EXHIBIT 111

FILED UNDER SEAL

From: Lin, Mei: Product Control (NYK) [/O=BZW/OU=USA/CN=NYK AD USERS/CN=USERS/CN=LINMEI]
Sent: Tuesday, February 12, 2008 11:33:11 PM
To: McCosker, Tom: Product Control (NYK); Bommensath, Eric: Markets (NYK); Ornstein, David: Markets (LDN); King, Stephen: CDO (NYK); MIS Product Control (NYK); Patel, Rahil: Product Control (LDN); Morton, Marcus: Product Control (NYK); Smith, Richard: Finance (LDN); Kaczka, Joseph: Product Control (NYK); Agency CDO PCG; Clackson, Patrick: Finance (LDN); Walker, James: Finance (NYK); Copson, Paul: Finance (LDN); Yoss, Eric: Market Risk (NYK); Hamilton, Tom: RMBS Trading (NYK); MBS Product Control; Anderson, Elida: Product Control (NYK)
Subject: US Portfolio Asset Book FLASH P&L Feb 12th
Attachments: Flash 02122008.xls

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

12 Feb 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD
US ABS Portfolio			
CDO	0	0	(9,498)
Alt-A	0	0	0
CMBS	0	0	(600)
Other ABS	0	0	1,300
Relative Value	0	0	0
Reserves - Trading	0	2,854	18,037
Subprime	(85)	25,169	(337,871)
US ABS Portfolio Total	**(85)**	**28,024**	**(328,633)**
US Cash Portfolio			
Whole Loans (US)	0	0	(63,269)
Impairment	0	0	0
NBT	0	(3,484)	(3,484)
Nims / Post Nims	(85)	(1,272)	(4,685)
US Cash Portfolio Total	**(85)**	**(4,756)**	**(71,439)**
Net Revenue Total	**(170)**	**23,268**	**(400,072)**

Commentary:

ABX prices movement mixed, AAA spread tightening while BBB- spread widening.

Please direct any queries to mis product control (NYK)

Flash
02122008.xls

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US Portfolio Asset Book (ABS and Cash) Flash Summary Report

12 Feb 2008 - USD ('00	Flash Daily	Formal MTD	Formal YTD	P&L Comment
US ABS Portfolio				
CDO	0	0	(9,498)	
Alt-A	0	0	0	
CMBS	0	0	(600)	
Other ABS	0	0	1,300	
Relative Value	0	0	0	
Reserves - Trading	0	2,854	18,037	
Subprime	(85)	25,169	(337,871)	ABX prices movement mixed, AAA spread tightening while BBB- spread widening
US ABS Portfolio Total	**(85)**	**28,024**	**(328,633)**	
US Cash Portfolio				
Whole Loans (US)	0	0	(63,269)	
Impairment	0	0	0	
NBT	0	(3,484)	(3,484)	
Nims / Post Nims	(85)	(1,272)	(4,685)	daily funding expense on Uncollaterlized Loan for 1 day
US Cash Portfolio Total	**(85)**	**(4,756)**	**(71,439)**	
Net Revenue Total	**(170)**	**23,268**	**(400,072)**	

US Portfolio Asset Book (ABS and Cash) Flash Detail Report

12 Feb 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD	P&L Comment
US ABS Portfolio				
CDO				
Cash	0	0	(3,078)	
Reserve - NAV Impairment	0	0	(1,778)	
Synthetic	0	0	(4,643)	
CDO Total	**0**	**0**	**(9,498)**	
Alt-A				
Cash	0	0	0	
Synthetic	0	0	0	
Alt-A Total	**0**	**0**	**0**	
CMBS				
Cash	0	0	(600)	
Synthetic	0	0	0	
CMBS Total	**0**	**0**	**(600)**	
Other ABS				
Cash	0	0	1,300	
Synthetic	0	0	0	
Other ABS Total	**0**	**0**	**1,300**	
Relative Value				
ABX	0	0	0	
Cash	0	0	0	
Synthetic	0	0	0	
Relative Value Total	**0**	**0**	**0**	
Reserves - Trading	0	2,854	18,037	
Subprime				
ABX	0	0	0	
Cash	(85)	61,613	(197,385)	ABX prices movement mixed, AAA spread tightening while BBB- spread widening
Reserves - NAV Impairment	0	(36,444)	(140,486)	
Synthetic	0	0	0	
Subprime Total	**(85)**	**25,169**	**(337,871)**	
US ABS Portfolio Total	**(85)**	**28,024**	**(328,633)**	
US Cash Portfolio				
Whole Loans (US)				
Cash	0	0	(63,269)	
Synthetic	0	0	0	
Whole Loans (US) Total	**0**	**0**	**(63,269)**	
Impairment	0	0	0	
NBT				
Cash	0	0	0	
Synthetic	0	(3,484)	(3,484)	
NBT Total	**0**	**(3,484)**	**(3,484)**	
Nims / Post Nims				
Cash	(85)	(1,272)	(4,685)	daily funding expense on Uncollaterlized Loan for 1 day
Synthetic	0	0	0	
Nims / Post Nims Total	**(85)**	**(1,272)**	**(4,685)**	
US Cash Portfolio Total	**(85)**	**(4,756)**	**(71,439)**	
Net Revenue Total	**(170)**	**23,268**	**(400,072)**	

EXHIBIT 112

FILED UNDER SEAL

From: Sood, Astha: Product Control (NYK) [/O=BZW/OU=USA/CN=NYK AD USERS/CN=USERS/CN=SOODA]
Sent: Friday, February 29, 2008 11:12:06 PM
To: McCosker, Tom: Product Control (NYK); Bommensath, Eric: Markets (NYK); Ornstein, David: Markets (LDN); King, Stephen: CDO (NYK); MIS Product Control (NYK); Patel, Rahil: Product Control (LDN); Morton, Marcus: Product Control (NYK); Smith, Richard: Finance (LDN); Kaczka, Joseph: Product Control (NYK); Clackson, Patrick: Finance (LDN); Walker, James: Finance (NYK); Copson, Paul: Finance (LDN); Yoss, Eric: Market Risk (NYK); Hamilton, Tom: RMBS Trading (NYK); MBS Product Control; Anderson, Elida: Product Control (NYK); Agency CDO PCG
Subject: US Portfolio Asset Book FLASH P&L Feb 29th
Attachments: flash 29-Feb-08.xls

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

29 Feb 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD
US ABS Portfolio			
Alt-A	0	0	(100,000)
CDO	(12,180)	(32,863)	(160,304)
CMBS	(7,880)	(2,569)	(14,403)
Other ABS	0	0	0
Relative Value	0	0	0
Reserves - Trading	0	10,055	30,442
Subprime	3,050	19,912	(30,164)
US ABS Portfolio Total	**(17,010)**	**(5,465)**	**(274,428)**
US Cash Portfolio			
Impairment	(3,362)	(92,229)	(185,244)
NBT	0	536	(87,157)
Nims / Post Nims	(85)	(2,720)	(6,134)
Whole Loans (US)	0	0	(63,269)
US Cash Portfolio Total	**(3,447)**	**(94,414)**	**(341,804)**
Net Revenue Total	**(20,457)**	**(99,878)**	**(616,232)**

Commentary:

CDO: -12mm remarks of additional ratings downgrades.

CMBS: -7.5mm mark down of CRE CDOs

SP: 133k IR01 in 2-7Y with swaps rates 22bps lower

Please direct any queries to mis product control (NYK)

flash 29-Feb-08.xls

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US Portfolio Asset Book (ABS and Cash) Flash Summary Report

29 Feb 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD	P&L Comment
US ABS Portfolio				
Alt-A	0	0	(100,000)	
CDO	(12,180)	(32,863)	(160,304)	-12mm remarks of additional ratings downgrades
CMBS	(7,880)	(2,569)	(14,403)	-7.5mm mark down of CRE CDOs
Other ABS	0	0	0	
Relative Value	0	0	0	
Reserves - Trading	0	10,055	30,442	
Subprime	3,050	19,912	(30,164)	133k IR01 in 2-7Y with swaps rates 22bps lower
US ABS Portfolio Total	**(17,010)**	**(5,465)**	**(274,428)**	
US Cash Portfolio				
Impairment	(3,362)	(92,229)	(185,244)	
NBT	0	536	(87,157)	
Nims / Post Nims	(85)	(2,720)	(6,134)	daily funding expense on Uncollaterlized Loan for 1 day
Whole Loans (US)	0	0	(63,269)	
US Cash Portfolio Total	**(3,447)**	**(94,414)**	**(341,804)**	
Net Revenue Total	**(20,457)**	**(99,878)**	**(616,232)**	

EXHIBIT 113

FILED UNDER SEAL

From: Lin, Mei: Product Control (NYK) [/O=BZW/OU=USA/CN=NYK AD USERS/CN=USERS/CN=LINMEI]
Sent: Wednesday, March 05, 2008 11:49:05 PM
To: McCosker, Tom: Product Control (NYK); Bommensath, Eric: Markets (NYK); Ornstein, David: Markets (LDN); King, Stephen: CDO (NYK); MIS Product Control (NYK); Patel, Rahil: Product Control (LDN); Morton, Marcus: Product Control (NYK); Smith, Richard: Finance (LDN); Kaczka, Joseph: Product Control (NYK); Clackson, Patrick: Finance (LDN); Walker, James: Finance (NYK); Copson, Paul: Finance (LDN); Yoss, Eric: Market Risk (NYK); Martin, David: Markets (NYK); Agency CDO PCG
Subject: US Portfolio Asset Book FLASH P&L Mar 5th
Attachments: Flash 03052008.xls

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

05 Mar 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD
US ABS Portfolio			
CDO	(3,560)	(8,041)	(174,455)
Alt-A	0	0	(100,000)
CMBS	140	1,863	(3,829)
Other ABS	(1,920)	(3,024)	(3,024)
Relative Value	0	0	0
Reserves - Trading	0	(784)	31,286
Subprime	(2,210)	(2,774)	(39,077)
US ABS Portfolio Total	**(7,550)**	**(12,760)**	**(289,100)**
US Cash Portfolio			
Whole Loans (US)	0	0	(63,269)
Impairment	0	0	(186,530)
NBT	0	59	(87,098)
Nims / Post Nims	(85)	(426)	(6,560)
US Cash Portfolio Total	**(85)**	**(367)**	**(343,457)**
Net Revenue Total	**(7,635)**	**(13,127)**	**(632,557)**

Commentary:

CDO: ($3.6mm) loss in CDO positions due to further downgrades/credit deterioration

Other: ($1.9mm) in interest rate swap due to 12-15bp increase in swap rates with 133K IR01

Subprime: Spread tightened in most ABX indexes, resulting in net loss in our super senior and hedge positions, plus ($450K) loss in new trades

Please direct any queries to mis product control (NYK)

Flash 03052008.xls

Document Produced in Native Format

US Portfolio Asset Book (ABS and Cash) Flash Summary Report

05 Mar 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD	P&L Comment
US ABS Portfolio				
CDO	(3,560)	(8,041)	(174,455)	($3.6mm) loss in CDO positions due to further downgrades/credit deterioration
Alt-A	0	0	(100,000)	
CMBS	140	1,863	(3,829)	
Other ABS	(1,920)	(3,024)	(3,024)	($1.9mm) in interest rate swap due to 12-15bp increase in swap rates with 133k IR01
Relative Value	0	0	0	
Reserves - Trading	0	(784)	31,286	
Subprime	(2,210)	(2,774)	(39,077)	Spread tightened in most ABX indexes, resulting in net loss in our super senior and hedge positions, plus ($450K) loss in new trades
US ABS Portfolio Total	**(7,550)**	**(12,760)**	**(289,100)**	
US Cash Portfolio				
Whole Loans (US)	0	0	(63,269)	
Impairment	0	0	(186,530)	
NBT	0	59	(87,098)	
Nims / Post Nims	(85)	(426)	(6,560)	daily funding expense on Uncollaterlized Loan for 1 day
US Cash Portfolio Total	**(85)**	**(367)**	**(343,457)**	
Net Revenue Total	**(7,635)**	**(13,127)**	**(632,557)**	

