (April 2008) Proposed Syndicate StructurevFINAL.xls

Please see proposed syndicate structure attached. Let me know if you'd like me to send to Nick and Ross if you'd like to do the honors.
Matt discussed briefly with Anne and made some adjustments to last deal - one pending change - they are trying to figure out whether to leave in Lehman or take out. Think she will discuss with Ross.

-----Original Message-----
From: Mason, Peter James [CMB-GFICC]
Sent: Friday, March 28, 2008 11:32 AM
To: Drumm, Laura [CMB-GFICC]; Motherway, Melissa [CMB-GFICC]
Cc: Greve, Leo-Hendrik [CMB-GFICC]; Mcspadden, Jack D [CMB-GBKG]; Land, Matthew R [CMB-GFICC]
Subject: RE: RIMU call

That's perfect

thx

-----Original Message-----
From: Drumm, Laura [CMB-GFICC]
Sent: 28 March 2008 14:50
To: Mason, Peter James [CMB-GFICC]; Motherway, Melissa [CMB-GFICC]
Cc: Greve, Leo-Hendrik [CMB-GFICC]; Mcspadden, Jack D [CMB-GBKG]; Land, Matthew R [CMB-GFICC]
Subject: RE: RIMU call

On Credit Suisse we had the bookrunners and senior cos on the initial DD. The full management group participated in the bring down. This is standard. Please let me know if there is a problem. To confirm - will be C, BARC, UBS, WB (JBs); ML, MS (Sr Cos).

-----Original Message-----
From: Mason, Peter James [CMB-GFICC]
Sent: Friday, March 28, 2008 10:35 AM
To: Drumm, Laura [CMB-GFICC]; Motherway, Melissa [CMB-GFICC]
Cc: Greve, Leo-Hendrik [CMB-GFICC]; Mcspadden, Jack D [CMB-GBKG]; Land, Matthew R [CMB-GFICC]
Subject: RE: RIMU call

Also FYI for the DD call, Ross was pretty clear he wanted the 'usual' group on the call not every level of co-mgr (ala Credit Suisse recently).

Cheers

-----Original Message-----
From: Drumm, Laura [CMB-GFICC]
Sent: 28 March 2008 14:17
To: Motherway, Melissa [CMB-GFICC]; Mason, Peter James [CMB-GFICC]
Cc: Greve, Leo-Hendrik [CMB-GFICC]; Mcspadden, Jack D [CMB-GBKG]; Land, Matthew R [CMB-GFICC]
Subject: RE: RIMU call

Thanks - send along to me and I will throw them in a spreasheet and send over.

-----Original Message-----
From: Motherway, Melissa [CMB-GFICC]
Sent: Friday, March 28, 2008 10:16 AM
To: Mason, Peter James [CMB-GFICC]; Motherway, Melissa [CMB-GFICC]; Drumm, Laura [CMB-GFICC]
Cc: Greve, Leo-Hendrik [CMB-GFICC]; Mcspadden, Jack D [CMB-GBKG]; Land, Matthew R [CMB-GFICC]
Subject: Re: RIMU call

Anne daley just sent me changes...matt is incorporating them

----- Original Message -----
From: Mason, Peter James [CMB-GFICC]
To: Motherway, Melissa [CMB-GFICC]; Drumm, Laura [CMB-GFICC]
Cc: Greve, Leo-Hendrik [CMB-GFICC]; Mcspadden, Jack D [CMB-GBKG]
Sent: Fri Mar 28 10:13:46 2008
Subject: RIMU call

Melissa, Laura

On the Barclays call we just finished, Ross was asking where we were on advising them of our suggested syndicate group.

Have you had a chance to think about it yet?

Many thanks

Pete

Peter J Mason

Financial Institutions
Debt Capital Markets
Citi

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Canary Wharf
London UK
E14 5LB

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Fax: +44 (0) 207 986 4932
Mob: +44 (0) 7796 938 301

peter.james.mason@citi.com

EXHIBIT 43

[Filed Under Seal]

From: Nyatta, Inosi [NyattaI@sullcrom.com]
Sent: Friday, March 28, 2008 2:49:25 PM
To: Whittington, Sarah; Ciobanu, Bogdan ; 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; 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 ; 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 ; simon.sinclair@cliffordchance.com; WILDE, Bruce R.; rgoad@bankofny.com; sandra.friedrich@bnymellon.com
CC: O'Connor, John; Lynn, Jeff A.; Vonlanthen, Christoph; Faber-Densley, Emily M.
Subject: Project Rimu - Additional Drafts and Opinions
Attachments: LONDON-#304145-v2-Rimu_-_S&C_Validity_Opinion.DOC; LONDON-#304145-vrtf-Rimu_-_S&C_Validity_Opinion.DOC; LONDON-#303809-v2-Rimu_-_S&C_NYSE_Opinion.DOC; LONDON-#303809-vrtf-Rimu_-_S&C_NYSE_Opinion.DOC; LONDON-#304154-v2-Rimu_-_S&C_Reliance_Letter.DOC; LONDON-#304154-vrtf-Rimu_-_S&C_Reliance_Letter.DOC; LONDON-#304148-v2-Rimu_-_S&C_Disclosure_Letter.DOC; LONDON-#304148-vrtf-Rimu_-_S&C_Disclosure_Letter.DOC; Barclays - series 5 - NYSE opinion.msg; Barclays - series 5 - Depositary's cert..msg; Barclays - series 5 - Custodian receipt.msg; Barclays - series 5 - form of Receipt.msg; Barclays - series 5 - closing opinion.msg; Barclays series 5 - side letter.msg

All,

Attached please find drafts of the S&C opinions to be delivered in connection with Project Rimu, each blacklined against the Series 4 transaction.

I am also forwarding draft documents received today from Emmet Marvin in relation to the Series 5 transaction. If you have any comments on these documents, please include Bruce Wilde (bwilde@EMMETMARVIN.COM) in the distribution.

Please also note that I will be out of the office from March 31st to April 11th. Please include my colleagues Jeff Lynn (lynnj@sullcrom.com) and Emily Faber-Densely (faberdensleye@sullcrom.com) in distributions going forward.

Best regards,

Inosi Nyatta
****

Inosi Nyatta
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A Limited Liability Partnership
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Fax: +44 (020) 7959-8950
E-mail: nyattai@sullcrom.com

EXHIBIT 44
[Filed Under Seal]

Siekel, Peter [CMB-GBKG]

From: Clemente, Michele J [CMB-RISK]

Sent: 31 March 2008 17:18

To: Louie, Stanley [CMB-GFICC]; Harjani, Chandru [CMB-GBKG]; Dickey, John W [CMB-GFICC]; White, Christopher K [CMB-GFICC]; Mason, Peter James [CMB-GFICC]; Rose-Smith, Alastair [CMB-GBKG]; Reid, James [CMB-GBKG]; Walker, David [CMB-GBKG]; Keat, Deborah [CMB-GFICC]; Mcgeary, Simon [CMB-GFICC]; Siekel, Peter [CMB-GBKG]; Aherne, Peter O [CMB-GFICC]; Ciobanu, Bogdan [CMB-GBKG]; Deese, Derrick [CMB-GFICC]; Greve, Leo-Hendrik [CMB-GFICC]; Mcspadden, Jack D [CMB-GBKG]; Drumm, Laura [CMB-GFICC]; Letina, Anastasia [CMB-GFICC]; Stephenson, Laura [CMB-GFICC]

Cc: Gaboff, Krystyna [CMB-RISK]; Clemente, Michele J [CMB-RISK]; Muir-Leray, Dawn [CMB-RISK]

Subject: ComCom Full Screening scheduled 02-Apr-2008 for BARCLAYS PLC-HEAD OFFICE/PROJECT RIMU

The transaction detailed below has been tentatively scheduled for a Full Screening review by the Global FI Euro Commitment Committee on Wednesday 2 April, 2008 . Please upload a Transaction Summary via CitiVision Workflow as soon as possible, but in all cases at least two days before the meeting. You are also responsible to forward the first section of your presentation directly to Committee Members via EMAIL Public Distribution List (*IB Commitment FI-Global EU) and deliver hard copies of documentation in a sealed envelope to the recipients listed below at least two days before the meeting.

Hand Deliver To: **Committee: Global FI Euro**

Richard TB Trask	*388-37th*		
Rashmini Yogaratnam	*388-37th*	*Raheel Malik*	*London*
Michele Clemente	*388-37th*	*Bruce Duncan*	*London*
Adam Meshel	*388-36th*	*Sree Gopalakrishnan*	*London*
Karen Kirchen	*388-21st*	*Ray Knowles*	*London*
Richard Janiak	*485 Lexington Ave 12th Fl*	**UKCO AML Group*	

NOTE the Members listed below have requested to receive a soft copy of the full presentation.

Alan Patterson	*London*
Eirik Winter	*London*
Francesca Curtin	*London*
Phil Bennett	*London*
Charles Berman	*London*
Carole Bottrell	*London*
Mark Watson	*London*
Kevin John Barry	*London*

Deliver by Interoffice Mail:

Audit Risk & Credit Review - CF *ATTN: Leslyn Rose* *Citigroup* *111 Wall Street/Floor 7* *New York, NY 10016*	***Legal Research*** *ATTN: Larry Irom* *388 Greenwich St. – 29th Floor* *New York, NY 10043*
Audit Risk & Credit Review - CF *ATTN: James Smith* *Audit and Risk Review* *Maildrop: CGC 28-55,* *Floor 28, Citgroup Centre II* *Canada Square* *Canary Wharf E14 5LB*	

Dial in #s, conference room, and timing information will be sent to you separately one day prior to

your scheduled presentation.

Issuer name: BARCLAYS PLC-HEAD OFFICE
Project name: PROJECT RIMU
Deal number: 44AA6023

Transaction type: Tier I / Tier II - Perpetual Preferred Stock
Offering Size: 1000.00 (USD million)

Expected launch date: 07-Apr-2008
Submitted by: Peter Siekel

Please log on to Citivision for more details using weblink below.
https://citivision.ny.ssmb.com

Debt Commitment Committee - Transaction Summary - Financial Institutions

Presentation Date:	03-Apr-2008	Conflict Clearance Date: 17-Mar-2008	
Deal Team:	Fixed Income	TEG	GCB
	Anastasia Letina	Alastair Rose Smith	David Michael Walker
	Christopher Kingsley White	Bogdan Ciobanu	James Reid
	Deborah Anne Keat	Chandru Harjani	
	Derrick Deese	Jack D. Mcspadden	
	John W Dickey	Peter Siekel	
	Laura Drumm		
	Laura Stephenson		
	Leo-hendrik Greve		
	Peter James Mason		
	Peter O Aherne		
	Simon Graham Mcgeary		
	Stanley Louie		
	Legend: * = Attended		
Approval Type:	Full Screening	Last Screening: N/A	Total Fees (this deal): USD 6-8 million / 3.15%

Issuer:

Name: BARCLAYS PLC-HEAD OFFICE

Industry: Financial Institutions Bank *Country:* United Kingdom

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 SME to multinationals, three businesses operate globally providing credit cards, investment banking and risk management and asset management.

AML Rating: Low

ESRM Category: N/A

Issuer Rating: S&P: AA Moodys: Aa1 Fitch: AA+

Issue Rating:

Currency:	Size:	Tenor:	S&P:	Moodys:	Fitch:
USD	1,000	Perpetual	A+	Aa3	AA
		OutLook:	TBD	TBD	TBD

Citi Research:

Equity: *At Meeting?(Y/N):* N *OTW:* NA

Name: Tom Rayner

Issuer Rating: Sell

Target Stock Price: 4.00 *Current Stock Price:* 4.53

Recent changes ? N/A

Debt: *At Meeting(Y/N)?:* N *OTW:* NA

	Name:	N/A
	Issuer Rating:	N/A
	Recent changes ?	N/A
Transaction:	*Project name (Deal number):*	PROJECT RIMU (44AA6023)
	Transaction type:	Tier I / Tier II - Perpetual Preferred Stock *Size (mm):* 1,000 USD
	Form of underwriting:	Bought deal
	Citi role:	Joint Bookrunner *Non-Citi Bookrunner(s):* Barclays Capital, Merrill Lynch, UBS, Wachovia
	Description:	Retail-Targeted Exchangeable Capital Securities; Subordinated issue ~15% underwriting liability to C and $6-8m fees for $1bn benchmark
	Use of proceeds:	General Corporate Purposes

Key Issues:

Expansion outside of the UK (recent acquisition of the bank in Russia).