US Portfolio Asset Book (ABS and Cash) Flash Detail Report

05 Mar 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD	P&L Comment
US ABS Portfolio				
CDO				
Cash	(3,560)	(7,834)	(130,744)	($3.6mm) loss in CDO positions due to further downgrades/credit deterioration
Reserve - NAV Impairment	0	(207)	(43,712)	
Synthetic	0	0	0	
CDO Total	**(3,560)**	**(8,041)**	**(174,455)**	
Alt-A				
Cash	0	0	(100,000)	
Impairment Reserve	0	0	0	
Synthetic	0	0	0	
Alt-A Total	**0**	**0**	**(100,000)**	
CMBS				
Cash	140	(2,817)	(28,484)	
Impairment Reserve	0	(561)	(2,011)	
Synthetic	0	5,241	26,667	
CMBS Total	**140**	**1,863**	**(3,829)**	
Other ABS				
Cash	(1,920)	(3,024)	(3,024)	($1.9mm) in interest rate swap due to 12-15bp increase in swap rates with 133k IR01
Synthetic	0	0	0	
Other ABS Total	**(1,920)**	**(3,024)**	**(3,024)**	
Relative Value				
ABX	0	0	0	
Cash	0	0	0	
Synthetic	0	0	0	
Relative Value Total	**0**	**0**	**0**	
Reserves - Trading	0	(784)	31,286	
Subprime				
ABX	0	0	0	
Cash	(2,210)	40,097	239,053	Spread tightened in most ABX indexes, resulting in net loss in our super senior and hedge positions, plus ($450K) loss in new trades
Reserves - NAV Impairment	0	(42,871)	(278,130)	
Synthetic	0	0	0	
Subprime Total	**(2,210)**	**(2,774)**	**(39,077)**	
US ABS Portfolio Total	**(7,550)**	**(12,760)**	**(289,100)**	
US Cash Portfolio				
Whole Loans (US)				
Cash	0	0	(63,269)	
Synthetic	0	0	0	
Whole Loans (US) Total	**0**	**0**	**(63,269)**	
Impairment	0	0	(186,530)	
NBT				
Cash	0	0	0	
Synthetic	0	59	(87,098)	
NBT Total	**0**	**59**	**(87,098)**	
Nims / Post Nims				
Cash	(85)	(426)	(6,560)	daily funding expense on Uncollaterlized Loan for 1 day
Synthetic	0	0	0	
Nims / Post Nims Total	**(85)**	**(426)**	**(6,560)**	
US Cash Portfolio Total	**(85)**	**(367)**	**(343,457)**	
Net Revenue Total	**(7,635)**	**(13,127)**	**(632,557)**	

EXHIBIT 114

FILED UNDER SEAL

From:	Lin, Mei: Product Control (NYK) [/O=BZW/OU=USA/CN=NYK AD USERS/CN=USERS/CN=LINMEI]
Sent:	Monday, March 10, 2008 10:45:50 PM
To:	McCosker, Tom: Product Control (NYK); Bommensath, Eric: Markets (NYK); Ornstein, David: Markets (LDN); King, Stephen: CDO (NYK); MIS Product Control (NYK); Patel, Rahil: Product Control (LDN); Morton, Marcus: Product Control (NYK); Smith, Richard: Finance (LDN); Kaczka, Joseph: Product Control (NYK); Clackson, Patrick: Finance (LDN); Walker, James: Finance (NYK); Copson, Paul: Finance (LDN); Yoss, Eric: Market Risk (NYK); Martin, David: Markets (NYK); Agency CDO PCG
Subject:	US Portfolio Asset Book FLASH P&L Mar 10th
Attachments:	Flash 03102008.xls

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

10 Mar 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD
US ABS Portfolio			
CDO	(7,570)	(22,831)	(189,245)
Alt-A	0	(499)	(100,499)
CMBS	1,590	5,554	(138)
Other ABS	1,000	(912)	(912)
Relative Value	0	0	0
Reserves - Trading	0	1,226	33,295
Subprime	(160)	(8,697)	(45,000)
US ABS Portfolio Total	**(5,140)**	**(26,160)**	**(302,500)**
US Cash Portfolio			
Whole Loans (US)	0	0	(63,269)
Impairment	(2,790)	(34,820)	(221,350)
NBT	(75)	(637)	(87,794)
Nims / Post Nims	(85)	(852)	(6,986)
US Cash Portfolio Total	**(2,950)**	**(36,309)**	**(379,399)**
Net Revenue Total	**(8,090)**	**(62,469)**	**(681,899)**

Commentary:

CDO: CDO position mark down due to credit deterioration

CMBS: CMBX spread widening

Other: Yield curve P&L due to interest rate moving down

Subprime: ABX continue to widen in most index categories

Please direct any queries to mis product control (NYK)

Flash
03102008.xls

Document Produced in Native Format

US Portfolio Asset Book (ABS and Cash) Flash Summary Report

10 Mar 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD	P&L Comment
US ABS Portfolio				
CDO	(7,570)	(22,831)	(189,245)	CDO market down due to credit deteriation
Alt-A	0	(499)	(100,499)	
CMBS	1,590	5,554	(138)	CMBX spread widening
Other ABS	1,000	(912)	(912)	Yield curve P&L due to interest rate moving down
Relative Value	0	0	0	
Reserves - Trading	0	1,226	33,295	
Subprime	(160)	(8,697)	(45,000)	ABX continue to widen in most indexes
US ABS Portfolio Total	**(5,140)**	**(26,160)**	**(302,500)**	
US Cash Portfolio				
Whole Loans (US)	0	0	(63,269)	
Impairment	(2,790)	(34,820)	(221,350)	
NBT	(75)	(637)	(87,794)	($240K) monoline spread P&L, $160K interest rate P&L
Nims / Post Nims	(85)	(852)	(6,986)	daily funding expense on Uncollaterlized Loan for 1 day
US Cash Portfolio Total	**(2,950)**	**(36,309)**	**(379,399)**	
Net Revenue Total	**(8,090)**	**(62,469)**	**(681,899)**	

US Portfolio Asset Book (ABS and Cash) Flash Detail F

10 Mar 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD
US ABS Portfolio			
CDO			
Cash	(7,570)	(18,861)	(141,771)
Reserve - NAV Impairment	0	(3,970)	(47,475)
Synthetic	0	0	0
CDO Total	**(7,570)**	**(22,831)**	**(189,245)**
Alt-A			
Cash	0	(497)	(100,497)
Impairment Reserve	0	(2)	(2)
Synthetic	0	0	0
Alt-A Total	**0**	**(499)**	**(100,499)**
CMBS			
Cash	1,590	(5,128)	(30,795)
Impairment Reserve	0	(2,086)	(3,537)
Synthetic	0	12,769	34,194
CMBS Total	**1,590**	**5,554**	**(138)**
Other ABS			
Cash	1,000	(912)	(912)
Synthetic	0	0	0
Other ABS Total	**1,000**	**(912)**	**(912)**
Relative Value			
ABX	0	0	0
Cash	0	0	0
Synthetic	0	0	0
Relative Value Total	**0**	**0**	**0**
Reserves - Trading	0	1,226	33,295
Subprime			
ABX	0	0	0
Cash	(160)	67,355	266,311
Reserves - NAV Impairment	0	(76,052)	(311,311)
Synthetic	0	0	0
Subprime Total	**(160)**	**(8,697)**	**(45,000)**
US ABS Portfolio Total	**(5,140)**	**(26,160)**	**(302,500)**
US Cash Portfolio			
Whole Loans (US)			
Cash	0	0	(63,269)
Synthetic	0	0	0
Whole Loans (US) Total	**0**	**0**	**(63,269)**
Impairment	(2,790)	(34,820)	(221,350)
NBT			
Cash	0	0	0
Synthetic	(75)	(637)	(87,794)
NBT Total	**(75)**	**(637)**	**(87,794)**
Nims / Post Nims			
Cash	(85)	(852)	(6,986)
Synthetic	0	0	0
Nims / Post Nims Total	**(85)**	**(852)**	**(6,986)**
US Cash Portfolio Total	**(2,950)**	**(36,309)**	**(379,399)**
Net Revenue Total	**(8,090)**	**(62,469)**	**(681,899)**

Report

P&L Comment
CDO market down due to credit deteriation
CMBX spread widening
Yield curve P&L due to interest rate moving down
ABX continue to widen in most indexes
($240K) monoline spread P&L, $160K interest rate P&L
daily funding expense on Uncollaterlized Loan for 1 day

EXHIBIT 115

FILED UNDER SEAL

From: McCosker, Tom: Product Control (NYK) [/O=BZW/OU=USA/CN=RECIPIENTS/CN=NEW YORK/CN=1MCCOSKET]
Sent: Thursday, March 13, 2008 12:20:35 PM
To: Walker, James: Finance (NYK); Morton, Marcus: Product Control (NYK)
Subject: RE: US Portfolio Asset Book FLASH P&L Mar 12th

James.

As the underlying's are only marked monthly everything should be up to date.
Most positions are marked during the 3rd week of the month so I will have a better indication early next week where we are looking to come in.
I'll keep you posted.

Regards,
Tom

From: Walker, James: Finance (NYK)
Sent: Thursday, March 13, 2008 7:37 AM
To: McCosker, Tom: Product Control (NYK); Morton, Marcus: Product Control (NYK)
Subject: FW: US Portfolio Asset Book FLASH P&L Mar 12th

How up to date are we on monoline exposure & related reserve ?

From: Anderson, Elida: Product Control (NYK)
Sent: Wednesday, March 12, 2008 6:45 PM
To: McCosker, Tom: Product Control (NYK); Bommensath, Eric: Markets (NYK); Ornstein, David: Markets (LDN); King, Stephen: CDO (NYK); MIS Product Control (NYK); Patel, Rahil: Product Control (LDN); Morton, Marcus: Product Control (NYK); Smith, Richard: Finance (LDN); Kaczka, Joseph: Product Control (NYK); Clackson, Patrick: Finance (LDN); Walker, James: Finance (NYK); Copson, Paul: Finance (LDN); Yoss, Eric: Market Risk (NYK); Martin, David: Markets (NYK); Agency CDO PCG
Subject: US Portfolio Asset Book FLASH P&L Mar 12th

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

12 Mar 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD
US ABS Portfolio			
CDO	(4,587)	(32,189)	(198,603)
Alt-A	0	(507)	(785,339)
CMBS	265	6,543	851
Other ABS	1,600	(831)	(831)
Relative Value	0	0	0
Reserves - Trading	0	4,368	36,978

Subprime	56	(9,345)	(32,026)
US ABS Portfolio Total	**(2,666)**	**(31,962)**	**(978,970)**
US Cash Portfolio			
Whole Loans (US)	0	0	(153,767)
Impairment	(2,775)	(40,189)	(282,473)
NBT	22	(1,260)	(49,172)
Nims / Post Nims	(85)	(1,023)	(135,649)
US Cash Portfolio Total	**(2,838)**	**(42,472)**	**(621,061)**
Net Revenue Total	**(5,504)**	**(74,433)**	**(1,600,031)**

Commentary:

CDO: -($4.59m) related to CDO position mark down due to credit deterioration and writeoff p&l on loans extended to Vertical Capital for purchase of CDO equity (as per approval from Global impairment committee).

CMBS: +$265k due to CMBS remarks.

Other: +$1.6m Yield curve P&L due to 12 bp swap rate tightening. IR01 (135)K.

Please direct any queries to mis product control (NYK)

<< File: Flash 03-12-08.xls >>

EXHIBIT 116

FILED UNDER SEAL

From:	Sood, Astha: Product Control (NYK) [/O=BZW/OU=USA/CN=NYK AD USERS/CN=USERS/CN=SOODA]
Sent:	Wednesday, March 19, 2008 11:19:29 PM
To:	Bommensath, Eric: Markets (NYK); Ornstein, David: Markets (LDN); King, Stephen: CDO (NYK); MIS Product Control (NYK); Patel, Rahil: Product Control (LDN); Morton, Marcus: Product Control (NYK); Smith, Richard: Finance (LDN); Kaczka, Joseph: Product Control (NYK); Clackson, Patrick: Finance (LDN); Walker, James: Finance (NYK); Copson, Paul: Finance (LDN); Yoss, Eric: Market Risk (NYK); Martin, David: Markets (NYK); Agency CDO PCG; Martin, David: Markets (NYK); Sell, Stephen: Markets (NYK); McCosker, Tom: Product Control (NYK)
Subject:	US Portfolio Asset Book FLASH P&L Mar 19th
Attachments:	Flash 03-19-08.xls

19 Mar 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD
US ABS Portfolio			
CDO	1,800	(31,406)	(197,820)
Alt-A	0	(511)	(785,343)
CMBS	(3,900)	5,067	(625)
Other ABS	1,000	2,264	2,264
Relative Value	0	0	0
Reserves - Trading	0	1,427	34,037
Subprime	(947)	(24,968)	(47,649)
US ABS Portfolio Total	**(2,047)**	**(48,128)**	**(995,136)**
US Cash Portfolio			
Whole Loans (US)	(3,742)	(14,335)	(168,102)
Impairment	(2,799)	(60,116)	(302,401)
NBT	135	(1,551)	(49,463)
NIMs	(73,083)	(73,083)	(73,083)
Post NIMs	72,998	71,464	(63,162)

US Cash Portfolio Total	**(6,491)**	**(77,621)**	**(656,211)**
Net Revenue Total	**(8,538)**	**(125,749)**	**(1,651,346)**

Flash 03-19-08.xls

19-Mar-08	P&L Comments
CDO	+$1.8mm due to CRE CDO remarks.
CMBS	$(3.9) loss due to remark of CMBS positions
Other ABS	IR pnl is +$1mm as swap curve tightens.
Subprime	Loss of $(1)mm in subprime as ABX prices are mixed and we are short 359mm index equivalent notional.

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US Portfolio Asset Book (ABS and Cash) Flash Summary Report

19 Mar 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD	P&L Comment
US ABS Portfolio				
CDO	1,800	(31,406)	(197,820)	+$1.8mm due to CRE CDO remarks.
Alt-A	0	(511)	(785,343)	
CMBS	(3,900)	5,067	(625)	$(3.9) loss due to remark of CMBS positions
Other ABS	1,000	2,264	2,264	IR pnl is +$1mm as swap curve tightens.
Relative Value	0	0	0	
Reserves - Trading	0	1,427	34,037	
Subprime	(947)	(24,968)	(47,649)	Loss of $(1)mm in subprime as ABX prices are mixed and we are short 359mm index equivalent notional.
US ABS Portfolio Total	**(2,047)**	**(48,128)**	**(995,136)**	
US Cash Portfolio				
Whole Loans (US)	(3,742)	(14,335)	(168,102)	Reclass YTD Baroreo funding charges to BREO book and Daily MTM PnL relating to IR Swaps. Reclass YTD Baroreo funding charges to BREO book.
Impairment	(2,799)	(60,116)	(302,401)	
NBT	135	(1,551)	(49,463)	Up on sawp curve tightening
NIMs	(73,083)	(73,083)	(73,083)	Reclass YTD NIM fair value adjustments to WNIM.
Post NIMs	72,998	71,464	(63,162)	Reclass YTD NIM fair value adjustments to WNIM and daily funding expense on Uncollaterlized Loan for 1 day.
US Cash Portfolio Total	**(6,491)**	**(77,621)**	**(656,211)**	
Net Revenue Total	**(8,538)**	**(125,749)**	**(1,651,346)**	

US Portfolio Asset Book (ABS and Cash) Flash Detail Report

19 Mar 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD	P&L Comment
US ABS Portfolio				
CDO				
Cash	1,800	(24,779)	(147,689)	+$1.8mm due to CRE CDO remarks.
Reserve - NAV Impairment	0	(6,628)	(50,132)	
Synthetic	0	0	0	
CDO Total	**1,800**	**(31,406)**	**(197,820)**	
Alt-A				
Cash	0	(497)	(779,557)	
Impairment Reserve	0	(14)	(5,786)	
Synthetic	0	0	0	
Alt-A Total	**0**	**(511)**	**(785,343)**	
CMBS				
Cash	(3,900)	(6,426)	(32,111)	$(3.9) loss due to remark of CMBS positions
Impairment Reserve	0	(3,844)	(5,294)	
Synthetic	0	15,337	36,780	
CMBS Total	**(3,900)**	**5,067**	**(625)**	
Other ABS				
Cash	1,000	2,264	2,264	IR pnl is +$1mm as swap curve tightens.
Synthetic	0	0	0	
Other ABS Total	**1,000**	**2,264**	**2,264**	
Relative Value				
ABX	0	0	0	
Cash	0	0	0	
Synthetic	0	0	0	
Relative Value Total	**0**	**0**	**0**	
Reserves - Trading	0	1,427	34,037	
Subprime				
ABX	0	0	0	
Cash	(947)	38,796	246,243	Loss of $(1)mm in subprime as ABX prices are mixed and we are short 359mm index equivalent notional.
Reserve	0	(21,905)	(63,268)	
Reserves - NAV Impairment	0	(41,859)	(230,624)	
Synthetic	0	0	0	
Subprime Total	**(947)**	**(24,968)**	**(47,649)**	
US ABS Portfolio Total	**(2,047)**	**(48,128)**	**(995,136)**	
US Cash Portfolio				
Whole Loans (US)				
Cash	(3,742)	(14,335)	(168,102)	Reclass YTD Baroreo funding charges to BREO book and Daily MTM PnL relating to IR Swaps. Reclass YTD Baroreo funding charges to BREO book.
Synthetic	0	0	0	
Whole Loans (US) Total	**(3,742)**	**(14,335)**	**(168,102)**	
Impairment	(2,799)	(60,116)	(302,401)	
NBT				
Cash	0	0	0	
Synthetic	135	(1,551)	(49,463)	Up on sawp curve tightening
NBT Total	**135**	**(1,551)**	**(49,463)**	
NIMs				
Cash	(73,083)	(73,083)	(73,083)	Reclass YTD NIM fair value adjustments to WNIM.
Synthetic	0	0	0	
NIMs Total	**(73,083)**	**(73,083)**	**(73,083)**	
Post NIMs				
Post NIM	72,998	71,464	(63,162)	Reclass YTD NIM fair value adjustments to WNIM and daily funding expense on Uncollaterlized Loan for 1 day.
Post NIMs Total	**72,998**	**71,464**	**(63,162)**	
US Cash Portfolio Total	**(6,491)**	**(77,621)**	**(656,211)**	
Net Revenue Total	**(8,538)**	**(125,749)**	**(1,651,346)**	

<u>EXHIBIT 117</u>

FILED UNDER SEAL

From:	Anderson, Elida: Product Control (NYK) [/O=BZW/OU=USA/CN=NYK AD USERS/CN=USERS/CN=ANDERSOE]
Sent:	Wednesday, March 26, 2008 11:11:51 PM
To:	Bommensath, Eric: Markets (NYK); Ornstein, David: Markets (LDN); King, Stephen: CDO (NYK); MIS Product Control (NYK); Patel, Rahil: Product Control (LDN); Morton, Marcus: Product Control (NYK); Smith, Richard: Finance (LDN); Kaczka, Joseph: Product Control (NYK); Clackson, Patrick: Finance (LDN); Walker, James: Finance (NYK); Copson, Paul: Finance (LDN); Yoss, Eric: Market Risk (NYK); Martin, David: Markets (NYK); Agency CDO PCG; Martin, David: Markets (NYK); Sell, Stephen: Markets (NYK); McCosker, Tom: Product Control (NYK); Robinson, William: CDO (NYK); Agrawal, Kapil: Credit Derivatives (NYK)
Subject:	FLASH P&L Mar 26th - US Portfolio Asset Book
Attachments:	Flash 03-26-08.xls

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

26 Mar 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD
US ABS Portfolio			
CDO	(280)	(24,799)	(191,214)
Alt-A	0	344	(784,488)
CMBS	740	142	(5,550)
Other ABS	500	(750)	(750)
Relative Value	0	0	0
Reserves - Trading	27	4,631	37,241
Subprime	(160)	(24,179)	(46,860)
US ABS Portfolio Total	**827**	**(44,612)**	**(991,620)**
US Cash Portfolio			
Whole Loans (US)	(2,688)	596	(153,171)
Impairment	(2,768)	(78,831)	(321,115)
NBT	0	(1,192)	(49,104)
NIMs	0	(73,083)	(73,083)
Post NIMs	(85)	70,867	(63,759)
US Cash Portfolio Total	**(5,542)**	**(81,643)**	**(660,232)**
Net Revenue Total	**(4,715)**	**(126,255)**	**(1,651,852)**

Commentary:

CDO: : -$280k related to CDO remarks.

CMBS: + $740k due to CMBX spread widening, where we are short risk.

Other: +$500k IR PNL on swap rate tightening.

Subprime: - $160k due to ABX spreads widened across most vintages while the desk is long $11mm net equivalent index notional.

Please direct any queries to mis product control (NYK)

Flash 03-26-08.xls

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US Portfolio Asset Book (ABS and Cash) Flash Summary Report

26 Mar 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD	P&L Comment
US ABS Portfolio				
CDO	(280)	(24,799)	(191,214)	-$280k related to CDO remarks.
Alt-A	0	344	(784,488)	
CMBS	740	142	(5,550)	+ $740k due to CMBX spread widening, where we are short risk.
Other ABS	500	(750)	(750)	+$500k IR PNL on swap rate tightening.
Relative Value	0	0	0	
Reserves - Trading	27	4,631	37,241	
Subprime	(160)	(24,179)	(46,860)	ABX spreads widened across most vintages while the desk is long $11mm net equivalent index notional.
US ABS Portfolio Total	**827**	**(44,612)**	**(991,620)**	
US Cash Portfolio				
Whole Loans (US)	(2,688)	596	(153,171)	Daily MTM PnL relating to the WL Interest Rate Swaps for ($2,688,366)
Impairment	(2,768)	(78,831)	(321,115)	
NBT	0	(1,192)	(49,104)	
NIMs	0	(73,083)	(73,083)	
Post NIMs	(85)	70,867	(63,759)	1 day of daily funding expense on Uncollaterlized Loan for ($85,220)
US Cash Portfolio Total	**(5,542)**	**(81,643)**	**(660,232)**	
Net Revenue Total	**(4,715)**	**(126,255)**	**(1,651,852)**	

US Portfolio Asset Book (ABS and Cash) Flash Detail Report

26 Mar 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD	P&L Comment
US ABS Portfolio				
CDO				
Cash	(280)	(18,067)	(140,977)	-$280k related to CDO remarks.
Reserve - NAV Impairment	0	(6,733)	(50,237)	
Synthetic	0	0	0	
CDO Total	**(280)**	**(24,799)**	**(191,214)**	
Alt-A				
Cash	0	(26)	(779,086)	
Impairment Reserve	0	369	(5,403)	
Synthetic	0	0	0	
Alt-A Total	**0**	**344**	**(784,488)**	
CMBS				
Cash	740	9,778	(15,906)	+ $740k due to CMBX spread widening, where we are short risk.
Impairment Reserve	0	(3,063)	(4,514)	
Synthetic	0	(6,573)	14,870	
CMBS Total	**740**	**142**	**(5,550)**	
Other ABS				
Cash	500	(750)	(750)	+$500k IR PNL on swap rate tightening.
Synthetic	0	0	0	
Other ABS Total	**500**	**(750)**	**(750)**	
Relative Value				
ABX	0	0	0	
Cash	0	0	0	
Synthetic	0	0	0	
Relative Value Total	**0**	**0**	**0**	
Reserves - Trading	27	4,631	37,241	
Subprime				
ABX	0	0	0	
Cash	(160)	23,041	230,488	ABX spreads widened across most vintages while the desk is long $11mm net equivalent index notional.
Reserve	0	(7,783)	(49,145)	
Reserves - NAV Impairment	0	(39,437)	(228,202)	
Synthetic	0	0	0	
Subprime Total	**(160)**	**(24,179)**	**(46,860)**	
US ABS Portfolio Total	**827**	**(44,612)**	**(991,620)**	
US Cash Portfolio				
Whole Loans (US)				
Cash	(2,688)	596	(153,171)	Daily MTM PnL relating to the WL Interest Rate Swaps for ($2,688,366)
Synthetic	0	0	0	
Whole Loans (US) Total	**(2,688)**	**596**	**(153,171)**	
Impairment	(2,768)	(78,831)	(321,115)	
NBT				
Cash	0	0	0	
Synthetic	0	(1,192)	(49,104)	
NBT Total	**0**	**(1,192)**	**(49,104)**	
NIMs				
Cash	0	(73,083)	(73,083)	
Synthetic	0	0	0	
NIMs Total	**0**	**(73,083)**	**(73,083)**	
Post NIMs				
Post NIM	(85)	70,867	(63,759)	1 day of daily funding expense on Uncollaterlized Loan for ($85,220)
Post NIMs Total	**(85)**	**70,867**	**(63,759)**	
US Cash Portfolio Total	**(5,542)**	**(81,643)**	**(660,232)**	
Net Revenue Total	**(4,715)**	**(126,255)**	**(1,651,852)**	

EXHIBIT 118

FILED UNDER SEAL

From: Lin, Mei: Product Control (NYK) [/O=BZW/OU=USA/CN=NYK AD USERS/CN=USERS/CN=LINMEI]
Sent: Monday, March 31, 2008 11:14:14 PM
To: Anderson, Elida: Product Control (NYK); Bommensath, Eric: Markets (NYK); Ornstein, David: Markets (LDN); King, Stephen: CDO (NYK); MIS Product Control (NYK); Patel, Rahil: Product Control (LDN); Morton, Marcus: Product Control (NYK); Smith, Richard: Finance (LDN); Kaczka, Joseph: Product Control (NYK); Clackson, Patrick: Finance (LDN); Walker, James: Finance (NYK); Copson, Paul: Finance (LDN); Yoss, Eric: Market Risk (NYK); Martin, David: Markets (NYK); Agency CDO PCG; Martin, David: Markets (NYK); Sell, Stephen: Markets (NYK); McCosker, Tom: Product Control (NYK); Robinson, William: CDO (NYK); Agrawal, Kapil: Credit Derivatives (NYK)
Subject: FLASH P&L Mar 31th - US Portfolio Asset Book
Attachments: Flash 03-31-2008.xls

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

31 Mar 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD
US ABS Portfolio			
CDO	(3,630)	(28,568)	(194,982)
Alt-A	0	307	(784,525)
CMBS	(310)	444	(5,248)
Other ABS	1,090	739	739
Relative Value	0	0	0
Reserves - Trading	0	5,317	37,927
Subprime	50	(29,512)	(52,193)
US ABS Portfolio Total	**(2,800)**	**(51,274)**	**(998,282)**
US Cash Portfolio			
Whole Loans (US)	(4,413)	(6,039)	(159,806)
Impairment	(2,759)	(92,381)	(334,665)
NBT	(406)	(2,082)	(49,994)
NIMs	0	(73,083)	(73,083)
Post NIMs	(85)	70,441	(64,185)
US Cash Portfolio Total	**(7,663)**	**(103,144)**	**(681,733)**
Net Revenue Total	**(10,463)**	**(154,417)**	**(1,680,014)**

Commentary:

CDO: -$3.6m related to CDO remarks.