Barclays currently has one of the European bank sector's lowest "tangible equity / assets" ratios. Whilst regulatory ratio (tier 1 ratio is 7.8%) is at target levels, the capital markets are also looking at a broader range of ratios including leverage based ratios.

Barclays has RWA's of £353bn (c.$700bn) and thus may be vulnerable to any sharp increases in impairments and delinquencies if economic conditions worsen (large loan book exposures are to consumer, property and construction).

Deal Execution:

Marketed to broad retail and to institutional investors globally. Distribution breakdown is expected to be about 85-90% retail (with limited Asian distribution under 5%), 10-15% institutional.

Key Indicators in US$-millions (proforma):

	Net Income	Assets	Equity	Equity/Assets	Tier-I	NPL
Book:	10,176	2,451,420	64,865	2.65%	7.80%	3.28%
Mkt:	10,176	2,451,420	59,532	2.43%	7.80%	3.28%

Team Comments: None.

Attendees:

Legend: Chair Person in RED, * = Attended

Committee Decision:

Committee Notes:

Commitment Committee Final Approval Memorandum

Project name: Rimu (44AA6023) **Date of screening:** 3 April 2008

Issuer: Barclays Bank PLC **New client:** N

CIB client classification: GRB

Industry: Financial Institutions **Country:** United Kingdom

AML rating: Low **Date Compliance gave AML clearance:** N/A

Transaction: **Size/Currency:** USD 1 bn **Type:** Tier 1 Retail offering

Client Issuing Entity: ***(FI and EQ-linked ONLY)*** Barclays PLC

Commitment Committee: Global FI Euro

MD sponsor: David Walker

Transaction Team:

Banking:	Capital Markets:	TEG:	New Products Group:	GCC:
David Walker	Peter Aherne	Alastair Rose-Smith	John Dickey	Phil Copus
James Reid	Laura Drumm	Peter Siekel	Stanley Louie	
	Derrick Deese	Jack McSpadden	Anastasia Letina	
	Leo-Hendrik Greve	Chandru Harjani	Laura Stephenson	
	Chris White	Bogdan Ciobanu	Deborah Keat	

Transaction Overview

Transaction description: USD 1 billion Retail-Targeted Exchangeable Capital Securities; Subordinated issue

Citigroup underwriting entity: *(FI ONLY)* CGMI

Citigroup role: Joint bookrunner

Form of underwriting: Bought

Distribution format: NYSE listed, SEC Registered

Non-Citigroup bookrunners: Barclays Capital, Merrill Lynch, UBS Securities, Wachovia Securities

Conflict clearance date:** 17 March 2008

Control Group notification date*: 17/03/2008 **Has transaction been watch listed?** N

Date expected to be watch listed? N/A

Greenshoe: N/A

Selling shareholders: N/A

Use of proceeds: General Corporate Purposes

Research:	*Analyst name:*	Tom Rayner			
	OTW:	N			
	Rating:	3M (Sell/Medium risk)			
	Target stock price:	£4.00 (price as of 27 Mar 2008 was £4.53)			
Issuer Rating:		**S&P**	**Moody's**	**Fitch**	**Local**
		AA (Negative)	Aa1 (Stable)	AA+ (Negative)	N.R.
Issue Rating:		**S&P**	**Moody's**	**Fitch**	**Local**
		A+ (TBD)	Aa3 (TBD)	AA (TBD)	N.R.

Market Capitalization:	£29,766 million	
Current float:	99%	
Anticipated Announcement / Filing date:	7-April-2008	
Anticipated Offering Date:	7-April-2008	
Anticipate Closing Date:	11-April-2008	
Exchange / Ticker:	LSE / BARC.L	
Latest Un-audited Financials:	N/A	
Latest Audited Financials:	31/12/2007 (Full year 2007)	
Issuer's Counsel:	Clifford Chance LLP (UK); Sullivan & Cromwell LLP (US)	
Underwriter's Counsel:	Linklaters	
Issuer's Auditors:	PriceWaterhouseCoopers	
Settlement basis (DVP / T+?)	DVP/T+3/5	
Deal Economics	*Citigroup share*	*Fees*
	Depending on distribution	$6-8m fees for $1bn benchmark
Key covenants:	None.	

Citigroup Equity Research

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. Barclays full year 2007 results provided more detailed disclosure on a range of financial exposures without suffering further material write-downs. We estimate additional losses of £1.5bn to be taken through the course of 2008. A more pressing issue appears to be the lack of revenue momentum across the group. With Barclays Capital's revenue boosted by a number of 'one-off' items in 2H07, we would expect any further write-downs to represent a big drag on growth. It would also appear unlikely that the same degree of cost control can be maintained with the prospect of further headcount expansion into 2008. With BarCap needing to overcome weaker operating conditions and headwinds apparent in other business lines, we believe Barclays group will struggle to deliver meaningful earnings growth in 2008.

Valuation

With market volatility and liquidity constraints leading to considerable uncertainty on the earnings outlook, we prefer to use a price to book approach rather than earnings-based valuation tools. Based on our revised model we forecast this tangible net asset value at 259p per share in 2008E. We set our target price of 400p in line with the 1.5x book multiple suggested by our assumptions on the return on equity (17.0%), cost of equity (12.0%) and growth rate (2.0%) that the market is likely to discount.

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.

Citigroup EPS Estimate for Current Year:	64.5p
Citigroup EPS Estimate for Next Year:	65.3p
Date of Last Full Research Report:	20 February 2008
Date of Last Call Note:	N/A
Price at Last Report/Note:	£4.77

Citi is publishing ordinary course research.

Citigroup FI Research

Value Opinion:	N/A
Outlook:	N/A
EBITDA run rate:	N/A
EBITDA/Interest L12 Mos.:	N/A
EBITDA/Interest Curr. Fiscal	N/A
Year:	N/A
Debt/EBITDA L12 Mos.:	N/A
Debt/EBITDA Curr. Fiscal Year:	N/A

Rating Agency Review

Moody's Rating:	Aa1 (Stable)
Standard and Poor's:	AA (Negative)
Fitch:	AA+ (Negative)
Internal: ORR	2 / Current (Stable)

Moody's (23 October 2007)

Summary Rating Rationale

Moody's assigns a bank financial strength rating (BFSR) of B+ to Barclays, which translates into a baseline risk assessment of Aa2. The rating derives from the bank's broad spread of earnings, which are based on its very strong franchise in the UK, diversified business lines and income streams, and its very healthy and sustainable financial fundamentals. While UK retail and business banking accounted for approximately 36% of profits in 2006, other operations including Barclays Capital (BarCap), Barclays Global Investors (BGI), and international businesses now represent a growing proportion of consolidated group revenues.

Moody's continues to believe that the probability of systemic support for Barclays plc is very high, which would -- were the outlook of Barclays BFSR to be stable -- result in a two-notch uplift in the deposit ratings to Aaa from the Aa2 baseline risk assessment. However with the BFSR on negative outlook the rating is at Aa1. Thus, the deposit and debt ratings of Barclays incorporate three main elements: (1) the bank's BFSR of B+; (2) Moody's assessment of a very high probability of support from the UK authorities (a component of joint default analysis, referred to as JDA) and (3) the seniority of its deposits and debt.

Credit Strengths

- Strong positions in all key areas of UK financial markets
- Consistent profitability, driven by intense management focus on value creation
- Growth of international operations adds diversification to UK operations, while execution risk has been well managed
- Solid funding profile and strong liquidity

Credit Challenges

- Profitability of UK retail bank is improving but margin pressures persist
- Vulnerability of credit cards and unsecured lending to a downturn in UK consumer lending market
- Barclays Capital's current focus and risk appetite will be a key to managing the inherent volatility of earnings that these businesses entail
- Managing the cost structure of the bank as a whole

Rating Outlook

The outlook on the long term debt and deposit rating and the short term debt and deposit rating is stable. The negative outlook on the BFSR was initially assigned in April 2007 following the announcement of the proposed merger with ABN AMRO. The negative outlook was maintained after the offer lapsed in October 2007 as the dislocation in the financial markets since July continues to create uncertainty for the performance of all banks which are involved in structured securities and related capital market activities.

Recent Results

Barclays reported a 12% increase in pre-tax profits to GBP4.1 billion for H107 (H106: GBP3.7 billion). UK Banking produced a pre-tax profit of GBP1.4 billion (an increase of 9% on H106), while BarCap delivered record results, with a 33% rise in pre-tax profit to GBP1.7 billion (H106: GBP1.2 billion). Between them, UK Banking and BarCap produced 74% of overall group pre-tax profit. Profit from Barclaycard declined 17% to GBP 272m (H106: GBP 326m) - although excluding a loss on a disposal in H107 and a property gain in H106 Barclaycard pre-tax profits were up 4% - while profit from International Retail and Commercial Banking declined by 12% to GBP452 million (H106: GBP512 million). Elsewhere, profit growth remained strong. BGI reported a 7% rise in pre-tax profit to GBP388 million (H106: GBP364 million), with both income and profit up substantially more in USD terms. Barclays Wealth reported a 34% rise in pre-tax profit to GBP173 million (H106: GBP129 million), reflecting strong income growth from increased client funds and transaction volumes. Loan impairment charges for the Group overall reduced by 9% to GBP959 million for H107 (H106: GBP1.1 billion), despite evidence of increased financial market volatility (notably in the UK and US). Barclays' Tier 1 capital ratio at H107 was unchanged from year-end 2006 at 7.7%.

For detailed rating considerations please refer to the appendix.

S&P (30 January 2008)

Rationale

The ratings on U.K.-based Barclays Bank PLC (Barclays) reflect its strong earnings and returns, good market positions, increased diversification, solid funding base, and highly developed risk-management framework. The ratings also reflect increased earnings volatility and potential for further markdowns in its investment bank; its relatively weak, although improving, capitalization; its significant exposure to U.K. unsecured personal debt; and its large defined-benefit pension scheme.

Barclays has a range of strongly profitable businesses across multiple product lines, including retail banking and business banking in the U.K. and abroad, investment banking, and asset management. Growth has generally been rapid, and until mid-2007 heavily driven by wholesale banking toward which Barclays' business profile has been shifting. Since that time, the investment bank--like many others--has been pressured by markdowns on structured assets and leveraged loans, and we expect this to result in a weaker, but still profitable, second half. Domestic retail growth has been lower than for many banks in recent years, but seems to be responding to various management initiatives.

Diversification, both by business line and geography, has been increasing, and about 50% of group profits now come from outside the U.K. In part, this has come through the organic growth of global product lines including investment banking and asset management, but also through acquisitions, notably in South Africa and Spain. This has helped sustain a good overall performance during difficult recent trading conditions.

Standard & Poor's Ratings Services regards Barclays as having a broad and effective system of risk management with a relatively advanced approach to economic capital, but we judge the group's risk appetite to be high. We consider Barclays' liquidity position to be strong thanks to a large and diversified deposit base, and that Barclays has navigated the recent tight money market conditions well.

Barclays' loan impairment charge in its U.K. unsecured lending and credit card business has leveled off in 2007 following the large increases in previous years, and its mortgage book has a low risk profile. Nevertheless, Barclays remains exposed to further changes in the U.K. economic climate.

We regard Barclays' capitalization as weaker than some similarly rated peers, notwithstanding some recent improvement. Barclays is shareholder focused and has used hybrid capital rather than ordinary shares to fund much of its recent expansion and is now engaged in a share buyback following its 2007 capital injections from Temasek and China Development Bank.

Outlook

The negative outlook on Barclays reflects our view that profitability could come under pressure in 2008 if economic and capital market conditions deteriorate rapidly. This would likely affect the evolution of impairment losses in the commercial banking divisions, with particular regard to real estate lending, and could lead to a sharp upturn in losses on large corporate leveraged lending. Revenues in investment banking may also suffer from further write-downs, reduced private equity realizations, and lower debt issuance activity in such an environment. A negative rating action could follow if profitability declines materially, if there were evidence of a material failure in risk controls, or if Barclays does not meet its capital targets, although we do not currently regard such events as the most likely scenario. The outlook could return to stable if Barclays continues to show resilience though a challenging environment. A positive rating action is considered unlikely in the current environment, and would require a major improvement in capitalization beyond expectations, but a tight capital policy is likely to act as a rating constraint.

Fitch (15 November 2007)

On 15 November 2007 Fitch Ratings affirmed Barclays Bank plc's (Barclays) Long-term Issuer Default rating (IDR) and senior unsecured debt at 'AA+'. At the same time, Fitch has changed the Outlook for the IDR to Negative from Stable. Fitch has also affirmed Barclays' subordinated debt and other preferred and hybrid securities at 'AA', Short-term IDR at 'F1+', Individual rating at 'A/B', Support rating at '1' and Support Rating Floor at 'A- ' (A minus). The Long-term IDR of Barclays' parent, Barclays PLC, has also been affirmed at 'AA+' and its Outlook changed to Negative from Stable. Fitch has affirmed Barclays PLC's Short-term IDR at 'F1+', Support rating at '5' and Support Rating Floor at 'No Floor'.