CMBS: -$300k due to CMBX spread tightening, where we are short risk.

Other: +$1mm IR PNL on swap rate tightening.

Subprime: Index price change mixed on our almost flat subprime exposure

Whole Loans (US): Daily MTM PnL relating to the WL Interest Rate Swaps for ($4,412,776)

Impairment: -$2.8m due to daily impairment reserve for High Grade SS Deals.

Post NIMs: 1 day of daily funding expense on Uncollateralized Loan for ($85,220)

Flash 03-31-2008.xls

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US Portfolio Asset Book (ABS and Cash) Flash Summary Report

31 Mar 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD	P&L Comment
US ABS Portfolio				
CDO	(3,630)	(28,568)	(194,982)	-$3.6m related to CDO remarks.
Alt-A	0	307	(784,525)	
CMBS	(310)	444	(5,248)	-$300k due to CMBX spread tightening, where we are short risk.
Other ABS	1,090	739	739	+$1mm IR PNL on swap rate tighening.
Relative Value	0	0	0	
Reserves - Trading	0	5,317	37,927	
Subprime	50	(29,512)	(52,193)	Index price change mixed on our almost flat subprime exposure
US ABS Portfolio Total	**(2,800)**	**(51,274)**	**(998,282)**	
US Cash Portfolio				
Whole Loans (US)	(4,413)	(6,039)	(159,806)	Daily MTM PnL relating to the WL Interest Rate Swaps for ($4,412,776)
Impairment	(2,759)	(92,381)	(334,665)	
NBT	(406)	(2,082)	(49,994)	Loss due to monoline spread flattening
NIMs	0	(73,083)	(73,083)	
Post NIMs	(85)	70,441	(64,185)	1 day of daily funding expense on Uncollaterlized Loan for ($85,220)
US Cash Portfolio Total	**(7,663)**	**(103,144)**	**(681,733)**	
Net Revenue Total	**(10,463)**	**(154,417)**	**(1,680,014)**	

US Portfolio Asset Book (ABS and Cash) Flash Detail F

31 Mar 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD
US ABS Portfolio			
CDO			
Cash	(3,630)	(21,835)	(144,745)
Reserve - NAV Impairment	0	(6,733)	(50,237)
Synthetic	0	0	0
CDO Total	**(3,630)**	**(28,568)**	**(194,982)**
Alt-A			
Cash	0	100	(778,960)
Impairment Reserve	0	207	(5,565)
Synthetic	0	0	0
Alt-A Total	**0**	**307**	**(784,525)**
CMBS			
Cash	(310)	7,980	(17,705)
Impairment Reserve	0	(3,063)	(4,514)
Synthetic	0	(4,474)	16,970
CMBS Total	**(310)**	**444**	**(5,248)**
Other ABS			
Cash	1,090	739	739
Synthetic	0	0	0
Other ABS Total	**1,090**	**739**	**739**
Relative Value			
ABX	0	0	0
Cash	0	0	0
Synthetic	0	0	0
Relative Value Total	**0**	**0**	**0**
Reserves - Trading	0	5,317	37,927
Subprime			
ABX	0	0	0
Cash	50	23,941	231,388
Reserve	0	(13,801)	(55,164)
Reserves - NAV Impairment	0	(39,652)	(228,417)
Synthetic	0	0	0
Subprime Total	**50**	**(29,512)**	**(52,193)**
US ABS Portfolio Total	**(2,800)**	**(51,274)**	**(998,282)**
US Cash Portfolio			
Whole Loans (US)			
Cash	(4,413)	(6,039)	(159,806)
Synthetic	0	0	0
Whole Loans (US) Total	**(4,413)**	**(6,039)**	**(159,806)**
Impairment	(2,759)	(92,381)	(334,665)
NBT			
Cash	0	0	0
Synthetic	(406)	(2,082)	(49,994)
NBT Total	**(406)**	**(2,082)**	**(49,994)**
NIMs			
Cash	0	(73,083)	(73,083)
Synthetic	0	0	0
NIMs Total	**0**	**(73,083)**	**(73,083)**
Post NIMs			
Post NIM	(85)	70,441	(64,185)
Post NIMs Total	**(85)**	**70,441**	**(64,185)**
US Cash Portfolio Total	**(7,663)**	**(103,144)**	**(681,733)**
Net Revenue Total	**(10,463)**	**(154,417)**	**(1,680,014)**

Report

P&L Comment
-$3.6m related to CDO remarks.
-$150k due to CMBX spread tightening, where we are short risk.
+$1mm IR PNL on swap rate tighening.
Index price change mixed on our almost flat subprime exposure
Daily MTM PnL relating to the WL Interest Rate Swaps for ($4,412,776)
Loss due to monoline spread flattening
1 day of daily funding expense on Uncollaterlized Loan for ($85,220)

EXHIBIT 119

FILED UNDER SEAL

From: Yoss, Eric: Market Risk (NYK) [/O=BZW/OU=USA/CN=NYK AD USERS/CN=USERS/CN=YOSSERI]
Sent: Monday, April 07, 2008 10:42:22 PM
To: NY Market Risk
Subject: FW: FLASH P&L Apr 7th - US Portfolio Asset Book
Attachments: USRFFL20080407.xls

From: Sood, Astha: Product Control (NYK)
Sent: Monday, April 07, 2008 6:42:20 PM
To: Bommensath, Eric: Markets (NYK); Ornstein, David: Markets (LDN); King, Stephen: CDO (NYK); MIS Product Control (NYK); Patel, Rahil: Product Control (LDN); Morton, Marcus: Product Control (NYK); Smith, Richard: Finance (LDN); Kaczka, Joseph: Product Control (NYK); Clackson, Patrick: Finance (LDN); Walker, James: Finance (NYK); Copson, Paul: Finance (LDN); Yoss, Eric: Market Risk (NYK); Martin, David: Markets (NYK); Agency CDO PCG; Martin, David: Markets (NYK); Sell, Stephen: Markets (NYK); McCosker, Tom: Product Control (NYK); Robinson, William: CDO (NYK); Agrawal, Kapil: Credit Derivatives (NYK)
Subject: FLASH P&L Apr 7th - US Portfolio Asset Book
Auto forwarded by a Rule

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

07 Apr 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD
US ABS Portfolio			
CDO	706	1,305	(194,422)
Alt-A	0	87	(784,443)
CMBS	(6,002)	(13,988)	(19,036)
Other ABS	(1,120)	(2,609)	(1,830)
Relative Value	0	0	0
Reserves - Trading	0	697	39,443
Subprime	(220)	(6,905)	(58,736)
US ABS Portfolio Total	**(6,636)**	**(21,412)**	**(1,019,025)**
US Cash Portfolio			
Whole Loans (US)	2,593	18,782	(141,024)
Impairment	(3,000)	(15,000)	(349,466)

EXHIBIT 111
WIT:
DATE: 9/28/15
E. Mulvenna, CSR/RMR/CRR

NBT	(25)	527	(54,056)
NIMs	0	0	(73,083)
Post NIMs	(9)	(54)	(64,239)
US Cash Portfolio Total	**(440)**	**4,255**	**(681,868)**
Net Revenue Total	**(7,076)**	**(17,156)**	**(1,700,893)**

Commentary:

CDO	$(3.6)mm primarily from ratings downgrades; CRE CDO +4.3mm on significant CMBX spread tightening
CMBS	$(6)mm on significant CMBX spread tightening
Other ABS	$(1.1)mm on 8bps increase in swaps on 130k DV01
Subprime	$(220)k loss in ABX due to prices rising over most vintages, especially in AAA 07-1 bucket where desk is
Whole Loans (US)	$2,616,747 Daily MTM PnL related to the WL Interest Rate Swaps; $(23,390) funding expense on uncolla
Impairment	Daily cash flow impairment reserve
Post NIMs	Funding expense on uncollaterlized loan for 1 day

USRFFL20080407.
xls

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US Portfolio Asset Book (ABS and Cash) Flash Summary Report

07 Apr 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD	P&L Comment
US ABS Portfolio				
CDO	706	1,305	(194,422)	$(3.6)mm primarily from ratings downgrades; +4.3mm on significant CMBX spread tightening
Alt-A	0	87	(784,443)	
CMBS	(6,002)	(13,988)	(19,036)	$(6)mm on significant CMBX spread tightening
Other ABS	(1,120)	(2,609)	(1,830)	$(1.1)mm on 8bps increase in swaps on 130k DV01
Relative Value	0	0	0	
Reserves - Trading	0	697	39,443	
Subprime	(220)	(6,905)	(58,736)	$(220)k loss in ABX due to prices rising over most vintages, especially in AAA 07-1 bucket where desk is short 17mm net index equivalent notional.
US ABS Portfolio Total	**(6,636)**	**(21,412)**	**(1,019,025)**	
US Cash Portfolio				
Whole Loans (US)	2,593	18,782	(141,024)	$2,616,747 Daily MTM PnL related to the WL Interest Rate Swaps; $(23,390) funding expense on uncollateralized loan for 1 day
Impairment	(3,000)	(15,000)	(349,466)	Daily cash flow impairment reserve
NBT	(25)	527	(54,056)	
NIMs	0	0	(73,083)	
Post NIMs	(9)	(54)	(64,239)	Funding expense on uncollaterlized loan for 1 day
US Cash Portfolio Total	**(440)**	**4,255**	**(681,868)**	
Net Revenue Total	**(7,076)**	**(17,156)**	**(1,700,893)**	

US Portfolio Asset Book (ABS and Cash) Flash Detail Report

07 Apr 2008 - USD ('000s)	Flash Daily	Formal MTD	Formal YTD	P&L Comment
US ABS Portfolio				
CDO				
Cash	706	1,310	(144,181)	$(3.6)mm primarily from ratings downgrades; +4.3mm on significant CMBX spread tightening
Reserve - NAV Impairment	0	(4)	(50,242)	
Synthetic	0	0	0	
CDO Total	**706**	**1,305**	**(194,422)**	
Alt-A				
Cash	0	94	(778,863)	
Impairment Reserve	0	(6)	(5,580)	
Synthetic	0	0	0	
Alt-A Total	**0**	**87**	**(784,443)**	
CMBS				
Cash	(6,002)	(4,830)	(22,247)	$(6)mm on significant CMBX spread tightening
Impairment Reserve	0	0	(4,514)	
Synthetic	0	(9,159)	7,724	
CMBS Total	**(6,002)**	**(13,988)**	**(19,036)**	
Other ABS				
Cash	(1,120)	(2,609)	(1,830)	$(1.1)mm on 8bps increase in swaps on 130k DV01
Synthetic	0	0	0	
Other ABS Total	**(1,120)**	**(2,609)**	**(1,830)**	
Relative Value				
ABX	0	0	0	
Cash	0	0	0	
Synthetic	0	0	0	
Relative Value Total	**0**	**0**	**0**	
Reserves - Trading	0	697	39,443	
Subprime				
ABX	0	0	0	
Cash	(220)	(9,444)	222,111	$(220)k loss in ABX due to prices rising over most vintages, especially in AAA 07-1 bucket where desk is short 17mm net index equivalent notional.
Reserve	0	1,162	(54,184)	
Reserves - NAV Impairment	0	1,378	(226,663)	
Synthetic	0	0	0	
Subprime Total	**(220)**	**(6,905)**	**(58,736)**	
US ABS Portfolio Total	**(6,636)**	**(21,412)**	**(1,019,025)**	
US Cash Portfolio				
Whole Loans (US)				
Cash	2,593	18,782	(141,024)	$2,616,747 Daily MTM PnL related to the WL Interest Rate Swaps; $(23,390) funding expense on uncollateralized loan for 1 day
Synthetic	0	0	0	
Whole Loans (US) Total	**2,593**	**18,782**	**(141,024)**	
Impairment	(3,000)	(15,000)	(349,466)	Daily cash flow impairment reserve
NBT				
Cash	0	0	0	
Synthetic	(25)	527	(54,056)	
NBT Total	**(25)**	**527**	**(54,056)**	
NIMs				
Cash	0	0	(73,083)	
Synthetic	0	0	0	
NIMs Total	**0**	**0**	**(73,083)**	
Post NIMs				
Post NIM	(9)	(54)	(64,239)	Funding expense on uncollaterlized loan for 1 day
Post NIMs Total	**(9)**	**(54)**	**(64,239)**	
US Cash Portfolio Total	**(440)**	**4,255**	**(681,868)**	
Net Revenue Total	**(7,076)**	**(17,156)**	**(1,700,893)**	

EXHIBIT 120

FILED UNDER SEAL

From:	Weidler, Chris: Financial Control (LDN) [/O=BZW/OU=EUROPE/CN=LDN AD USERS/CN=USERS/CN=WEIDLERC]
Sent:	Thursday, August 14, 2008 8:36:30 AM
To:	Copson, Paul: Finance (LDN); Romain, Gary: Financial Control (LDN); Shields, Hugh: Financial Control (LDN)
Subject:	PwC BAC Paper
Attachments:	Item 5(3) External Auditors' Review.pdf

Final soft copy

Item 5(3) External
Auditors' Revie...