The rating action follows today's detailed trading update by Barclays PLC in respect of its Barclays Capital unit in the year to end-October 2007 (FY07). Barclays Capital has recorded net write-downs of GBP1.3bn in H207 in respect of ABS CDOs, other US sub-prime loans, SIVs and leveraged finance positions, but still reported record 10M07 earnings of GBP1.9bn.

"The write-downs announced today are substantial but can be absorbed in the context of Barclays' strong cash generation," says James Longsdon, Senior Director in Fitch's Financial Institutions group. "The revision of Barclays' Outlook to Negative reflects our concerns that the continuing expansion of Barclays Capital might expose the group to greater risks and earnings volatility, which could lead to a ratings downgrade."

Barclays is one of the world's largest banks. In the UK it offers a full range of financial services to retail, SME and corporate/wholesale customers. Internationally, it has mainly retail and commercial operations in Europe and Africa. Through Barclays Capital and Barclays Global Investors, Barclays services large corporates, financial institutions and governments around the world.

Fitch (10 October 2007)

Rating Rationale

The ratings of Barclays Bank PLC, the sole subsidiary of Barclays PLC (Barclays), reflect its strong UK franchise, broad business mix, robust profitability, good liquidity and sophisticated risk management.

In March 2007 Barclays announced a bid for ABN AMRO Holding NV (rated 'AA-'), which sparked a counter-offer by the consortium of The Royal Bank of Scotland Group plc ('AA+'), Banco Santander ('AA') and Fortis Bank ('AA-'). In October 2007, Barclays announced that the acceptance conditions relating to its offer would not be fulfilled and, therefore, its offer lapsed. Fitch does not consider the failure to acquire ABN AMRO as a problem for Barclays, which still has a strong franchise that it can continue to develop organically.

Barclays' profitability has been strong for several years. The improving diversification of revenue and profits by business and by geography is a key strength and has enabled the bank to absorb growing impairment in its UK unsecured retail portfolios. Operating ROAE compares well with that of major European peers.

Barclays has limited direct exposure to the US sub-prime market. However, credit market turmoil will affect some of the bank's business volumes in Barclays Capital. The increased diversification of Barclays Capital in recent years should help to mitigate this, although credit products still accounted for about a quarter of division revenue for H107.

NPLs continued to be relatively low as a proportion of total lending in H107, reflecting an overall benign environment. UK unsecured lending has been the main source of new NPLs, mainly in Barclaycard. Lending criteria have been tightened, and new NPL flows are much reduced.

Barclays is adequately capitalised. Among other tools, it uses a sophisticated economic capital model to measure capital adequacy.

Market risk has historically been well controlled, with limits and exposures comfortable in relation to equity.

Funding and liquidity are strengths; Barclays' retail operations give the bank a large and stable funding base.

Barclays PLC's IDR reflects the very high investment-grade rating of Barclays Bank PLC and the fact that there is no intention for there to be any double leverage at Barclays PLC. Were double leverage to be introduced at Barclays PLC, Fitch would expect a more formal and suitably prudent liquidity policy to be introduced.

Outlook

The Long-Term IDR of Barclays Bank PLC is very high and is unlikely to improve. The Stable Outlook reflects the bank's strong profitability and diversified earnings, which should enable the bank to absorb periodical cyclicality in individual business lines. Negative ratings pressure could arise from greater-than-expected earnings volatility or evidence of an increase in risk appetite, for example in Barclays Capital.

Previous transactions

Citi was a co-lead manager on several recent Barclays debt offerings, including US$1.25 BN 6.05% Fixed Rate Sub Notes due 2017 and $1.25 BN 7.434% Step-up Callable Perpetual Reserve Capital Instruments, completed in November 2007 and September 2007 respectively.

December 2007 - $1.15m Barclays Bank 7.75% PerpNC5 callable 03/15/13

Barclays (Aa3/A+/AA) announced a $300 million PerpNC5 US Retail transaction at a price talk of 7.75 - 7.875%, which progressed very well given the amount of supply the market has seen recently. With the deal pricing at the tight end of price guidance garnering $1.15m in size following the exercise of the greenshoe for 6m shares Citi acted as sole physical bookrunner on this offering.

September 2007 - $1.375m Barclays Bank PLC 7.100% PerpNC5 callable 12/15/12; issued September 2007

QDI-eligible Non-Cumulative Callable Dollar Preference Shares (Aa3/A+/AA) offering in the US retail fixed income market at a size of $1.2 billion. The issuer received non-innovative Tier 1 capital treatment for the securities. The greenshoe for this transaction was exercised for 7m shares - bringing the total deal size to 55m shares or $1.375 billion. Citi served as Physical Book-Runner on the transaction, and significantly outperformed all other bookrunners in distribution of shares.

April 2006 - $750m Barclays Bank 6.625% PerpNC5 callable 09/15/11

Economics

Underwriting will ultimately depend on the final deal size but we assume 15% initial liability (+/- 1%)

Gross spread is 3.15% will be split across u/w liability (15%), selling concession (based on shares sold), and management fee (~17%, split only amongst the management group)

Joint-books = Citi (physical), Barclays, UBS, Wachovia, ML. MS is a senior co-arranger.

Distribution: TBD, usually about 85-90% retail (with limited Asian distribution under 5%), 10-15% institutional.

Due Diligence / Internal AML Rating

Internal AML rating is low as this is a UK based entity listed on the LSE.

Detailed transaction description

USD 1 billion Retail-Targeted Exchangeable Capital Securities; Subordinated issue

Detailed use of proceeds

The proceeds of the issue of the preference shares will be used for general corporate purposes.

Citigroup's relationship with the Company

Citi has business relationships with all of the main business divisions of Barclays.

(i) At the Barclays Group level, Citi has a strong advisory dialogue and was retained as one of the advisers on the 2007 bid for ABN Amro, also acting as equity placement agent for the Temasek and CDB stakes.

(ii) At the Bank/BarCap level, Citi is the largest partner for securities services and related cash around the globe, and is also a significant debt capital markets issuance partner for Treasury. Citi also provides a $200mm funding line to the Equifirst subsidiary in the US.

(iii) In BGI we are similarly a major securities services and administration partner, as well as being a major counterparty for fixed income, equity and derivative sales.

There is good management access and relationships at all levels. Citi is currently in the final stages of a major outsourcing/whitelabelling transaction with Barclays, which if successful, will have highly significant revenue addition.

Facilities extended by Citi are c.$9.5bn (outstandings $4.5bn), with Rorc of 50%+. There are also clearing lines of $12bn and settlement lines of $4bn made available. FY07 revenues were c.$75mm, with GTS, FICC and M&A major contributors.
It should also be noted that Barclays also provides a wide range of services to Citi including sterling clearing, network servies to CGML and GTS in Africa/ME, fund management to Citi's UK pension scheme, and a debt issuance partner to Citi Treasury, as well as being a major trading counterparty.

Description of the Company

Summary introduction

Barclays PLC is a major global financial services provider with over 300 years of history and expertise in banking engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management. Operating in over 50 countries and employing 135,000 people, we move, lend, invest and protect money for over 30 million customers and clients worldwide.

Industry

Currently the banking industry is facing three main global challenges.

Market liquidity
The 'credit crunch' disruption in credit markets that began in the latter half of 2007 is resulting in the movement of assets back on to banks' balance sheets, absorbing capital and constraining banks' ability to lend. The disruption has created an imbalance between the supply and demand for many classes of financial assets and has led to the traditional buyers of debt adopting a very cautious approach to the purchase of any securities which are neither fully transparent in risk profile nor of assured liquidity. Although this liquidity strain began in the asset-backed securities markets, it has since spread to more traditional investment classes. In this environment, the scope for a bank to originate assets beyond its capacity to hold them to term is limited by its available capital and funding resources. This environment is less disruptive to banks that fund their lending through deposits than those that rely on the securitisation or wholesale markets for funding.

Progressive alignment of the capital adequacy framework towards economic capital
As major banks move to the new Basel II capital adequacy framework, their capital requirements will necessarily be more closely matched with their risk profiles. In an environment of economic uncertainty, many banks may need to reduce lending due to forecast increases in capital requirements arising from deterioration in the quality of their credit risk exposures. This reduction in risk appetite may potentially accelerate the deterioration in credit quality as credit availability is restricted during a downturn in the economic cycle. When coupled with a lack of market liquidity, this may lead to polarisation within the banking system. Banks with greater capital and liquidity resources are better placed to meet the ongoing banking requirements of their customers than other banks which are more constrained in this regard.

Regulation
Initiatives such as Basel II, together with the increasing international scope of financial services, have increased the level of cooperation between regulatory authorities in different countries. Enhanced understanding of how risks are originated and dispersed in modern financial markets has reinforced the need to address how best to regulate the increasingly integrated and international nature of banking and financial services; this has been evidenced most recently in coordinated discussions on the global liquidity disruption. In addition, the enlargement of the EU, the introduction of the Markets in Financial Instruments Directive ('MIFID') and the continued effort to endorse consistent standards and enforcement has encouraged regulatory bodies to work together more closely. Interaction and cooperation have led to competitive and regulatory issues emerging in one country rapidly being taken up in other jurisdictions. Uniform global standards, however, continue to be complicated by differing local interpretations, or additional local regulation.

History

2006 A benchmark year when 50 per cent of Barclays profits are made outside the UK.

2005 Barclays Head Office moves to the iconic Canary Wharf building in London's regenerated Docklands. Barclays also acquires a majority stake in Absa Group Ltd, South Africa's largest retail bank with more than eight million customers.

2003 Barclays acquires Banco Zaragozano, one of Spain's largest private sector banking groups, which was founded in 1910.

2001 Barclays forms a strategic alliance with Legal & General to sell life, pensions and investment products throughout its UK network.

2000 Barclays takes over the Woolwich, a leading mortgage bank and former building society founded in 1847.

Lines of business, products, services

For management and reporting purposes, Barclays is organized into the following business groupings:

- Global Retail and Commercial Banking
    - UK Banking, comprising:
        - UK Retail Banking
        - UK Business Banking
    - Barclaycard
- International Retail and Commercial Banking, comprising
    - International Retail and Commercial Banking-excluding Absa
    - International Retail and Commercial Banking-Absa, first included with effect from 27th July 2005
- Investment Banking and Investment Management
    - Barclays Capital
    - Barclays Global Investors
    - Barclays Wealth
    - Barclays Wealth-closed life assurance activities
- Head office functions and other operations

UK Banking – UK Banking delivers banking solutions to Barclays UK retail and business banking customers. It offers 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. UK Banking is managed through two business areas, UK Retail Banking and UK Business Banking.

UK Retail Banking – UK Retail Banking comprises Personal Customers, Home Finance, UK Premier and Local Business (formerly Small Business). This 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. UK Premier provides banking, investment products and advice to affluent customers. Local Business provides banking services to small businesses.

UK Business Banking – UK Business Banking provides relationship banking to Barclays larger and medium business customers in the UK. Customers are served by a network of relationship and industry sector specialist managers who provide local access to an extensive range of products and services, as well as offering business information and support. Customers are also offered access to the products and expertise of other businesses in the Group, particularly Barclays Capital and Barclaycard. UK Business Banking provides asset financing and leasing solutions through a specialist business.

Barclaycard – Barclaycard is a multi-brand credit card and consumer loans business which also processes card payments for retailers and merchants and issues credit and charge cards to corporate customers and the UK Government. It is one of Europe's leading credit card businesses and has an increasing presence in the United States.

In the UK, Barclaycard comprises Barclaycard, SkyCard and Monument branded credit cards, Barclays branded loans and FirstPlus secured lending. Barclaycard also manages card operations on behalf of Solution Personal Finance.

Outside the UK, Barclaycard provides credit cards in the United States, Germany, Spain, Italy, Portugal and Africa. In the Nordic region, Barclaycard operates through Entercard, a joint venture with FöreningsSparbanken (Swedbank).

Barclaycard works closely with other parts of the Group, including UK Retail Banking, UK Business Banking and International Retail and Commercial Banking, to leverage their distribution capabilities.

International Retail and Commercial Banking – International Retail and Commercial Banking provides Barclays personal and corporate customers outside the UK with banking services. The products and services offered to customers are tailored to meet the regulatory and commercial environments within each country. For reporting purposes from 2005, the operations have been grouped into two components: International Retail and Commercial Banking-excluding Absa and International Retail and Commercial Banking-Absa. International Retail and Commercial Banking works closely with all other parts of the Group to leverage synergies from product and service propositions.

International Retail and Commercial Banking-excluding Absa – International Retail and Commercial Banking-excluding Absa provides a range of banking services, including current accounts, savings, investments, mortgages and loans to personal and corporate customers across Spain, Portugal, France, Italy, Africa and the Middle East.

International Retail and Commercial Banking-Absa – International Retail and Commercial Banking-Absa represents Barclays consolidation of Absa, excluding Absa Capital which is included as part of Barclays Capital. Absa Group Limited is one of South Africa's largest financial services organizations serving personal, commercial and corporate customers predominantly in South Africa. 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, installment finance, credit cards, bancassurance products and wealth management services; it also offers customized business solutions for commercial and large corporate customers.

Barclays Capital – Barclays Capital is a leading global investment bank which provides large corporate, institutional and government clients with solutions to their financing and risk management needs.

Barclays Capital services 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 organized into three principal areas: Rates, which includes fixed income, foreign exchange, commodities, emerging markets, money markets, sales, trading and research, 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, commercial 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.

Barclays Global Investors – Barclays Global Investors (BGI) is one of the world's largest asset managers and a leading global provider of investment management products and services.

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. In addition, BGI is the global leader in assets and products in the exchange traded funds business, with over 190 funds for institutions and individuals trading in fifteen markets globally. BGI's investment philosophy is founded on managing all dimensions of performance: a consistent focus on controlling risk, return and cost. 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.

Barclays Wealth – Barclays Wealth serves affluent, high net worth and intermediary clients worldwide, providing private banking, asset management, stockbroking, offshore banking, wealth structuring and financial planning services. Barclays Wealth works closely with all other parts of the Group to leverage synergies from client relationships and product capabilities.

Barclays Wealth-closed life assurance activities – Barclays Wealth-closed life assurance activities comprise the closed life assurance businesses of Barclays and Woolwich in the UK.

Head office functions and other operations *comprise*:

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

Head office and central support functions comprise 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 maximizing recovery from the assets. Consolidation adjustments largely reflect the elimination of inter-segment transactions.

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*	56	11	248	4,692	(4)	55	(83)	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	1,559	48,809	811,516	87,101	43,988	34,924	1,194,885

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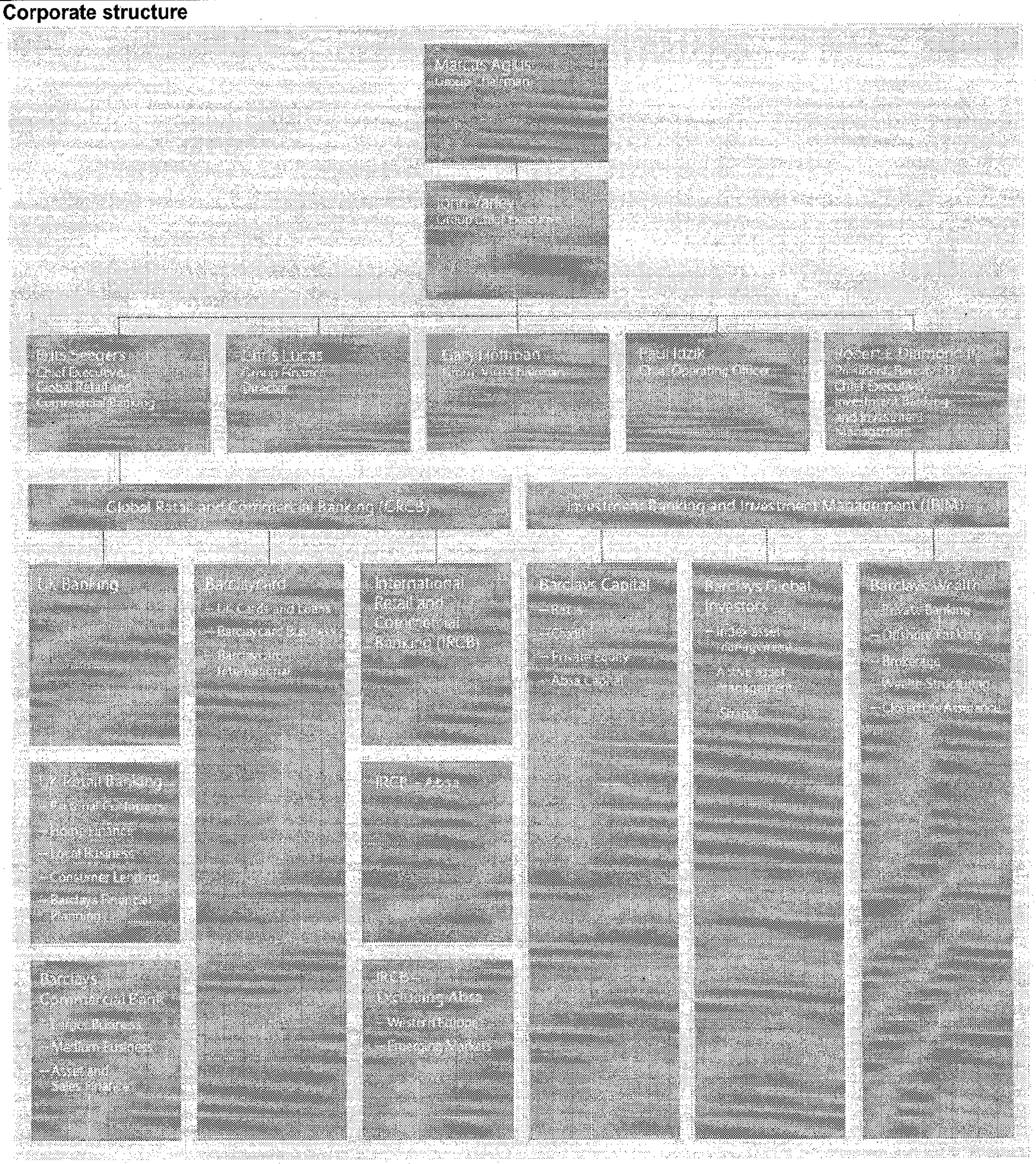
Corporate structure



Business strategy
Barclays strategic priorities are to:
– Build the best bank in the UK
– Accelerate growth of global businesses
– Develop Retail and Commercial Banking activities in selected countries outside the UK
– Enhance operational excellence

A range of financial and non-financial key performance indicators (KPIs) are monitored at both a Group and business level to assess progress against these strategic goals.

Growth outlook
Barclays sees another year in which global economic growth will be around 4%. The emerging economies account for about a third of global GDP, but they account for two thirds of global GDP growth and they continue to perform strongly. However, in many economies of the developed world, there will be a slowdown, and in particular we expect economic growth in the UK and the US to be below the trend of recent years. In an environment such as this

Barclays will have to be disciplined in our risk management and rigorous in its approach to lending. The bank's management believes that they will enter 2008 with a strong capital base, a consistent strategic direction, a well diversified set of businesses and significant opportunities for growth in the medium term.

Competition

The global financial services markets in which the Group operates are highly competitive. Innovative competition for corporate, institutional and retail clients and customers comes both from incumbent players and a steady stream of new market entrants. The landscape is expected to remain highly competitive in all areas, which could adversely affect the Group's profitability if the Group fails to retain and attract clients and customers.

Recent developments

On 3rd March 2008, Barclays entered into an agreement with Petropavlousk Finance (limited liability society) to acquire 100% of the Russian Bank, Expobank, for a consideration of approximately $745m (£373m). The transaction is expected to close in summer 2008 after receipt of appropriate regulatory approvals. Expobank focuses principally on Western Russia, with a substantial presence in Moscow and St Petersburg. Founded in 1994 it has grown rapidly and comprises a blend of retail and commercial banking, operating 32 branches and dealing with a range of corporate and wholesale clients. As at 31st December 2007, Expobank had net assets of $186m (£93m).

On 7th February 2008, Barclays announced the purchase of Discover's UK credit card business for a consideration of approximately £35m. The consideration is subject to an adjustment mechanism based on the net asset value of the business at completion. Completion is subject to various conditions, including competition clearance, and is expected to occur during the first half of 2008.

On 5th October 2007, Barclays announced that as at 4th October 2007 not all of the conditions relating to its offer for ABN AMRO Holding N.V. were fulfilled and as a result Barclays was withdrawing its offer with immediate effect. Barclays also announced that it was restarting the Barclays PLC share buy-back programme to minimise the dilutive effect of the issuance of shares to China Development Bank and Temasek Holdings (Private) Limited on existing Barclays PLC shareholders. This programme was intended to run until 31st December 2007, but was subsequently extended to 31st January 2008.

On 16th April 2007, Barclays announced the sale of Barclays Global Investors Japan Trust & Banking Co., Ltd, a Japanese trust administration and custody operation. The sale completed on 31st January 2008.

Profile and background of Management and Board of Directors

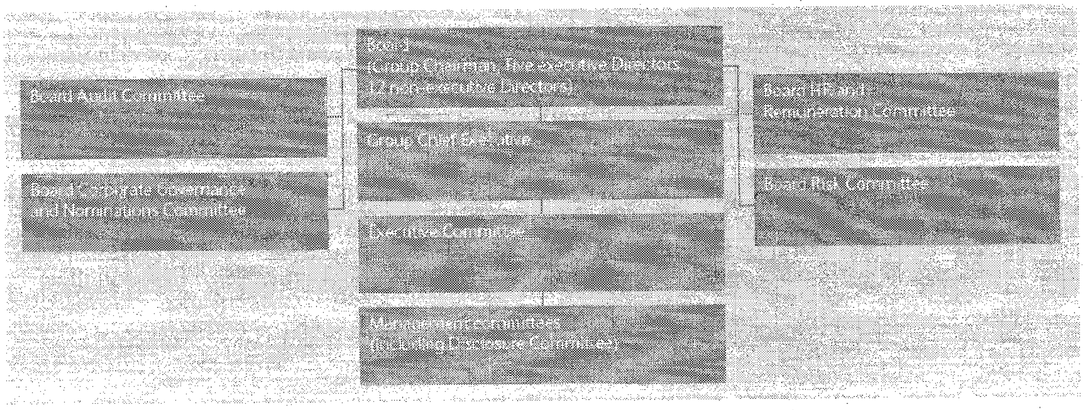
The Board		Date appointed as Director
Marcus Agius	Group Chairman	2006
David Booth	Non-executive Director	2007
Sir Richard Broadbent	Senior Independent Director	2003
Leigh Clifford AO	Non-executive Director	2004
Fulvio Conti	Non-executive Director	2006
Dr Danie Cronjé	Non-executive Director	2005
Professor Dame Sandra Dawson	Non-executive Director	2003
Sir Andrew Likierman	Non-executive Director	2004
Sir Michael Rake	Non-executive Director	2008
Sir Nigel Rudd DL	Deputy Chairman	1996
Stephen Russell	Non-executive Director	2000
Sir John Sunderland	Non-executive Director	2005
Patience Wheatcroft	Non-executive Director	2008
John Varley	Group Chief Executive	1998
Robert E Diamond Jr	President, Barclays PLC and Chief Executive, Investment Banking and Investment Management	2005
Gary Hoffman	Group Vice Chairman	2004
Chris Lucas	Group Finance Director	2007
Frits Seegers	Chief Executive, Global Retail and Commercial Banking	2006

The Executive Committee		Date appointed
John Varley	Group Chief Executive	1996
Robert E Diamond Jr	President, Barclays PLC and Chief Executive, Investment Banking and Investment Management	1997
Paul Idzik	Chief Operating Officer	2004
Chris Lucas	Group Finance Director	2007
Frits Seegers	Chief Executive, Global Retail and Commercial Banking	2006

Other officers		Date appointed
Jonathan Britton	Financial Controller	2006
Lawrence Dickinson	Company Secretary	2002
Patrick Gonsalves	Joint Secretary, Barclays Bank PLC	2002
Mark Harding	General Counsel	2003
Robert Le Blanc	Risk Director	2004

Corporate Governance

Corporate Governance Framework



UK Combined Code on Corporate Governance

As Barclays is listed on the London Stock Exchange it complies with the UK Combined Code on Corporate Governance (the Code). The Code was revised in June 2006 and the revised Code applied to Barclays with effect from 1st January 2007. For the year ended 31st December 2007, Barclays has complied with the relevant provisions set out in section 1 of the Code and applied the principles of the Code as described in this report.