Barclays PLC

Board Audit Committee report

25 July 2008

PricewaterhouseCoopers

PRICEWATERHOUSECOOPERS

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25 July 2008

The Board Audit Committee
Barclays PLC
29th Floor
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Dear Directors

Board Audit Committee Report

We have pleasure in enclosing our Board Audit Committee Report that highlights matters of significance arising from our review of the condensed consolidated financial statements of Barclays PLC and Barclays Bank PLC (the 'Group') included as part of the Interim Results Announcement for the six months ended 30th June 2008.

At the timing of issuing this report, our review work on the half-year process is continuing. The amounts used in this report are based on Version A of the Interim Results Announcement. On the basis that our review work is completed satisfactorily, we will issue an unqualified review opinion on the condensed consolidated financial statements on 7 August 2008. We will bring a copy of our summary of unadjusted differences to the meeting on 30 July 2008.

We look forward to discussing the contents of this report, and any other matters that you may wish to raise, at the Board Audit Committee meeting on 30 July 2008.

We will update you at the Board Audit Committee meeting on any significant matters arising between the date of this report and 30 July 2008. Should any significant matters arise after 30 July 2008, we will inform the Board Audit Committee chairman directly.

Yours faithfully

PricewaterhouseCoopers LLP

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Scope and status

Introduction and scope

This report focuses on those matters of significance arising from our work on the condensed consolidated financial statements of Barclays PLC and Barclays Bank PLC in their respective interim reports ('the condensed financial statements') that we believe should be brought to the attention of the Board Audit Committee. It includes:

- An overview of the impact that the credit market dislocation has had on the Group and the results of our procedures in these areas;
- Our assessment of the appropriateness of accounting policies, estimates and judgements; and
- Further observations on certain qualitative aspects of the Group's earnings and financial reporting including fair value adjustments, impairment, provisions and contingent claims & litigation.

The amounts used in this report have been based on Version A of the Interim Results Announcement and reflect the restatements arising from the changes to segmental reporting detailed below.

Based on our review we can confirm that:

- Except for the adoption of IFRS8 (see below – Segmental Reporting), the accounting policies used are consistent with those used in the 2007 Barclays PLC Annual Report;
- In relation to subjective and critical accounting and disclosure matters, we believe management positions taken are reasonable;
- We have reviewed the effective tax rate for the half year, the forecast tax rate for the full year, changes in deferred tax balances since 31 December 2007 and specific taxation provisions held as at 30 June 2008 and are satisfied that the tax balances, charges and provisions are reasonable; and
- We have identified to date no unadjusted differences either individually or in aggregate in excess of £100m which we would wish to bring to your attention. We report smaller unadjusted differences in our Summary of Unadjusted Differences (SUD), a copy of which we will bring to the Board Audit Committee meeting on 30 July 2008.

Interim reporting

Following the FSA implementation of the EU Transparency Directive in the UK, some of the Listing Rules have been replaced by the Disclosure and Transparency Rules ('DTR').The Listing Rules and DTR apply to UK companies with shares or debt listed on a regulated market and as such apply to both Barclays PLC and Barclays Bank PLC.

In accordance with the DTR requirements, UK companies are now required to include in their interim report a set of condensed financial statements (comprising of the income statement, balance sheet, cash flow statement, statement of recognised income and expense, and related notes) prepared in accordance with IAS 34, the International Accounting Standard relating to interim reporting.

In addition, the DTR requires management to include an interim management report which should contain:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and
- a description of the principal risks and uncertainties for the remaining six months of the financial year.

We conducted our review of the condensed consolidated financial statements in accordance with ISRE (UK & Ireland) 2410, 'Review of interim financial information performed by the independent auditor of the entity' issued by the Auditing Practices Board for use in the UK. Our responsibility is to express a conclusion on whether the condensed consolidated financial statements in the interim financial report are prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR.

Status

By the time of the Board Audit Committee meeting on 30 July 2008 our review of the Group consolidated income statement, consolidated balance sheet, consolidated cash flow statement and statement of recognised income and expense in the Interim Results Announcement on which we provide our review opinion will be substantially completed. We are still performing certain procedures in respect of the related notes in the condensed financial statements and ensuring consistency with the rest of the interim results announcement. Should any significant matters arise from our remaining procedures, we will inform the Board Audit Committee chairman directly.

Segmental reporting

In 2008, the Group has early adopted IFRS8. IFRS8 requires segmental reporting to be based on "operating segments" which are defined as are business activities whose operating results are "regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance". For most groups, this is the management reporting that is produced at a group level and reviewed by the Executive Directors.

On 22 July 2008, Barclays published a restatement reflecting the split of GRCB – International between Western Europe and Emerging Markets (previously aggregated together for financial reporting purposes) and Absa and the transfers of certain small businesses and portfolios between BCB, Barclaycard, Western Europe and Absa, to reflect the basis on which the business units are disclosed in the group management reports reviewed by the Executive Directors. The transfers had no impact on the group consolidated income statement or consolidated balance sheet.

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Quality of earnings

Performance

The Group profit before tax for the period ended 30 June 2008 was £2,754m. This is a £1,347m (33%) decrease compared to the same period in 2007. The results for the period have been impacted significantly by further credit markets losses offset by gains on 'own credit' and certain other one-off items. The business unit with the largest impact from the credit market dislocation is Barclays Capital, although BGI has incurred significant costs to support certain liquidity products.

The Barclays Capital profit before tax for the six months ended 30 June 2008 was £524m. This is a 68% decrease compared to the same period in 2007. The results for the half year have been impacted significantly by sub-prime and Alt-A losses offset partially by gains on 'own credit'. The losses are disclosed in the Interim Results Announcement after deducting income earned on the assets affected of £687m and gains on own credit (an overall net loss of £1,966m).

The write downs in sub-prime and other credit businesses are based on management's judgement and estimates of fair values and impairment as at 30 June 2008. However, the Group still holds significant exposures to sub-prime and other impacted assets. Given the uncertainty that still exists in these markets, there could be further losses in the future.

The credit losses are set out below for each of the quarters ended 31 March and 30 June 2008, the total for the half year and the total for 2007. Only £127m of losses in 2007 occurred in the first half of the year. Before offsetting income and gains on own credit for the net disclosure in the relevant line items of the income statement, the total losses incurred by Barclays Capital in the 12 months to 30 June 2008 amount to £6,489m.

The overall impact of sub-prime and credit related items are analysed in the table opposite, together with the figures previously announced to the market. We comment on the following pages on the main items, as well as a number of other key exposures.

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

Product	6 months to 30 June 2008	3 months to 30 June 2008	3 months to 31 March 2008	Year to 31 December 2007
Barclays Capital				
ABS CDO Super Senior				
High Grade	(577)	(213)	(364)	(926)
Mezzanine	(298)	(167)	(131)	(486)
Total ABS CDO Super Senior	**(875)**	**(380)**	**(495)**	**(1,412)**
Other US Sub-prime				
Whole loans	(609)	(162)	(447)	(115)
Other direct and indirect exposures	(382)	(189)	(193)	(1,132)
Total other US subprime	**(991)**	**(351)**	**(640)**	**(1,247)**
Alt-A whole loans and securities	(865)	(190)	(675)	(111)
Exposure to Monoline insurers	(370)	(289)	(81)	(59)
Commercial Mortgages	(171)	(114)	(57)	(5)
Investment vehicles – SIV/ SIV Lites	(57)	(39)	(18)	(82)
Leveraged Finance	(15)	0	(15)	(82)
Other losses	(161)	(53)	(108)	(112)
Gross losses	**(3,505)**	**(1,416)**	**(2,089)**	**(3,111)**
Barclays issued notes – own credit	852	149	703	658
Income arising on impacted books	687	307	380	818
Net losses	**(1,966)**	**(960)**	**(1,006)**	**(1,635)**
Gross losses are split between:				
Trading book	(2,382)	(942)	(1440)	(2,260)
Banking book	(1,123)	(474)	(649)	(851)
BGI				
Support agreements	[(132)]	-	[(132)]	(76)
Asset purchases	[(39)]	-	[(39)]	-
Total	**[(171)]**	**-**	**[(171)]**	**(76)**

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ABS CDO super senior liquidity facilities

The notional exposure of ABS CDO super senior liquidity facilities provided to synthetic, mezzanine, high grade and hybrid collateralised debt obligations ('CDOs') was written down by a further $1.8bn (£875m) in the first half of the year, net of hedge gains.

The notional exposure of the outstanding liquidity facilities decreased from $15.7bn at 31 December 2007 to $8.9bn at 30 June 2008, although the credit market exposure only reduced from $9.3bn to $6.4bn (net of hedges). The reduction in notional exposure was caused by CDO structures reaching default triggers within all synthetic and mezzanine facilities. Upon default, the CDOs were consolidated by Barclays and the structures are currently in various stages of liquidation. The collateral in these CDOs was synthetic credit protection sold to Barclays by the CDO vehicle through a derivative. The derivative receivable and the liquidity payable are offset on consolidation leaving only the exposure with the market in the form of credit default swaps. These swaps are recorded at fair value within the trading book.

The risk relating to the $4.3bn of synthetic facilities was fully hedged prior to consolidation and therefore no gain or loss was incurred. Barclays recorded a trading gain, inclusive of hedge gains and losses, of $46m (£23m) in respect of cash and synthetic positions related to the consolidated CDOs, positions purchased in CDO liquidations and secondary trading positions.

All the other facilities were included in the accrual book (original notional value $11.4bn; remaining notional value $8.9bn) and additional impairment losses of $1.8bn (£898m) were recorded in the six months. Where a facility is expected to default or meet a trigger within the next 12 months, impairment is calculated using a similar approach to the trading book based on the fair value of the collateral and a calculation of implied market prices. This is because such an event would result in Barclays assuming control of the CDO and recognising the underlying collateral on the Group balance sheet at fair value. The impairment model for facilities which are not expected to meet a trigger is based on an estimate of future cash flows using assumptions of cumulative loss rates and loss severity.

In our May Board Audit Committee report, we noted that management was reviewing the methodology in respect of the impact of potential future defaults and triggers. No change has been made to this approach at 30 June 2008 and a consistent valuation methodology has been used compared with the year end. Management continues to update the impairment model assumptions using the latest published market data.

A continued deterioration in the benchmark ABX index caused further impairment losses on mezzanine facilities prior to default and consolidation (once consolidated the collateral is included in the trading book). The majority of the impairment losses (£577m) were incurred on the remaining high grade facilities. Market data has indicated greater than expected delinquencies, higher cumulative loss rates and higher loss severity. In addition, Barclays has increased the loss severity rates, included in the cumulative loss assumptions, for sub-prime and Alt-A assets from 40% and 30% to 50% and 37.5%, respectively. We compared Barclays' sub-prime and Alt-A loss severity and roll rate assumptions to recently published research data. This analysis indicated that management's assumptions are broadly in line with the market average.

The high grade facilities (other than the hybrid facilities) are not subject to default triggers, but do suffer actual defaults to the senior note holders. It is now expected that one of the high grade facilities may default in 2009, although not within the next 12 months. The impact of applying a trading book approach to the valuation of this facility at 30 June 2008 would be a loss of $235m. One of the hybrid facilities is expected to default within 12 months due to downgrades of certain collateral within the structure. In June, management changed the valuation model for this position from expected cash flows to NAV which resulted in an additional $156m of write-downs. We concur with the adoption of this impairment methodology.

Management used an estimate of the June loss data for the purposes of determining the impairment at 30 June 2008. The actual loss data was published in mid July and indicates that management has overstated the impairment charge by $31m. This amount has not been adjusted and is offset by a similar amount in relation to the valuation of whole loans (see below). We concur with this approach.