NYSE Corporate Governance Rules

Barclays has American Depositary Receipts listed on the New York Stock Exchange (NYSE) and is therefore subject to the NYSE's Corporate Governance rules (NYSE Rules). As a non-US company listed on the NYSE, Barclays is exempt from most of the NYSE Rules, which domestic US companies must follow. Barclays is required to provide an Annual Written Affirmation to the NYSE of its compliance with the applicable NYSE Rules and also to disclose any significant ways in which its corporate governance practices differ from those followed by domestic US companies listed on the NYSE. As Barclays' main listing is on the London Stock Exchange, Barclays follows the UK's Combined Code.

Further details can be found on page 134 of the Annual report.

Key Shareholders/Principals

Name	No. Shares	% o/s
SCOTTISH WIDOWS INVESTMENT PARTNERSHIP LTD.	329,648,746	5.0%
LEGAL & GENERAL INVESTMENT MANAGEMENT LTD.	271,732,991	4.1%
CHINA DEVELOPMENT BANK	201,388,889	3.1%
STANDARD LIFE INVESTMENTS LTD.	128,724,190	2.0%
M&G INVESTMENT MANAGEMENT LTD.	126,645,748	1.9%
DEUTSCHE BANK AG (PRIME BROKERAGE)	115,831,000	1.8%
BARCLAYS GLOBAL INVESTORS NA (CA)	99,220,004	1.5%
UBS GLOBAL ASSET MANAGEMENT (UK) LTD.	89,791,177	1.4%
STATE STREET GLOBAL ADVISORS LTD. (UK)	81,427,844	1.2%
INSIGHT INVESTMENT MANAGEMENT (GLOBAL) LTD.	79,631,000	1.2%
BLACKROCK INVESTMENT MANAGEMENT (UK) LTD.	70,108,000	1.1%
ALLIANCEBERNSTEIN LP	68,311,534	1.0%
MORLEY FUND MANAGEMENT	64,784,000	1.0%

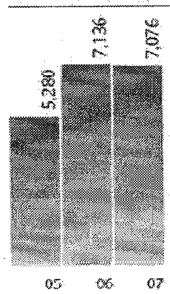
Historical Financial Information

Key highlights

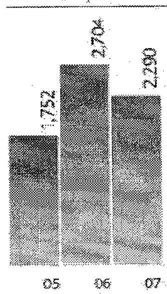
For the year ended 31st December

Income statement	2007 £m	2006 £m	2005 £m
Total income net of insurance claims	23,000	21,595	17,333
Impairment charges and other credit provisions	(2,795)	(2,154)	(1,571)
Operating expenses	(13,199)	(12,674)	(10,527)
Profit before tax	7,076	7,136	5,280
Profit attributable to equity holders of the parent	4,417	4,571	3,447
Economic profit	2,290	2,704	1,752
Basic earnings per share	68.9p	71.9p	54.4p
Diluted earnings per share	66.7p	69.8p	52.6p
Dividend per ordinary share	34.0p	31.0p	26.6p
Return on average shareholders' equity	20.3%	24.7%	21.1%
Tier 1 capital ratio	7.8%	7.7%	7.0%

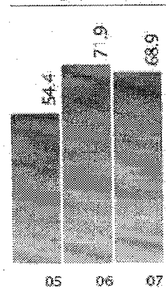
Profit before tax £m



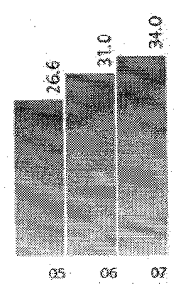
Economic profit £m



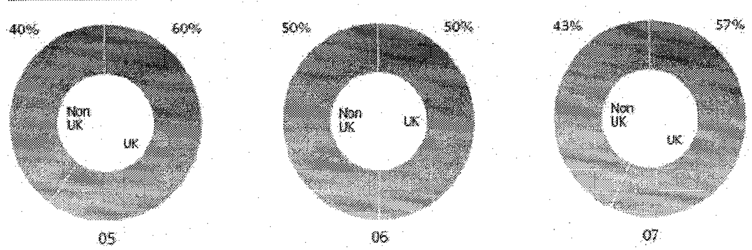
Earnings per share pence



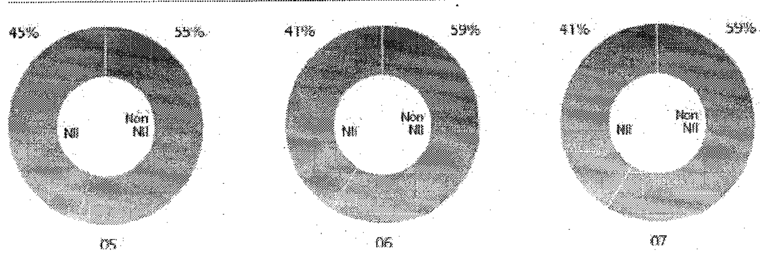
Dividend per share pence



Profit diversification by geographic region %



Revenue mix %



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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	131
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%
Cost:income ratio	57%	59%	61%	61%
Cost:net income ratio	65%	65%	67%	66%
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.

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	15,032	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]

	2007	2006	2005	2004
Risk weighted assets	353,476	297,833	269,148	218,601
Tier 1 ratio	7.8%	7.7%	7.0%	7.6%
Risk asset ratio	12.1%	11.7%	11.3%	11.5%

Selected financial statistics

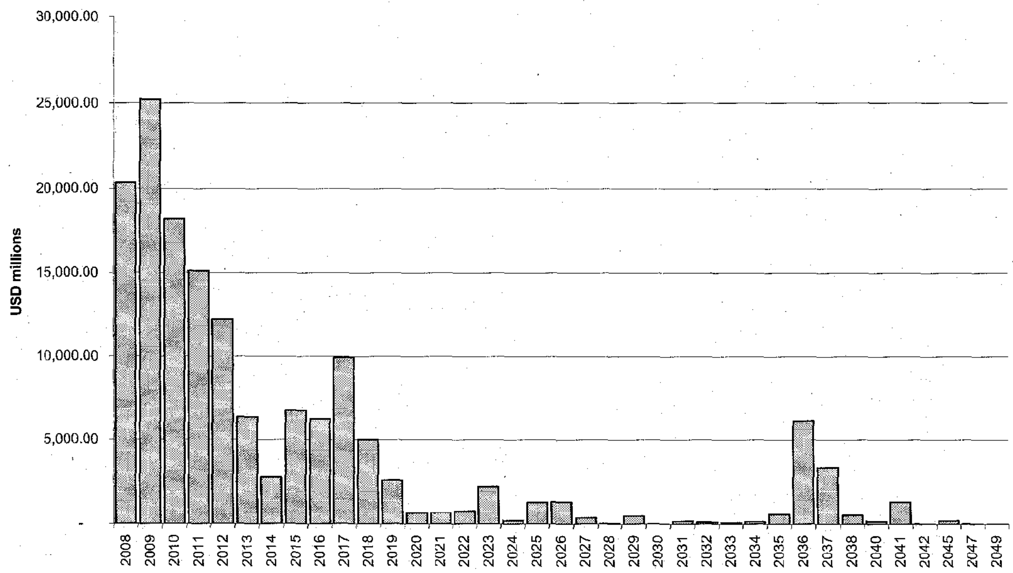
	2007	2006	2005	2004
Net asset value per ordinary share	353p	303p	269p	246p
Year-end United States Dollar exchange rate used in preparing the accounts	2.00	1.96	1.72	1.92
Year-end Euro exchange rate used in preparing the accounts	1.36	1.49	1.46	1.41
Year-end Rand exchange rate used in preparing the accounts	13.64	13.71	10.87	10.86

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 are based on UK GAAP and have not been restated as these remain as reported to the Financial Services Authority (FSA). As at 1st January 2005 the tier 1 ratio was 7.1% and the risk asset ratio was 11.8% reflecting the impact of IFRS including the adoption of IAS 32, IAS 39 and IFRS 4.

Debt maturity profile



Peer comps

	HSBC Holdings Plc	Citi	Barclays	RBS	Standard Chartered	Santander
Issuer rating						
S&P	AA-	AA	AA	AA	A	AA
Moody's	Aa2	Aa3	Aa1	Aaa	A3	Aa1
Fitch	AA	AA	AA+	AA+	A+	AA
Financial Data						
Time period	FY 2007	FY 2007	FY 2007	FY 2007	FY 2007	FY 2007
Currency	USD	USD	USD	USD	USD	USD
Net interest income	37,795	46,936	19,194	25,302	6,265	22,527
Total Income	87,601	81,698	45,938	62,146	11,067	39,876
Impairment charge	(17,242)	(18,509)	(5,582)	(4,430)	(761)	(5,227)
Operating Expense	(39,042)	(61,488)	(26,362)	(28,068)	(6,215)	(17,981)
Net Income	19,133	3,617	10,176	15,403	2,813	12,546
Total Assets	2,354,266	2,182,700	2,451,420	3,795,926	329,205	1,344,587
Total Loans	981,548	777,993	769,999	2,094,479	189,631	832,863
Deposits and ST funding	1,228,321	1,312,555	770,029	1,987,319	205,640	1,156,180
Equity	135,416	113,600	64,865	182,606	21,452	76,507
Ratios (%)						
Impaired Loans / Gross loans	1.80%	1.31%	3.28%	1.6%	1.5%	0.95%
Tier 1 Ratio	9.30%	7.10%	7.80%	7.3%	9.8%	7.71%
Total Capital Ratio	13.60%	10.90%	12.10%	11.2%	16.7%	12.66%
Equity to Assets	5.75%	5.20%	2.65%	4.8%	6.5%	5.69%
Return on Avg Assets (ROAA)	0.97%	0.13%	0.39%	0.56%	1.00%	1.09%
Return on Avg Equity (ROAE)	15.90%	2.90%	20.30%	16.9%	15.6%	21.90%
Cost To Income Ratio	49.40%	75.00%	57.00%	40.7%	56.0%	44.20%

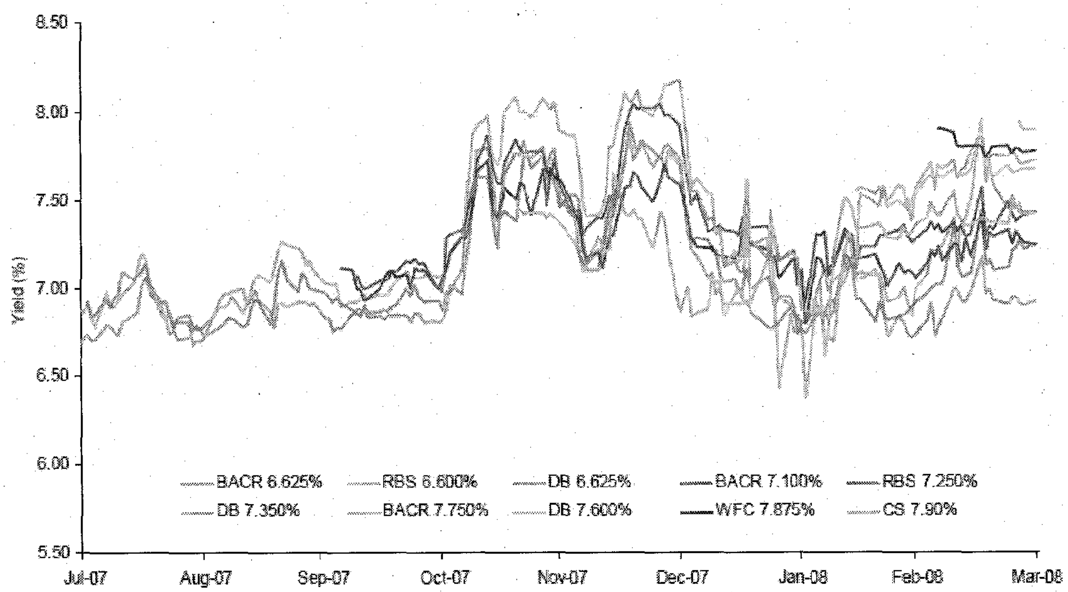
Summary Projected Financial Information

Fiscal year end 31-Dec	2006	2007	2008E	2009E	2010E
Valuation Ratios					
P/E adjusted (x)	8.0	7.5	7.4	7.3	7.0
P/E reported (x)	6.8	7.2	7.4	7.3	7.0
P/BV (x)	1.6	1.4	1.3	1.2	1.1
P/Adjusted BV diluted (x)	1.6	1.4	1.3	1.2	1.1
Dividend yield (%)	6.5	7.1	7.7	8.2	8.8
Per Share Data (p)					
EPS adjusted	60.0	64.0	64.5	65.3	68.0
EPS reported	69.8	66.7	64.5	65.3	68.0
BVPS	303.0	352.9	380.2	405.6	430.8
Tangible BVPS	191.4	242.2	255.8	285.4	314.7
Adjusted BVPS diluted	296.2	343.7	370.2	395.1	419.6
DPS	31.0	34.0	36.5	39.0	42.0
Profit & Loss (£M)					
Net interest income	9,143	9,610	10,313	10,802	11,307
Fees and commissions	7,177	7,824	8,215	8,790	9,406
Other operating Income	5,275	5,682	5,509	5,852	6,221
Total operating income	**21,595**	**23,116**	**24,037**	**25,445**	**26,934**
Total operating expenses	-12,949	-13,322	-14,075	-15,405	-16,478
Oper. profit bef. provisions	**8,646**	**9,794**	**9,961**	**10,039**	**10,456**
Bad debt provisions	-2,154	-2,795	-2,747	-2,674	-2,754
Non-operating/exceptionals	644	77	-159	-157	-156
Pre-tax profit	**7,136**	**7,076**	**7,055**	**7,208**	**7,546**
Tax	-1,941	-1,981	-1,975	-2,018	-2,113
Extraord./Min. Int./Pref. Div.	-624	-678	-763	-776	-793
Attributable profit	**4,571**	**4,417**	**4,317**	**4,414**	**4,640**
Adjusted earnings	3,934	4,239	4,317	4,414	4,640
Growth Rates (%)					
EPS adjusted	11.9	6.6	0.8	1.3	4.2
Oper. profit bef. prov.	23.9	13.3	1.7	0.8	4.1
Balance Sheet (£M)					
Total assets	**996,787**	**1,227,361**	**1,318,778**	**1,422,474**	**1,506,763**
Avg interest earning assets	347,374	380,284	423,130	465,696	495,929
Customer loans	285,631	349,167	375,174	398,293	421,894
Gross NPLs	5,849	11,438	8,479	9,001	9,535
Liab. & shar. funds	**996,787**	**1,227,361**	**1,318,778**	**1,422,474**	**1,506,763**
Total customer deposits	256,754	294,987	316,958	336,490	356,429
Reserve for loan losses	3,069	3,265	3,467	3,681	3,908
Shareholders' equity	**19,799**	**23,291**	**25,347**	**27,309**	**29,291**
Profitability/Solvency Ratios (%)					
ROE adjusted	21.1	19.7	17.8	16.8	16.4
Net interest margin	2.63	2.53	2.44	2.32	2.28
Cost/income ratio	60.0	57.6	58.6	60.5	61.2
Cash cost/average assets	1.3	1.2	1.1	1.1	1.1
NPLs/customer loans	2.0	3.3	2.3	2.3	2.3
Reserve for loan losses/NPLs	52.5	28.5	40.9	40.9	41.0
Bad debt prov./avg. cust. loans	0.8	0.9	0.8	0.7	0.7
Loans/deposit ratio	111.2	118.4	118.4	118.4	118.4
Tier 1 capital ratio	7.7	7.8	7.5	7.5	7.5
Total capital ratio	11.7	12.1	11.4	11.1	10.9

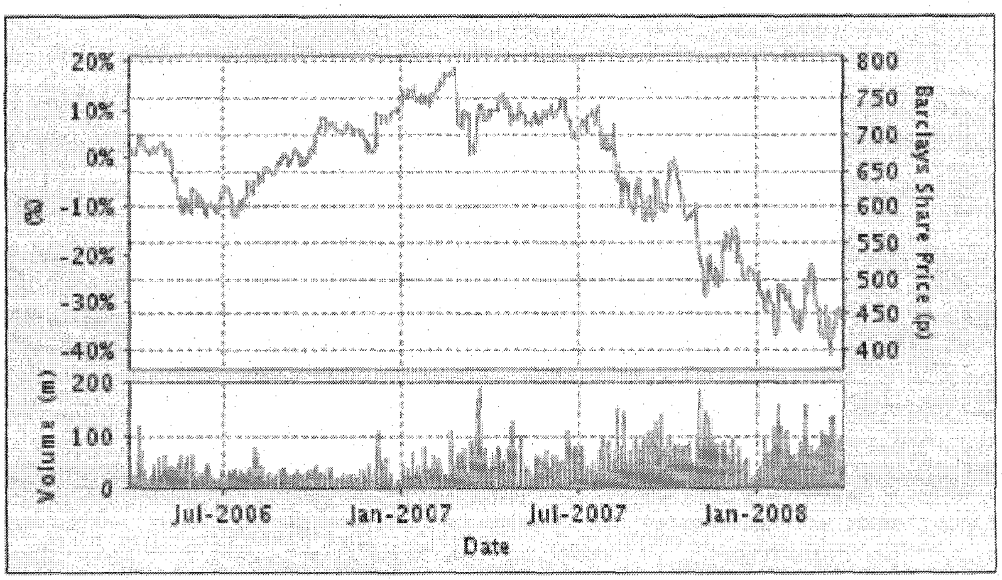
Source: Citi equity research (20th February 2008)

Market data

Bond price performance chart



Share price



Market share (Autex)

ADVERTISED TRADE VOLUME (000 SHARES)

Broker	Mar 29 2007 - Mar 27 2008	% Of Total	# Of Trd	Rank
LEHMAN BROTHERS, INC.	242	52.06	19	1
CITIGROUP	**127**	**27.32**	**12**	**2**
SUNTRUST ROBINSON HUMPHREY	46	9.92	7	3
WILLIAM BLAIR & COMPANY, LLC.	17	3.66	6	4
MORGAN STANLEY	14	3.1	12	5
JPMORGAN	9	1.91	1	6
FERRIS BAKER WATTS & CO.,INC	5	1.14	1	7
UBS	4	0.88	5	8
TOTAL BROKERS = 8	**465**		**63**	

Positive Investment Considerations

- Barclays is one of the largest financial services companies in the world by market capitalization and is present in over 60 countries.
- Barclaycard is one of the leading cards businesses in Europe, and has 15 million UK customers and 8.8 million international cards in issue.
- Barclays Global Investors is one of the world's largest asset managers and a leading provider of investment management products and services, with a leading reputation in index and LDI management
- Fast growing international businesses, with International Retail and Commercial Banking contributed 13% to gross profits in 2007
- Barclays has been in existence for over 300 years.

Negative Investment Considerations / Key Risk Factors

- **Business conditions and general economy.** The profitability of Barclays businesses could be adversely affected by a worsening of general economic conditions in the United Kingdom, globally or in certain individual markets such as the US or South Africa. Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices could significantly affect the activity level of customers
- **Credit risk.** Credit risk is the risk of suffering financial loss, should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group. Credit risk may also arise where the downgrading of an entity's credit rating causes the fair value of the Group's investment in that entity's financial instruments to fall. The credit risk that the Group faces arises mainly from commercial and consumer loans and advances, including credit card lending. Furthermore, credit risk is manifested as country risk where difficulties may arise; in the country in which the exposure is domiciled thus impeding or reducing the value of the asset; or where the counterparty may be the country itself.
- **Market risk.** Market risk is the risk that the Group's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, credit spreads, commodity prices, equity prices and foreign exchange rates. The main market risk arises from trading activities. The Group is also exposed to interest rate risk in the banking book and market risk in the pension fund.
- **Operational risk.** Operational risk is the risk of direct or indirect losses resulting from human factors, external events, and inadequate or failed internal processes and systems. Operational risks are inherent in Barclays operations and are typical of any large enterprise. Major sources of operational risk include operational process reliability, IT security, outsourcing of operations, dependence on key suppliers, implementation of strategic change, integration of acquisitions, fraud, human error, customer service quality, regulatory compliance, recruitment, training and retention of staff, and social and environmental impacts.

- **Capital risk.** Capital risk is the risk that the Group has insufficient capital resources to:
  - Meet minimum regulatory capital requirements in the UK and in other markets such as the US and South Africa where regulated activities are undertaken. The Group's authority to operate as a bank is dependent upon the maintenance of adequate capital resources.
  - Support its strong credit rating. In addition to capital resources, the Group's rating is supported by a diverse portfolio of activities, an increasingly international presence, consistent profit performance, prudent risk management and a focus on value creation. A weaker credit rating would increase the Group's cost of funds; and
  - Support its growth and strategic options.

- **Regulatory and compliance risk.** The Group's businesses and earnings can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in the UK, the European Union (EU), the US, South Africa and elsewhere.
  - In July 2007, the OFT commenced a test case in the High Court by agreement with Barclays and seven other financial institutions in which the parties seek declarations on two legal issues arising from the banks' terms and conditions relating to overdraft charges.
  - In April 2007, the UK consumer interest association known as Which? submitted a super-complaint to the OFT criticising the various ways in which credit card companies calculate interest charges on credit card accounts
  - On 26th January 2007, the FSA issued a Statement of Good Practice relating to Mortgage Exit Administration Fees. Barclays will charge the fee applicable at the time the customer took out the mortgage, which is one of the options recommended by the FSA.
  - On 7th September 2006, the OFT announced that it had decided to undertake a fact find on the application of its statement on credit card fees to current account unauthorized overdraft fees. The OFT expects this work to take up to six months, at which stage the OFT will consider whether a further detailed investigation into unauthorized overdraft fees is needed.
  - In April 2006, the Office of Fair Trading (OFT) commenced a review of the undertakings given following the conclusion of the Competition Commission Inquiry in 2002 into the supply of banking services to Small and Medium Enterprises (SMEs). The Group is cooperating fully with that review.

- **Liquidity risk.** Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due and to replace funds when they are withdrawn, with consequent failure to repay depositors and fulfil commitments to lend. The risk that it will be unable to do so is inherent in all banking operations and can be impacted by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters.

- **Business risk.** Business risk is the risk of adverse outcomes resulting from a weak competitive position or from poor choice of strategy, markets, products, activities or structures. Major potential sources of business risk include revenue volatility due to factors such as macroeconomic conditions, inflexible cost structures, uncompetitive products or pricing and structural inefficiencies.

- **Legal risk.** The Group is subject to a comprehensive range of legal obligations in all countries in which it operates. As a result, the Group is exposed to many forms of legal risk, which may arise in a number of ways. Primarily:
  - the Group's business may not be conducted in accordance with applicable laws around the world;
  - contractual obligations may either not be enforceable as intended or may be enforced against the Group in an adverse way;
  - the intellectual property of the Group (such as its trade names) may not be adequately protected;
  - the Group may be liable for damages to third parties harmed by the conduct of its business.

- **Competition**. The global financial services markets in which the Group operates are highly competitive. Innovative competition for corporate, institutional and retail clients and customers comes both from incumbent players and a steady stream of new market entrants. The landscape is expected to remain highly competitive in all areas, which could adversely affect the Group's profitability if the Group fails to retain and attract clients and customers.

Due Diligence Review (Appendix A)

Due diligence call is scheduled for April 3rd, 2008. Business and TEG will participate on the call.

Conflicts and Compliance issues/notification

None.

Marketing views of Syndicate

Citi expects good demand from the market given the qualified dividend income nature and the high single A security ratings.

Trading comps

Issuer	Issue Date	Amount ($mm)	Ratings	Dividend	Maturity	Call Lockout	Price*	Strip Yield*
Credit Suisse	03/28/08	1,400	Aa3/A+	7.900%	Perpetual	NC5	$25.00	7.900%
Wells Fargo Capital XII	03/05/08	1,575	Aa2/AA-	7.875%	03/15/68	NC5	$25.25	7.800%
DB Contingent Capital Trust III	02/12/08	1,975	Aa3/A+	7.600%	Perpetual	NC5	$24.89	7.673%
Barclays Bank plc	11/30/07	1,150	Aa3/A+	7.750%	Perpetual	NC5	$25.01	7.775%
DB Capital Funding Trust X	11/07/07	805	Aa3/A+	7.350%	Perpetual	NC5	$24.98	7.359%
Royal Bank of Scotland Group plc	09/20/07	1,600	Aa3/A	7.250%	Perpetual	NC5	$24.82	7.306%
Barclays Bank plc	09/06/07	1,375	Aa3/A+	7.100%	Perpetual	NC5	$24.80	7.182%
DB Capital Funding Trust IX	07/13/07	1,150	Aa3/A	6.625%	Perpetual	NC5	$23.50	7.090%
Royal Bank of Scotland Group plc	06/22/07	950	Aa3/A	6.600%	Perpetual	NC5	$21.98	7.510%
Barclays Bank plc	04/20/06	750	Aa3/A+	6.625%	Perpetual	NC5	$23.79	6.985%

* Source: Bloomberg

Target Investors

Marketed to broad retail and to institutional investors globally. Distribution breakdown is expected to be about 85-90% retail (with limited Asian distribution under 5%), 10-15% institutional.