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Sub-prime whole loans

The fair value of sub-prime whole loans has decreased from $6.4bn at 31 December 2007 to $5.0bn at 30 June 2008 due to a low level of originations by EquiFirst, less sales, paydowns and losses. The sub-prime whole loans were written-down by a further $1,212m (£609m).

A number of exit strategies have been identified by management to reduce the exposure. Approximately $1.9bn of performing loans have been identified as eligible for Federal Home Association (FHA) refinancing and are currently valued at 95. Where mortgages meet certain product and risk criteria required by the FHA, Barclays Capital should be able to sell these loans at close to par to third parties

In early July, the Group entered into a sale agreement with Cerberus relating to $2.2bn of non-FHA eligible performing loans. These loans are valued at the sale price of 80 ($1.76bn) at 30 June 2008. The sale involves Barclays Capital extending term finance to a trust which acquires the mortgages. We concur with management's assessment that based upon an analysis of the risks and rewards, although term finance is being extended to the trust, the original loans have been sold and therefore will be derecognised from Barclays' balance sheet when the sale completes in the second half of 2008.

The remaining non-FHA eligible performing loans of $650m, rejected from the Cerberus deal, are valued at 78 and other lower quality loans of $778m are valued at an average of 52, based upon recent sales of similar loan pools.

Product Control has performed price verification work on the traders' valuations using the same cash flow model which was used at the 2007 year end. They have made certain modifications to improve the accuracy of their valuations. These changes have included an increase of loss severity to 50% and the use of higher implied liquidity discounts from the ABX index where mortgage pools are highly delinquent. The application of the ABX implied discount rate has ensured that management's valuations are more consistent with the market average. There was no material difference between the sub-prime whole loan valuations calculated by Product Control and those of the traders.

Management used an estimate of the June remittance data for the purposes of determining fair values at 30 June 2008. The actual remittance data was published in mid July and indicates that management has understated losses by $43m. This amount has not been adjusted and is largely offset by an adjustment arising on the impairment of ABS CDOs noted above. We concur with this approach.

US sub-prime - other direct and indirect exposures

Other losses of £382m from US sub-prime exposures included write downs of residual assets, leveraged repo transactions and a further impairment of loans to leveraged investment vehicles. The key matters are discussed below.

Residuals

Sub-prime and Alt-A residual equity positions arising from whole loan securitizations (Post NIMs and NIMs) have been written down by a further $355m (£180m). The remaining assets are valued at approximately $84m at 30 June 2008. All 2006 and 2007 Post NIM residuals have been written down to zero. Earlier vintage collateral continued to generate cash flows in the period but the level of those receipts has fallen sharply.

Leveraged repurchase finance agreements

Barclays Capital extended repurchase financing (in the banking book) to a number of special purpose entities on a leveraged basis. Junior notes were issued to investors and the amounts received from the investors provide margin for the repo collateral. The underlying collateral is mainly AAA rated and is well diversified ABS. The total financing outstanding at 30 June 2008 was £7.6bn (31 December £9.5bn). In 2007, there was no impairment recorded although Barclays' equity exposure to the junior notes resulted in losses of £50m in that year.

The market value of some of the collateral has fallen significantly in the first half of 2008. Management has been seeking to renegotiate margin arrangements, obtain additional equity from the investors or restructure the arrangements. This has resulted in the stabilisation of the financing of several facilities. However, two other facilities were terminated leading to consolidation of the assets at fair value and a loss of £165m. Only the losses related to US sub prime and Alt-A (£90m) have been included within the gross losses in the table above. £75m of the losses relate to European assets and guarantees over the investors' equity and these have been correctly excluded from the credit market losses disclosed in the Interim Results Announcement.

There remains a total shortfall of £330m between the outstanding loans and the current fair value of the collateral, of which £219m relates to one facility which has a high concentration of Alt-A securities. Management has undertaken a detailed cash flow and sensitivity analysis of all the outstanding loans which shows that none of the loans are currently impaired. Two of the facilities are at risk of impairment in the event of a further modest decline in the markets. Based on the results of this analysis, we concur with the position taken by management.

The exposures to US sub prime and Alt-A through the remaining facilities are not included in the table of credit market exposures in the interim Results Announcement. The underlying exposures have been excluded from the table because there is no impairment charge and the underlying collateral has not been consolidated. Excluding these exposures is inconsistent with the disclosure of the losses and exposures for the two terminated facilities originated within the same business. The disclosure should be adjusted to include these exposures.

Leveraged Investment Vehicles

Barclays provides financing of $1bn to five Leveraged Investment Vehicles ("LIVs") backed by ABS (including US sub prime) collateral. The ABS portfolios are managed by third parties and provide their clients with leveraged returns. Management has determined a further impairment loss of £39m (2007: £21m) on three LIVs which are now in 'run off' as they are no longer being supported by the equity investors. The impairment methodology is consistent with the US ABS CDO mode. The losses have been driven by the continued decline in the sub prime market values.

Cairn CDO

Barclays has an investment of $911m in the senior notes of the Cairn High Grade ABS CDO. The collateral includes US sub prime and Alt A assets. The significant losses in these assets in the six months now exceed the subordination within the structure. An impairment charge of $138m (2007: $27m) has been recorded based on the US ABS CDO model. The CDO is classified as Available for Sale and recorded at fair value. An additional loss of $63m has been recorded in reserves based on the fair value at 30 June 2008. Management considers that the loss is only temporary due to current market conditions and not an indication of further impairment. We concur with this treatment at the present time.

Alt-A whole loans and securities

Alt-A securities and whole loans have been written down by an additional $1.7bn (£865m), due to falling prices. The market decline in 2008 resulted from the liquidation of certain large hedge funds and general high levels of sales due to liquidity and other constraints, as well as a deterioration in underlying asset performance. The sales have provided increased price observability on Alt-A transactions with the consequence that higher liquidity and credit discount factors are required at 30 June 2008 than those estimated by management at 31 December 2007 (when there was little or no observability) and that management's valuations are therefore better aligned with the market.

Barclays Capital also holds portfolios of AAA rated Alt-A securities within its US Conduits which are all consolidated. These are classified as "available for sale". The fair value loss recognised in the six months to 30 June 2008 was £208m, resulting in total losses of £304m. Management has not recorded any impairment loss in the income statement as the fair value movement is deemed not to represent an impairment but a movement in market prices which is expected to reverse in a relatively short period as the securities continue to perform.

Exposure to monoline insurers

Barclays' exposure to monoline insurance companies exists largely within 'negative basis trades'. These trades involve the acquisition of an asset and purchase of credit protection from a monoline insurer ('wrapped assets') many of which have long maturities (over 10 years). The exposure represents the difference between par and the current fair value of the assets. The notional amount of monoline guarantees is $42.7bn and the exposure at 30 June 2008 is $6.0bn (31 December 2007 $2.7bn). The increased exposure is due to further falls in the market value of the underlying assets.

Approximately 10% of the notional amount of assets guaranteed relates to US RMBS. Of this amount, only $124m is guaranteed by the non investment grade monolines (equivalent to 0.3% of total notional). The rest of the US RMBS is guaranteed by either AMBAC or MBIA. The remaining assets comprise CLOs ($28bn), CMBS ($5.5bn) and other ABS ($4.3bn). In the event of a default on the assets only the defaulted amount (either interest or principal) would be recoverable from the monoline. None of the underlying assets have defaulted to date and are generally of a high quality.

The ability of the monoline insurers to be able to pay in the event of a significant level of claims being made is highly uncertain. Some insurers are unable to underwrite any further business which will reduce their ability to pay future claims. However, the nature and extent of their liabilities means that any restructuring of the monolines will be a complex process. As a result of the uncertainties and complexities involved, there is no available market data or generally accepted valuation approach which may be used to determine a reliable fair value of the wrapped assets.

Management has estimated a fair value provision in respect of the monoline exposure using the Group's standard Risk Tendency model. The provision is based on the current monoline exposure from the fall in value of the underlying assets and their respective credit ratings. The loss calculated by the model reflects the increased exposure and credit downgrades of several monoline insurers. In addition, as a result of a review of the future prospects of the monolines, management stressed the internal rating of two insurers, AMBAC and MBIA (fair value exposure $3.9bn), and recorded a further provision of $464m in June 2008 The total reserve at 30 June 2008 is $864m and the loss recorded in the six months is £370m. We consider that the approach adopted by management is reasonable in the circumstances and recommend that it is reviewed again in the second half of the year to reflect any change in the risk profile of the monolines.

Commercial mortgages

Europe

Management continues to seek buyers for the portfolio of European real estate loans of £4.6bn (31 December 2007: £5.7bn). The portfolio is held in the trading book and valued based on the specific attributes of each asset and expected investor returns. Investor sentiment continued to decline in 2008 and this has resulted in additional losses of £53m in the half year (2007: £5m). The relatively small size of the losses reflects management's view that the portfolio is of a high quality. The loans were originally extended at attractive margins and the assets are well diversified across Europe where the commercial property markets are still relatively stable.

The best evidence of fair value continues to be actual sales. £547m of loans were sold in the first half of the year at or near the book fair values and prices for the remaining assets have been updated, where appropriate. Planned sales in the second half of the year are £355m.

US loans

The US commercial real estate mortgage portfolio comprises large leveraged loans ($10.3bn) which management intend to retain, and $1.0bn of loans intended for securitisation. 45% of the loan exposure relates to two facilities (see below). Write-downs of $234m (£118m) on specific loans based on credit concerns have been recorded in the first half of the year.

Consistent with the year end and despite deterioration in liquidity in this market, management has concluded that loans sales, pay downs, refinancing at market rates and the short-term nature of the book continue to support the valuations at par less deferred fees for a majority of the assets. We have recommended that the process for determining fair value is improved by ensuring that the impact of the deteriorating market sentiment is properly reflected in the loan margin used to calculate fair values. Given the short term nature of the portfolio, management consider the impact of such an adjustment to be not material. The securitisable loans are marked to a CMBS index.

The largest single exposure comprises an equity bridge facility ($968m) and a loan ($1.6bn) to Archstone. Management has written down the equity bridge facility to 75. This is consistent with the value disclosed by Lehman Brothers in their most recent earnings announcement. The loan has not been impaired. The other major loan facility (Crescent) of $2.6bn has been reduced by $299m following asset sales within the portfolio and management is confident of further disposals in the near term and management consider that no impairment provision is required.

SIVs and SIV Lites

Most facilities provided to third party SIVs have expired leading to a reduction in the exposure from £590m to £259m at 30 June 2008. A provision of £10m was recorded following the collapse of Victoria Finance. A further impairment charge of £39m has been recorded in respect of a SIV Lite (Golden Key). In addition, an investor has filed a claim against Barclays in connection with the Golden Key and Mainsail SIV-Lites. It has alleged that Barclays transferred inappropriate high risk assets into the structure. Management do not consider that this claim will be successful.

Leveraged finance

Barclays Capital still holds £7.3bn of unsold ("hung") underwriting positions and target ("hold") positions of £1.5bn. 73% of the hung positions arise from three loans – Alltel, AA/Saga and Alliance Boots. The loan to Alltel (£2.3bn) is due to be redeemed at par following a takeover of the company. No additional impairment has been recorded in 2008.

Management continues to monitor all borrowers closely and the respective businesses continue to perform satisfactorily in most cases. Where there are declines in performance, management has undertaken extensive reviews which show that losses would only be incurred in stress scenarios. The fair value of these assets is substantially below par as evidenced by recent market sales and attempts to restructure loans. However, under an impairment basis of accounting, the current financial state and performance of the borrowers indicates that no impairment event has occurred.

Income in businesses impacted by credit market dislocation

In the credit market exposures analysis in the Interim Results Announcement, management presents the losses net of revenues earned in respect of those businesses which have been adversely impacted by the credit market dislocation. The amount of revenues netted against losses in the half year was £687m (31 December 2007: £818m).

Barclays Global Investors

During the six months ended 30 June 2008, BGI continued to provide liquidity support to several investment funds. During February, BGI purchased structured investment vehicles sponsored by Standard Chartered Bank (Whistlejacket) from several of its US and UK funds. These financial instruments were purchased for £489 million which represented fair value based upon quoted dealer transaction prices. They are carried at fair market value with changes in fair market value recognised in the income statement.

During the six months ended 30 June 2008, BGI has recorded £171m of charges comprising of losses on proprietary assets purchased from the funds totalling £39m and additional charges related to the credit support agreements totalling £132m.