Timetable of Corporate Actions

Date	Event
05/03/2008	- Final 2007 Ex-Dividend Date
07/03/2008	- Final 2007 Dividend Record Date
24/04/2008	- 2008 Annual General Meeting
25/04/2008	- Final 2007 Dividend Payment Date
15/05/2008	- 2008 First half Interim Management Statement
07/08/2008	- 2008 Half Yearly Financial Report Statement

Other Unusual Circumstances / Concerns / Risks

- Barclays currently has one of the European bank sector's lowest "tangible equity / assets" ratios. Whilst *regulatory ratio (tier 1 ratio is 7.8%) is at target levels, the capital markets are also looking at a broader range of* ratios including leverage based ratios

- Barclays has RWA's of £353bn (c.$700bn) and thus may be vulnerable to any sharp increases in impairments and delinquencies if economic conditions worsen (large loan book exposures are to consumer, property and construction)

Recommendation

We are supportive of Citi's participation in Barclays' anticipated offering.

Memorandum Exhibits required

Tab 1)	Draft prospectus (supplement).
Tab 2)	Moody's, S&P and Fitch rating reports.
Tab 3)	Citi equity research. Deutsche Bank equity research.
Tab 4)	Credit and trading comparables.
Tab 5)	Recent relevant press cuttings.

Subject to completion

Preliminary Prospectus Supplement dated April , 2008

Prospectus Supplement to Prospectus dated August 31, 2007

<sp>American Depositary Shares, Series 5
Barclays Bank PLC
Representing
Non-Cumulative Callable Dollar Preference Shares, Series 5

(Nominal value of $0.25 each)

The information in this preliminary prospectus supplement is not complete and may be changed.

We, Barclays Bank PLC, are issuing dollar-denominated non-cumulative callable preference shares, series 5, which will be sold in the form of American Depositary Shares, series 5, or ADSs.

From and including the date of issuance, dividends will accrue on each preference share at a rate of % per year on the amount of $25 per preference share. Dividends will be payable quarterly in arrear on March 15, June 15, September 15 and December 15 of each year, commencing on [June] 15, 2008. We may redeem some or all of the preference shares on [June] 15, 201[3] and on any dividend payment date thereafter at a redemption price of $25 per preference share plus accrued but unpaid dividends (if any) for the then-current dividend period.

Dividends on the preference shares are discretionary. However, if dividends are not paid in full on the preference shares, we and our parent, Barclays PLC, will be subject to restrictions on our ability to pay dividends on (or redeem or repurchase) our ordinary shares and Barclays PLC's ordinary shares, other series of preference shares and other share capital, until we next make a payment in respect of your preference shares or redeem or purchase all of your preference shares. Barclays PLC has not otherwise agreed to guarantee our obligations in respect of the preference shares. Dividends on the preference shares are payable only to the extent that payment can be made out of profits that are available for distribution and permitted by law to be distributed.

If we are liquidated, you will be entitled to receive a liquidation preference of $25 per preference share plus accrued but unpaid dividends (if any) for the then-current dividend period, but only after we have paid all of our debts and other liabilities to our creditors and to holders of any of our capital shares that are senior to your preference shares.

Investing in the preference shares or ADSs involves risks. See "Risk Factors" beginning on page S-11 of this prospectus supplement and on page of our Annual Report on Form 20-F incorporated by reference herein.

Application will be made to list the ADSs on the New York Stock Exchange. Trading of the ADSs on the New York Stock Exchange is expected to commence within 30 days after the initial delivery of the ADSs.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission has approved or disapproved of these securities or determined that this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

	Price to Public(1)	Underwriting Compensation(2)	Proceeds, before expenses, to Barclays Bank PLC
Per ADS	$ 25.00	$	$
Total	$	$	$

(1) Plus accrued dividends, if any, from the original date of issuance.

(2) For sales to certain institutions, the underwriting compensation will be $ per ADS and, to the extent of such sales, the total underwriting discount will be less than the amount set forth above.

We have granted the underwriters [an option to purchase on or prior to , 2008] [a day option to purchase] up to an additional ADSs to cover overallotments, if any, at the Price to Public less the Underwriting Compensation. If the option is exercised in full, the total Price to Public, Underwriting Compensation, and Proceeds, before expenses, payable to us will be $, $ and $, respectively. Any ADSs or preference shares issued or sold under the option will have the same terms and conditions as the ADSs or preference shares described herein.

The underwriters expect to deliver the ADSs to purchasers in book-entry form only through the facilities of The Depository Trust Company, or DTC, on or about April , 2008. Beneficial interests in the ADSs will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants, including Clearstream Banking, société anonyme and Euroclear Bank S.A./N.V.

Barclays Capital **Citi**

LONDON:302954.2C

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PROSPECTUS SUPPLEMENT

PROSPECTUS

FORWARD-LOOKING STATEMENTS

This prospectus supplement and certain documents incorporated by reference herein contain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to certain of our plans and our current goals and expectations relating to our future financial condition and performance and which involve a number of risks and uncertainties. We caution readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. Forward-looking statements sometimes use words such as 'aim', 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding our future financial position, income growth, impairment charges, business strategy, projected costs and estimates of capital expenditure and revenue benefits, projected levels of growth in the banking and financial markets, future financial and operating results, future financial position, projected costs and estimates of capital expenditures and other statements that are not historical fact.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are subject to, among other things, domestic and global economic and business conditions, market related risks such as changes in interest rates and exchange rates, volatility in the global financial markets (such as those experienced recently), the policies and actions of governmental and regulatory authorities, changes in legislation, progress in the integration of Absa into our business and the achievement of synergy targets related to Absa, the outcome of pending and future litigation, and the impact of competition — a number of which factors are beyond our control. As a result, our actual future results may differ materially from the plans, goals, and expectations set forth in such forward-looking statements. Additional risks and factors are identified in our filings with the U.S. Securities and Exchange Commission (the "SEC") including in our Annual Report on Form 20-F for the fiscal year ended December 31, 2007 (the "2007 Form 20-F"), which is available on the SEC's website at www.sec.gov. Any forward-looking statements made by or on our behalf speak only as of the date they are made. We do not undertake to update forward-looking statements to reflect any changes in expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that we have made or may make in documents we have filed or may file with the SEC.

INCORPORATION OF DOCUMENTS BY REFERENCE

This prospectus supplement is part of a registration statement on Form F-3 (File No. 333-145845) we have filed with the SEC under the Securities Act of 1933, as amended. This prospectus supplement omits some information contained in the registration statement in accordance with SEC rules and regulations. You should review the information in and exhibits to the registration statement for further information on us and the securities we are offering. Statements in this prospectus supplement concerning any document we have filed or will file as an exhibit to the registration statement or that we have otherwise filed with the SEC are not intended to be comprehensive and are qualified in their entirety by reference to these filings. You should review the complete document to evaluate these statements.

The SEC allows us to "incorporate by reference" much of the information we file with the SEC, which means that we can disclose important information to you by referring you to those publicly available documents. The information that we incorporate by reference in this prospectus supplement is an important part of this prospectus supplement. For information on the documents we incorporate by reference in this prospectus supplement and the accompanying prospectus, we refer you to "Incorporation of Certain Documents by Reference" on page 1 of the accompanying prospectus.

In addition to the documents listed in the accompanying prospectus, we incorporate by reference in this prospectus supplement and the accompanying prospectus any future documents we may file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus supplement until the offering contemplated in this prospectus supplement is completed. Reports on Form 6-K we may furnish to the SEC after the date of this prospectus supplement (or portions thereof) are incorporated by reference in this prospectus supplement only to the extent that the report expressly states that it (or such portions) is incorporated by reference in this prospectus supplement.

We will provide to you, upon your written or oral request, without charge, a copy of any or all of the documents we referred to above or in the accompanying prospectus which we have incorporated in this prospectus supplement by reference. You should direct your requests to Barclays Bank PLC, 200 Park Avenue, New York, New York 10166, Attention: General Counsel (telephone: 212-412-4000).

SUMMARY

The following is a summary of this prospectus supplement and should be read as an introduction to, and in conjunction with, the remainder of this prospectus supplement, the accompanying prospectus and any documents incorporated by reference therein. You should base your investment decision on a consideration of this prospectus supplement, the accompanying prospectus and any documents incorporated by reference therein, as a whole. Words and expressions defined in "Description of Preference Shares" and "Description of American Depositary Receipts" below shall have the same meanings in this summary.

General

The Issuer	Barclays Bank PLC Barclays Bank PLC, including its subsidiary undertakings, is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC, which is the ultimate holding company of Barclays Bank PLC and one of the largest financial services companies in the world by market capitalization. Except as provided in the deed of covenant to be entered into by Barclays PLC containing the dividend restriction referred to below under "Dividends", Barclays PLC has not assumed any obligations in respect of the preference shares.
The Securities We Are Offering	We are offering dollar-denominated non-cumulative callable preference shares, series 5, which will be sold in the form of American Depositary Shares, series 5, or ADSs.
Issue Date	April , 2008
Liquidation Preference	$25
Form of Securities	The preference shares will be represented by a share warrant to bearer in the form of a single global share warrant to bearer which will be deposited with the American Depositary Receipt ("ADR") depositary under the ADR deposit agreement. We may consider the ADR depositary to be a single holder of the preference shares so deposited for all purposes.
Use of Proceeds	The proceeds of the issue of the preference shares will be used for general corporate purposes.
Manner of Offering	The ADSs will be offered in connection with their initial issuance or in market-marking transactions, if any, by our affiliates after initial issuance. The aggregate initial offering price specified on the cover of this prospectus supplement relates to the initial offering of the ADSs. This amount does not include ADSs sold in any market-making transactions.

	We do not expect to receive any proceeds from market-making transactions. Please see "Underwriting" in this prospectus supplement for more information.
Listing	Application will be made to list the ADSs on the New York Stock Exchange. Trading of the ADSs on the New York Stock Exchange is expected to commence within 30 days after the initial delivery of the ADSs. The underlying preference shares will not be listed for trading purposes by any stock exchange or securities market.
Risk Factors	Investing in the ADSs and the underlying preference shares offered under this prospectus supplement involves risk. For a description of risks relating to investing in the ADSs and the underlying preference shares, please see the section "Risk Factors" in this prospectus supplement and the 2007 Form 20-F.
CUSIP	
ISIN	
Over-Allotment Option	We have granted to the underwriters [an option to purchase on or prior to , 2008] [a day option to purchase] up to an additional ADSs to cover over-allotments, if any. Any ADSs or preference shares issued or sold under the option will have the same terms and conditions as the ADSs or preference shares described herein.

Description of Preference Shares

General	The preference shares will have a nominal value of $0.25 each and will, when issued, be fully paid and non-assessable.
Ranking	The preference shares will rank equally among themselves and will rank senior to our ordinary shares and any other class of our shares ranking junior to the preference shares as regards participation in our profits and on a return of capital or a winding-up.
Dividends	Non-cumulative preferential dividends will accrue on the preference shares from and including the date of their issuance. Dividends will accrue and be payable on each preference share at a rate of % per year on the amount of $25 per preference share, from and including the date of issuance. Dividends will be payable quarterly in arrear in U.S. dollars on March 15, June 15, September 15 and December 15 of each year, commencing on [June] 15, 2008.

Dividends on the preference shares may be paid only to the extent that our Board considers that payment can be made out of our distributable profits (i.e., profits of Barclays Bank PLC that are available for distribution and permitted by law to be distributed). We may for any reason not pay in full or in part any dividends on the preference shares in respect of one or more dividend periods.

In addition, we will not pay a dividend on the preference shares if payment of the dividend would cause a breach of the applicable capital adequacy requirements of the United Kingdom's Financial Services Authority ("FSA") unless the FSA agrees otherwise.

If we do not pay in full any dividend on the preference shares on a dividend payment date (or if we fail to set aside the amount of the payment in full), neither we nor Barclays PLC may:

(i) declare or pay a dividend on any of our ordinary shares, other preference shares or other share capital ranking pari passu with or junior to the preference shares in respect to dividend payments and rights in liquidation; or

(ii) redeem, purchase, reduce or otherwise acquire any of our respective ordinary shares, preference shares or other share capital (or set aside any sum or establish any sinking fund for the redemption, purchase or other acquisition thereof);

until the earlier of (a) the dividend payment date on which we next pay in full (or set aside a sum to provide for payment in full of) a dividend on the preference shares and (b) the date on or by which all of the preference shares are either redeemed in full or purchased by or for our account, in each case in accordance with our articles of association and the terms of the preference shares. The restriction in clause (i) above does not apply to any payment by Barclays PLC of a final dividend declared by its shareholders prior to the relevant dividend payment date, or a dividend paid by us to Barclays PLC or to another wholly-owned subsidiary of Barclays PLC. The restriction in clause (ii) above does not apply to purchases, redemptions, reductions or other acquisitions of our shares held by Barclays PLC or another wholly-owned subsidiary of Barclays PLC.

Rights Upon Liquidation.. If there is a return of capital in respect of our voluntary or involuntary liquidation, dissolution, winding-up or otherwise, other than a redemption or purchase by us of any of our issued shares, or a reduction of our share capital, permitted by our articles of association and under applicable law, you will be entitled to receive a liquidation distribution of $25 per preference share, plus accrued but unpaid dividends (if any) for the then-current dividend period, as described under "Description of Preference Shares — Rights Upon Liquidation" in this prospectus supplement.

Redemption .... Subject to the requirements of the UK Companies Act 1985 (as amended) and the operative company law provisions of the UK Companies Act 2006 (the "Companies Acts"), our articles of association and to giving one month's prior written notice to the FSA (if required), we may redeem some or all of the preference shares on [June] 15, 201[3] and on any dividend payment date thereafter. If we redeem your preference shares, we will give you at least 30 days (but no more than 60 days) prior notice. The redemption price payable on the redemption of preference shares is equal to $25 per preference share plus accrued but unpaid dividends (if any) for the then-current dividend period to the date fixed for redemption. For further information, please see "Description of Preference Shares — Redemption" in this prospectus supplement.

Purchases .... Subject to the requirements of the Companies Acts, U.S. securities laws, our articles of association and all other applicable rules and regulations, and subject to the consent of or prior notification to the FSA (if required) we may at any time purchase, or cause to be purchased for our account, all or any of the preference shares at any price. We will not be required to select the shares to be purchased ratably or in any other particular manner as between the holders of preference shares or as between them and the holders of shares of any other class (whether or not the preference shares rank senior to such other class).

Voting Rights .... As a holder of the preference shares or ADSs, you will not be entitled to receive notice of, attend or vote at any general meeting of our ordinary shareholders.

Variation of Rights .... We may not vary or abrogate the rights attached to the preference shares except pursuant to a special resolution adopted by holders of the preference shares or with the written consent of holders of three-fourths of the preference shares.

We may not authorize, create or increase the amount of any shares of any class, or any security convertible into shares of any class, ranking senior to the preference shares, except pursuant to a special resolution passed at a separate general meeting of the holders of the preference shares or with the written consent of holders of three-fourths of the issued preference shares.

Further Issues .... We may, at any time and from time to time, and without any consent or sanction of the holders of the preference shares, create or issue further preference shares or other

	share capital ranking equal or junior to the preference shares.
No Additional Amounts	If at any time we are required by a tax authority to deduct or withhold taxes from payments made by us with respect to the preference shares, we will not pay additional amounts. As a result, the net amount received from us by each holder of a preference share, after the deduction or withholding, will be less than the amount the holder would have received in the absence of the deduction or the withholding.
Registrar and Paying Agent	The Bank of New York, One Canada Square, London E14 5AL, United Kingdom, will act as the registrar and initial principal paying agent for the preference shares.
Governing Law	English law.

Description of American Depositary Receipts (ADRs)

Depositary	The Bank of New York will act as the ADR depositary. The ADR depositary's corporate trust office in New York City is presently located at 101 Barclay Street, New York, New York 10286.
American Depositary Receipts	An ADR is a certificate evidencing a specific number of ADSs. Each ADS will represent one preference share, or evidence of rights to receive one preference share, deposited with the London office of The Bank of New York, as custodian.
Withdrawal of Deposited Securities	ADRs may be surrendered in exchange for preference shares in registered form only. Upon surrender of ADRs at the ADR depositary's corporate trust office in New York City and upon payment of the taxes, charges and fees provided in the deposit agreement and subject to its terms, an ADR holder is entitled to delivery, to or upon its order, at the ADR depositary's corporate trust office in New York City or the office of the custodian in London of the amount of preference shares represented by the ADSs evidenced by the surrendered ADRs.
Cash Dividends and Other Cash Distributions	The ADR depositary will distribute all cash dividends or other cash distributions that it receives in respect of deposited preference shares to the ADR holders in proportion to their holdings of ADSs representing the preference shares.
Redemption of ADSs	If we redeem the preference shares represented by ADSs, the ADR depositary will distribute the redemption amount to ADR holders as a cash distribution, as described under "Description of American Depositary Receipts — Cash Dividends and Other Cash Distributions" in this prospectus supplement.

General	Neither the ADR depositary nor we will be liable to ADR holders if prevented or forbidden or delayed by any present or future law of any country or by any governmental or regulatory authority or stock exchange, any present or future provision of our articles of association, any provision of any securities issued or distributed by us, or any act of God or war or terrorism or other circumstances beyond our control or the ADR depositary's control in performing our obligations under the deposit agreement.
Governing Law	The deposit agreement and the ADRs are governed by, and construed in accordance with, the laws of the State of New York.
Ratings	It is expected that the ADSs will be rated [•] by Moody's Investors Service, [•] by Standard & Poor's and [•] by Fitch Ratings Ltd. These ratings reflect only the view of the applicable rating agency at the time the rating is issued, and any explanation of the significance of the rating may only be obtained from the relevant rating agency. There is no assurance that any credit rating will remain in effect for any given period of time or that it will not be lowered, suspended, modified or withdrawn entirely by the applicable rating agency if, in that rating agency's judgment, circumstances warrant the lowering, suspension, modification or withdrawal of the rating. Any such lowering, suspension or withdrawal of any rating may have an adverse effect on the market price or the marketability of the ADSs.

RISK FACTORS

Investing in the securities offered under this prospectus supplement involves risk. You should carefully consider the risks and the other information contained in this prospectus supplement, the accompanying prospectus, the 2007 Form 20-F and any other documents incorporated by reference before deciding to invest in the securities. If any of these risks occurs, our business, financial condition, and results of operations could suffer, and the trading price and liquidity of the preference shares or the ADSs could decline, in which case you could lose some or all of your investment.

If We Do Not Make Payments on Other Securities Issued by Us, We Will Not be Permitted to Pay Dividends on the Preference Shares

We have previously issued certain tier-one notes, or TONs, and reserve capital instruments, or RCIs. If we defer any coupon payment on the TONs, we will not be permitted to pay any dividends on (or redeem or repurchase) any preference shares until we make a coupon payment on the TONs. If we defer any coupon payment on the RCIs, we will not be permitted to pay any dividends on any preference shares until we pay the deferred coupon payment.

In addition, we have previously issued other preference shares. If our board of directors decides not to pay in full dividends on those other preference shares, we will not be permitted to pay dividends on (or redeem or repurchase) any preference shares offered under this prospectus supplement.

In the future, we may issue other preference shares and securities that similarly restrict our ability to pay dividends on (or redeem or repurchase) the preference shares offered under this prospectus supplement in the event we do not make payments on such other preference shares and securities.

Dividends on the Preference Shares Are Discretionary and Non-cumulative

Our board of directors may resolve, for any reason and in its absolute discretion, not to pay in full or in part any dividends on the preference shares in respect of a particular dividend period. Also, our board of directors is not permitted to pay any dividends on the preference shares unless such dividends can be paid out of our profits that are available for distribution and permitted by law to be distributed. In addition, we will not pay a dividend on the preference shares if payment of the dividend would cause a breach of the applicable capital adequacy requirements of the FSA.

There can be no assurance that we will have sufficient profits available for distribution for our board of directors to be authorized to pay the full amount of dividends on the preference shares in respect of a particular dividend period. For more information regarding risks that may materially affect the amount of our profits available for distribution and our ability to make payments under the preference shares, please refer to the information under the caption "Risk Factors" in the 2007 Form 20-F, which is incorporated by reference in this prospectus supplement.

Dividends on the preference shares will also be non-cumulative. If our board of directors does not pay the full amount of the dividend payable on a dividend payment date, then the rights of holders of the preference shares or ADSs to receive any unpaid amount in respect of the relevant dividend period will be lost. We will have no obligation to pay the dividend accrued for that dividend period or to pay any interest on the dividend, whether or not dividends on the preference shares are paid for any subsequent dividend period.

If We Are Wound-up or Liquidated, Any Distribution on the Preference Shares Will be Subordinated to the Claims of Our Creditors, and Holders of the Preference Shares may be Treated Differently from Holders of TONs and RCIs

If we are wound-up or liquidated, voluntarily or involuntarily, you will not be entitled to receive any liquidation preference on the preference shares until after the claims of all of our creditors have been satisfied. If we do not have sufficient assets at the time of liquidation to satisfy those claims, you will not receive any liquidation preference on the preference shares. There is no limitation on our ability to issue debt securities in the future that would rank equal or senior in liquidation to the preference shares offered under this prospectus supplement.

Subject to the requirements described under "Description of Preference Shares — Variation of Rights," we will be permitted to issue preference shares in the future that would rank senior in liquidation to the preference shares offered under this prospectus supplement. Because preference shares are in legal form of a different nature to the TONs or RCIs (or similar securities that we have issued or may issue in the future), there can be no assurances that as a holder of a preference share you will be treated equally with such securities in all circumstances.

Dividends on the Preference Shares Could Be Adversely Affected By Regulatory Restrictions on Our Operations

UK bank regulatory authorities could make determinations in the future with respect to us that could adversely affect our ability to pay dividends in respect of the preference shares or ADSs. In addition, United States federal or state regulatory authorities, as well as regulatory authorities in other countries, have regulatory authority over us and/or our subsidiary undertakings. Under certain circumstances, any of such regulatory authorities could make determinations or take decisions in the future with respect to us and/or any of our subsidiary undertakings or a portion of their respective operations or assets that could adversely affect the ability of any of them to, among other things, make distributions to their respective securityholders, engage in transactions with affiliates, purchase or transfer assets, pay their respective obligations or make any redemption or liquidation payments to their securityholders. Please refer to the information under the caption "[Section 1 Business Review — Risk Management — Supervision and Regulation]" in the 2007 Form 20-F, which is incorporated by reference in this prospectus supplement, for a description of regulations currently applicable to us.

Holders may be Required to Bear the Financial Risks of an Investment in the Preference Shares and the ADSs for an Indefinite Period of Time

The preference shares and ADSs do not have a fixed final redemption date and investors will have no right to call for the redemption of the preference shares or the ADSs. Although we may redeem preference shares and ADSs on [June] 15, 201[3] and on any dividend payment date thereafter at a redemption price of $25 per preference share plus accrued but unpaid dividends (if any) for the then-current dividend period, we have no obligation to redeem preference shares and ADSs and there may be limitations on our ability to do so. Therefore, you should be aware that you may be required to bear the financial risks of an investment in the preference shares and the ADSs for an indefinite period of time.

An Active Market for the ADSs May Fail to Develop

Application will be made to list the ADSs on the New York Stock Exchange and trading of the ADSs on the New York Stock Exchange is expected to commence within 30 days after the initial delivery of the ADSs. However, we do not intend to list the preference shares for trading on any stock exchange or securities market and we are not required to maintain the listing of the ADSs on the New York Stock Exchange or any other stock exchange or securities market. There can be no assurance that an active public market for the ADSs will develop and, if such a market were to develop, neither the underwriters nor any other person are required to maintain such a market. The liquidity and the market prices for the ADSs can be expected to vary with changes in market and economic conditions generally and in our financial condition, credit rating and prospects in particular, as well as in response to other factors that generally influence the market prices of securities.

National Association of Insurance Commissioners

The National Association of Insurance Commissioners ("NAIC") reviews a broad array of securities, including so-called hybrid securities such as the preference shares, and may from time to time classify them into various categories. Depending on how the NAIC may classify the preference shares, they may be more or less attractive to U.S. insurance companies that may seek to invest in the preference shares, which may in turn affect the demand for the preference shares after this offering. You should consult with your own advisor about the implications to you, if any, of a classification by the NAIC with respect to the preference shares, if any.

Holders of the Preference Shares or ADSs Do Not Have Voting Rights

As a holder of the preference shares or ADSs, you will not be entitled to receive notice of, attend or vote at any general meeting of our ordinary shareholders.

Rating Agencies May Change Rating Methodologies, Including Their Views on "Notching" Practices

The rating agencies may in the future change their rating methodologies for securities with features similar to the preference shares. This may include, for example, the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the preference shares, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the preference shares were to be subsequently lowered, this may have a negative impact on the trading price of the ADSs.