During March, BGI entered into several new agreements to supplement the agreements which had been in place as of 31 December 2007. These new agreements, which became effective in early March, provided additional protection in the aggregate amount of £1.5bn. Unlike the earlier agreements, which are still in effect, the new agreements provide for credit protection only through a financial guarantee (ie payments are made only in the event of an actual default). Under IFRS, a financial guarantee is recorded at fair value on the date the agreement is executed or the intent and key terms are agreed upon. Although the agreements were not signed until 31 March 2008, we have seen evidence (minutes of meetings, draft agreements and presentations setting out the proposals) which demonstrate that the key terms were agreed by the various parties prior to the formal agreements being signed. Based on the evidence that exists, we have agreed with management that the recognition date of the support agreements to determine the initial fair value as of the close of business on 3 March 2008. The initial fair value of these guarantees on that date totalled £48m.

Since the inception of the agreements in 2007, BGI has provided £194m under the original agreements. An additional £14m has been provided by BGI for the initial fair value of the financial guarantees described above. A further £25m has been provided in Head Office Functions in respect of the financial guarantees. £9m has not been provided and we have recorded this in our SUD. We consider that the full amount of £48m should be reflected in the BGI results to give a total support agreement cost of £205m in the period. In version B, we understand that £196m (£205m less the £9m on the SUD) will be included in BGI results.

Since the new agreements are structured as financial guarantees, an additional provision is required only when it is probable (ie more likely than not) that further losses will occur and those losses can be reliably measured. This is only likely to occur when an event of default occurs or is highly likely to occur in the specific assets held in the funds. Management has assessed the likelihood of default as of 30 June 2008 and determined that the additional deterioration in value is temporary rather than probable of occurring.

As of 30 June 2008, the investment funds subject to all support agreements required approximately £414m in order to maintain a stable net asset value per share.

One off items

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

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

The impact of these one-off items is significant and serves to offset the sub-prime and other credit related losses. We have set out the items in the table opposite which we consider are significant to the results of a segment or which are over £50m in any one period.

Each of these items is discussed in the 'Significant interim review matters' section below. The impact of one off items on the effective tax rate is discussed under in the 'Accounting policies, estimates and judgements' section.

The Interim Results Announcement includes commentary to explain the impact of one off items on the performance of the business units. The items in the table marked with an asterisk are currently disclosed in Version A of the Interim Results Announcement (certain prior period items in the table have been adjusted to reflect inter 2007 changes in process and policy). We believe that the one off items in respect of MasterCard gains in Emerging Markets and Barclaycard, the impact of Goldfish and the life actuarial assumption changes in Barclays Wealth should also be separately disclosed in the Interim Results Announcement.

One-off items included in Group Profit before tax

Product (Credit entries are denoted in brackets)	Half-year 30 June 2008 £m	Half year 31 December 2007 £m	Half year 30 June 2007 £m
Barclays Capital			
'Own credit' adjustments	(852) *	(658)	-
CDO model	50		
Unobservable income – reserve release	(59)	(250)	-
Unobservable income change to diminimus	-	(83)	-
FV adjustment / reserve methodology changes	(89)	(184)	-
Fund linked derivative model release	(130)	-	-
Enron litigation	(25)	(54)	(90)
Impairment methodology changes			
- Commercial bank	(49) *	-	-
- Barclaycard	-	(20)	(82)
Acquisition of Goldfish	(37)	-	-
Restructure of Motability	(42) *	-	-
Error in MTN accounting process	63		
Life actuarial assumptions	(57)	-	-
FX recycling on capital repatriation	(112) *		
MasterCard gains	(44)		
Visa IPO	(65) *	-	-
Chartwell property gains	(130) *	(81)	(171)
Emerging Markets fraud losses	19		
Current account fee refunds	-	29	87
Total one-offs	**(1,559)**	**(1,301)**	**(256)**

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Significant interim review matters

Barclays Capital

Own credit adjustment

As explained in our February 2008 report, IFRS requires that financial liabilities measured at fair value should reflect movements in the credit spread of the issuer ("own credit"). Financial liabilities include the structured note liability portfolio of £52bn that is measured at fair value. The 5 year credit spread increased from 46bp at 31 December 2007 to 115bp at 30 June 2008. This resulted in a gain in respect of the structured note liabilities in the first half of 2008 of £852m (six months to 31 December 2007: £658m). The bank credit spread market is very volatile which can be seen from the loss of £460m in April and the gain of £613m in June. The cumulative gain in respect of own credit recognised at 30 June 2008 was £1,510m.

There has been no change in the methodology and assumptions made in the calculation of the gain. We have reviewed management's calculation and concur with the approach taken.

Consistent with 2007, management has excluded the impact of a change in the credit spread on derivatives. The vast majority of derivative exposures are collateralised and subject to netting agreements (and therefore are not significantly impacted by Barclays' credit spread). Management estimates that the impact on the own credit adjustment would not be material, although no quantitative analysis has been produced. There is still a mixed practice amongst banks in relation to inclusion of derivatives in the own credit adjustment. Whilst we concur with management's approach at the current time, we recommend that this matter is further analysed prior to the year end.

CDO correlation and recovery rate model reserve

Management has identified a potential need to update a valuation model used in the CDO trading book business. It has become apparent that the fair values produced by the model are not consistent with prices observed from other banks. There is evidence that a number of other banks are using a different model in two key respects. The first issue relates to the method of calculating the correlation input for Barclays' bespoke deals using data from quoted index prices. Secondly, the market is moving to a more sophisticated method of determining the recovery rate for the underlying credit exposures. Management is investigating the most appropriate way to update their model, which may involve building a highly complex model which will not be completed until later in 2008. At 30 June, management has recorded a reserve of £50m for the model risk based on the price testing difference between the valued produced by the existing model and the valued received from a third party pricing service. We agree that this is a reasonable basis for an estimate at the current time.

Unobservable income reserve

As explained previously, IFRS requires observable market prices to be used when determining the fair value of a new financial instrument. In 2007, management released £333m (net) to the income statement. Only £59m has been released in the half year which is mainly due to the small level of reserve that remains in the balance sheet.

Other fair value adjustments

Management has, in the normal course of business, continued to revise various reserve methodologies to produce more accurate fair value adjustments. A release of £89m from the bid offer reserve was booked in the half year. The release relates to products where Barclays Capital acts as a market maker and quotes two way prices on its own electronic trading platform (BARX). As a market maker, Barclays will not incur the cost of the bid offer spread, but rather this represents a profit margin already earned.

There is also a release of £130m of model reserves related to equity fund linked derivatives. Most of this release follows the introduction of a new model which measures the gap risk associated with these products and an increase in observable market data on trading this risk. We agree with this release.

No other releases are individually material. We have reviewed a sample of reserve adjustments and concur with the approach taken.

Error in medium term note accounting process

Management identified an overstatement of net interest income of £63m in March 2008. The cumulative amount at 31 December 2007 was £51m. This was caused by a change in the accounting process for booking medium term notes (MTN) in 2006. The process involved the charging of interest on the internal transfer of the funds between two trading desks. The product controllers mistakenly posted a monthly journal to reverse the interest cost and include the amount within inventory on the balance sheet. This was not identified earlier by compensating controls because the monthly amount was small in comparison to the total inventory balance and monthly income.

Management undertook a review of the booking of all MTN programmes and have concluded that this was an isolated occurrence. In addition, management has introduced an additional control to review all manual journals with a cumulative effect on income of £10m.

Barclays Wealth – Life actuarial assumptions

During the period, there were a number of changes made by management to actuarial assumptions for determining insurance contract liabilities after reviewing the underlying risks and experience in consultation with their external actuarial advisers. The impact of this has been a net release of £57m in the current period (the six months to 30 June 2007 included a £16m release as a result of revised regulatory guidance).

We are satisfied that the provision for insurance contract liabilities is reasonable in the context of the Group's financial statements. The assumptions made, whilst reducing the level of prudence compared to the 2007 year end, are within a reasonable range as disclosed by other insurers.

Net income from the Life Assurance business increased to £104m (six months to 30 June 2007: £83m) following these releases, but was partially offset by a £12m debit (six months to 30 June 2007: £7m credit) to profit before tax resulting from changes in the policyholder tax liabilities specific to the accounting treatments adopted for taxes borne by policyholders within insurance contracts

Barclaycard – Acquisition of Goldfish

The acquisition of the Goldfish portfolio in April 2008 gave rise to negative goodwill of £90m (after reflecting impairment alignment charges and other fair value adjustments). Restructuring and costs related to the decision to write off the Goldfish IT systems have also been incurred in the six months to 30 June 2008. The overall net gain recorded was £37m.

Barclays Commercial Bank – Restructure of Motability

Other income includes a gain of £42m resulting from the restructuring of the Motability Partnership to a new corporate structure. The tax impact of this transaction means that there is a negligible effect on profit after tax.

Chartwell property gains

The Group has continued to realise profits from its property portfolio through Project Chartwell, through the sale and leaseback of properties although at a slower pace than in the prior period. Gains from the sale of properties across the Group in the current six month period amounted to £130m (2007: £171m) comprise mainly £65m (£2007: £113m) in UK Retail Banking, £37m (2007: £23m) in Spain and £10m (2007: £25m) in Barclays Commercial Bank.

Emerging Markets fraud losses

There was a fraud involving the misreporting of Barclays Bank Ghana results by £9m. An independent investigation is underway, into this, and some related allegations, and those directly involved have left the group (including the former CFO). EM management have effected the necessary adjustments to group reporting, and taken steps to strengthen the financial control and oversight arrangements. Other items included losses incurred as a result of irregular transfers of funds involving customers in Ghana (£6m) and Botswana (£4m) which are included in impairment charges.

Gain on sale of MasterCard shares

The Group has recognised a gain of £46m in respect of the sale of MasterCard shares, £7m of which arises in Barclaycard US. The remaining gain has been allocated between Barclaycard (£8m, to give a total of £15m), Western Europe (£17m) and Emerging Markets (£14m). The allocation was originally based on an equal split recorded in May 2008, which management subsequently revised in June 2008 when the final gain was established. We note that the original gain on the MasterCard IPO in 2006 from which the entitlement to these shares arose was all recognised in Barclaycard, but following the revised segmental reporting management consider a split is more appropriate. We understand that these gains will be separately disclosed in the commentaries on each of the business unit's performance.

Absa – Visa IPO

Absa has classified its holdings in Visa shares as trading assets, making use of the option permitted under IAS 39 whereby assets may be designated (on recognition) as being at fair value through profit and loss on meeting certain criteria. This differs from the classification as Available for Sale adopted elsewhere within the Group, and reflects a decision taken by Absa management to incorporate the holdings into portfolios managed and evaluated on a fair value basis. As a consequence the R1,015m (£65m) gains recorded in the period by Absa include MTM gains of R275m (£18m), as well as the gains on sale of R740m (£47m) arising from the compulsory redemption (and sale) that occurred at IPO on the New York Stock Exchange in March 2008.

As at 30 June 2008, the Visa shares held by Absa were valued at R603m (£38.7m) calculated at $81.31 per share, being the closing share price of listed Visa A-class shares.

Head Office functions – foreign exchange recycling

The functional currency of the Paris branch of Barclays Bank PLC is Euros. The quasi capital held in Paris is therefore denominated in Euros and has accumulated a foreign exchange gain in equity at a group level over time as the euro/sterling exchange rate has moved.

During the period, a decision was made by management to repatriate this capital to the UK. The accounting effect of this decision has resulted in the cumulative gain of £112m already recognised in equity being recycling through the income statement.

Accounting policies, estimates and judgements

Key estimates and judgements

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

- Fair value adjustments;
- Impairment and other credit provisions;
- Share based payment assumptions;
- Taxation; and
- Litigation and settlements.

Fair value adjustments

Valuation reserves

Except for those items identified in the "Significant interim review matters" noted above, management have determined their fair value adjustments and reserves on a basis consistent with as at 31 December 2007. Details of the fair value adjustments and reserves are set out in Appendix I.

Barclays Capital undertakes a continuous review of all trading positions with the aim of ensuring consistent independent valuations are calculated in accordance with detailed policies, and that unobservable parameters are identified. Independent price testing (by Product Control) has indicated that the trading portfolios at 30 June 2008 are, similar to previous periods, conservatively valued. We have reviewed the processes applied by management and concur with the position taken not to adjust for the net credit.

Principal investments

Management uses fair value accounting in the Principal Investments business. As at 30 June 2008, the value of the portfolio was £768m (31 December 2007: £542m) and a gain of £128m was recorded in the income statement for the six months (2007: £64m).

Management exercise significant judgment in establishing the fair value of these investments, employing various valuation techniques. In particular, these judgments involve selecting the most appropriate method, making use of market-based inputs (such as quoted prices and similar transactions) where possible, judging the proximity to exit, and calibrating the results against market conditions at the balance sheet date. Given the inherent uncertainty in this approach, which is exacerbated by the current volatility in the market, the determination of fair value is subjective.

Our review procedures have focussed on assessing the appropriateness of these techniques, with reference to current industry norms, and an assessment of the validity and reasonableness of the inputs to the valuation techniques. In forming our conclusions, we obtained management's documented analysis for each material investment and considered relevant market data, and investee company specific data, making use of our internal specialists where appropriate. Based on this assessment, we believe that management's fair value estimates are reasonable.

Impairment and other credit provisions

The net charge to the income statement for impairment and other credit provisions in the six months to 30 June 2008 was £2,448m, an increase of £1,489m (155%) over the prior period. The overall stock of allowances has seen an increase in the period of 30% to £4,876m, driven mainly by the increase in impairment charges in wholesale and corporate portfolios as a result of impairment against CDO and other credit market positions in Barclays Capital.

Excluding the impact of increases in impairment charges in relation to sub-prime and other credit market exposures, the impairment charge has increased by 38% driven primarily by increases in Barclays Capital, growth in balances and the impact of a deteriorating economic environment on certain of the retail and commercial loan portfolios.

We have analysed in the table included in Appendix 2 to this report the change in the allowance for each business unit and an overview of significant movements. We have discussed with management significant developments and reviewed the consistency in relation to prior periods of the methodologies applied as well as the data used in the models used to calculate impairment Specific matters identified by these reviews in the Business Units are discussed in the 'Significant interim review matters' section. We are satisfied that the impairment provisions are fairly stated.

Barclaycard

In our previous report to the BAC in February 2008, we reported that management had adopted a new impairment methodology and that we believed that the previous methodology more fully reflected our interpretation of IFRS. However, we were comfortable with the overall impairment stock for Barclaycard at 31 December 2007, since the impact of the adoption of the new impairment methodology for the full year was offset by potential adjustments made for severity rate trending and factoring in of bankruptcies.

The impairment methodology used for the first half of 2008 is consistent with the new methodology used in 2007. Management have prepared an assessment which indicates that the difference remains immaterial. This assessment excludes the potential benefit in respect of the severity rate trending and factoring in of bankruptcy adjustments that were considered at the year end. These have not been quantified at 30 June 2008, but management believe that if they had the impact would be not material.

Barclays Commercial Bank

A change to the unidentified impairment model, where the emergence period was reduced from 6 months to 3 months has resulted in a credit of £49m in the current period. We concur with the reduced emergence period.

Goodwill impairment

On 8 July 2008, Firstplus announced that it would cease recruiting customers from 9 August 2008 due to slowing demand. Goodwill of £83m is recorded against the Firstplus secured lending business. An analysis by management based on the MTP prior to the announcement indicates that there had been no impairment of that goodwill as at 30 June 2008. We have yet to see the revised MTP reflecting this change or the consequential impact on the carrying value of the goodwill.

Share based payments assumptions

Management has reviewed the performance conditions assumptions on a number of share schemes in calculating the share based payment expense for the 2007 and 2008 Awards. The most significant change was in the assumption for Economic Profit (EP Multiplier) that has been set to zero for a number of schemes (PSP, VGP) resulting in a reduction during the period of the expense in comparison to prior year and management forecasts based on the previous assumption. For the various share schemes the expense in the six months to 30 June 2008 is approximately £50 million below forecast.

Taxation

Effective tax rate

The Group's forecast effective tax rate for the year is 27% (2007 actual: 28.0%). Adjusting the forecast rate for items which are specific to the six months to 30 June 2008, including in particular the release of the deferred tax liability of £139m in respect of Spanish goodwill (see paragraph below), reduces the effective tax rate for the six month period to 30 June 2008 to 22.5%. Significant factors affecting the full year forecast rate in 2008 include:

	Full year forecast effect (cost)/benefit	
	£m	% change in ETR
Provision for unrelieved foreign tax credits (see paragraph below)	(50)	(1.8)
Income not taxable (including benefit of tax-free private equity profits)	127	4.6
Share based payments (see paragraph below)	(99)	(3.6)
Write off of deferred tax liability on Spanish goodwill (see paragraph below)	139	5.0

Other items not included above but with an impact on the effective tax rate relate to recurring tax adjustments mainly in relation to non-allowable expenses, profits not taxable and movements in tax provisions.

Foreign tax credits

Current calculations indicate that there is expected to be insufficient UK tax capacity in Barclays Bank PLC to relieve in full the foreign tax paid in respect of the profits of overseas branches. The forecast effective tax rate for 2008 assumes that £50m of foreign tax credits will be unrelieved, although it is possible that action may be taken to improve this position by the year end.

Share based payments

Tax relief for share awards is typically deferred until exercise and is based on the value of the award at that date. As a consequence, temporary differences have been recognised on balance sheet in previous periods in the form of a deferred tax asset. As a result of the fall in share price since 31 December 2007, the value of this deferred tax asset has been reduced. Assuming a year end share price of £3.00, the effect is to increase the forecast tax charge for the year by £99m.

Write off of deferred tax liability on Spanish goodwill

Management has reviewed the deferred tax liability of £139m recognised as at 31 December 2007 in respect of the goodwill on consolidation arising on acquisition of Banco Zaragozano. Management has concluded that this liability should be derecognised, on the grounds that a tax liability is not expected to crystallize on any future disposal of the subsidiary. By contrast, management has concluded that a deferred tax asset of £104m in respect of future Spanish tax deductions for the amortisation of goodwill in the local accounts should continue to be recognised. We have reviewed management's analysis of the position and agree with their conclusions.

Pilgrim - Barclays Group US Inc (BGUS) – deferred tax asset

As noted in our report of 13 February 2008, the accounts at 31 December 2007 recognised a deferred tax asset of £307m in respect of temporary differences in the BGUS group. During the six months to 30 June 2008 the BGUS group had net taxable income and management are satisfied that continued recognition of a deferred tax asset is appropriate. This conclusion appears reasonable.

SCM provisions

We have previously reported on the level of tax risk arising from the transactions within the SCM business. This tax risk arises largely from the structuring of transactions which have tax advantaged features and where the group has not obtained acceptance of the position from the tax authorities. The Group carries tax provisions for any additional tax which may become payable. At 30 June 2008, provisions totalled £760m (31 December 2007 £727m, 30 June 2007 £530m).

The net £33m increase from the year end includes £112m of incremental provisions on new and existing transactions as well as net releases of £79m as a result of agreement on the tax treatment for some specific transactions. During the period HMRC have formally agreed to the tax treatment of 2 transactions (resulting in a release of £11m) and have recently indicated that they have accepted Barclays' position in relation to the "Brazil" and South African "under hedge" transactions (resulting in a provision release of £142m). Management have increased the provisions in relation to another class of trades (the 'DTR' trades) by £74m as these relate to the same portfolio of trades currently being discussed with HMRC and management consider that it is now more probable that the tax treatment of these trades will be strongly challenged. This net movement of £79m reflects management's ongoing methodology for the provision which assumes that settlement will be reached with HMRC on a portfolio basis. All of the developments with HMRC in the period relate to 2005 transactions. Discussions continue in relation to the remaining open trades and in meetings after the period end HMRC indicated that they would be willing to settle the majority of the remaining 2005 transactions for an amount within the current provision for these trades.

The provisions are based on management's best estimate of the likely outcome of discussions with the tax authorities. It should be expected that some of the positions taken may be challenged. The business has estimated that, on a realistic worse case scenario, it if were to be challenged successfully on the intended tax benefits of open positions, the maximum tax risk exposure would be £1,425m of which £760m is provided. The net unprovided risk of £665m has increased by £166m from £499m at 31 December 2007. The net risk figure above does not take into account the further discussions with HMRC held after the period end.

Transfer pricing

In our 13 February 2008 report, we noted that there were provisions of £161m in respect of transfer pricing exposures. These provisions have increased to £196m as at 30 June 2008, principally reflecting the accrual of further transactions. As noted in our earlier report, management commenced a major review of transfer pricing in 2007 and continues to review and monitor the position.

Litigation and settlements

Sanctions and other litigation

We are discussing with management the disclosures to be made in the Interim Results Announcement in relation to litigation, potential litigation and certain other regulatory investigations (eg sanctions and overdraft fees and charges). We will be asking the Board to represent the position taken by management on these matters in our management representation letter.

Management will provide a separate paper to the Board Audit Committee containing more detailed information on litigation matters and their accounting treatment and disclosure.

With respect to sanctions, we concur with management that no provision can be reliably measured and that appropriate disclosure in accordance with IAS 37 Provisions, contingent liabilities and contingent assets is required in the financial statements.

Appendices

Appendix 1 Fair value adjustments

Reserve	30 June 2008 (£m	31 December 2007 (£m	Movement (£m)	
Unobservable income reserves	172	149	23	Profits on new trades on trade date may only be recognised where there is sufficient observable market evidence supporting the fair value. The 'unobservable' profits are amortised to trading income over the life of each trade or, once the parameter becomes observable, recognised immediately.
Bid / Offer	295	372	(77)	The movement relates to a revised methodology for determining the bid offer reserve when Barclays is the market maker.
Specific portfolio level fair value adjustments	1,035	1,169	(134)	Adjustments to include liquidity, model and other pricing uncertainties. Model reserves relating to unapproved models and known model weaknesses amount to £1,010m (31/12/2007: £1,082m).
Credit adjustments	165	127	38	Adjustment to reflect counterparty risk on derivatives.
Operational, legal and other	154	116	38	Various one off reserves for operational, legal, tax and other transaction specific risks.
Total	1,821	1,933	(112)	

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

Business unit	Allowance at 1 Jan 2008 (£m)	2008 charge (£m)	2008 write –offs (£m)	Other changes* (£m)	Allowance at 30 June 2008 (£m)	2007 half-year charge (£m)	2007 half-year write –offs (£m)	Comment
Barclaycard	1,107	477	(359)	52	1,277	435	457	Increase in impairment charge reflects increased volume, delinquencies in US and South Africa as a result of worsening economic conditions.
Barclays Commercial Bank	483	148	(178)	15	468	124	115	The impairment charge increased 19% compared with the first half of 2007 mainly driven by the deterioration of cases existing at the year end (£138m), the largest of which was a £40m charge for Biofuels, as well as the impact of new cases (£100m), where cases are moving through the workout processes more rapidly than was anticipated.
UK Retail Banking	1,005	288	(253)	(2)	1,038	277	295	Impairment has increased 4% (£11.5m) when compared with the first half of 2007. However, after adjusting for the impact of debt sales in the prior period, impairment has decreased slightly reflecting better collections and credit processes. There has been an increase in the mortgage impairment charge due to falling house prices and a slight increase in arrears and repossessions. The Home Finance charge remains negligible in the context of the group. Current economic forecasts indicate that the impairment charge could increase in the second half of 2008 particularly if unemployment continues to rise.
Absa	346	125	(72)	(49)	350	56	62	Continuing volume growth, and rise in interest and inflation rates in South Africa has led to increases in delinquencies in the retail books, in particular, and higher impairment charges.
Western Europe	169	103	(23)	43	292	32	24	Increase in impairment charge has been driven primarily by the deteriorating economic environment in Spain and in particular falling property market. We understand from management that a detailed review of the top 80 exposures in Spain has been performed and the level of provisioning against each exposure is considered to be adequate.
Emerging Markets	123	66	(12)	(54)	123	12	17	Significant increase in impairment has resulted from the continuing volume growth. However, this also includes a significant element of relatively large corporate losses, as well as the two items referred to in the Significant Interim review matters section.
Barclays Capital	514	713	(13)	10	1,224	15.1	40	Total impact of impairment was £1,123m including £898m against ABS CDO Senior positions and £225m against other credit market exposures, both of which are discussed in the section on Quality of earnings.
Other	25	13	(1)	67		13		
Total	3,772	1,933	(911)	82	4,876	963	1,011	

Source: Group Credit Risk Impairment Committee pack

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

Independent review report to Barclays PLC

Introduction

We have been engaged by Barclays PLC to review the condensed consolidated set of financial statements in the half-yearly financial report for the six months ended 30 June 2008, which comprises the income statement, balance sheet, statement of recognised income and expense, cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

The annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed consolidated set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed consolidated set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated set of financial statements in the half-yearly financial report for the six months ended 30 June 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
7 August 2008
Hay's Galleria, 1 Hays Lane, London SE1 2RD

Notes:
The maintenance and integrity of the Barclays website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website, and

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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PAPER FOR BOARD MEETING ON THURSDAY 17 APRIL 2008

Agenda Item No.

1.1(1)

TO:	The Directors
FROM:	Lawrence Dickinson
DATE:	11 April 2008
SUBJECT:	APPROVAL OF MINUTES OF PREVIOUS MEETING – 20 MARCH 2008, MINI BOARD MEETING ON 7 MARCH 2008 AND FINANCE COMMITTEE MEETING ON 17 MARCH 2008

The minutes of the Board meeting held on 20 March 2008, the Mini Board meeting held on 7 March 2008 and Finance Committee meeting on 17 March 2008 are submitted for the Board's approval.

BARCLAYS PLC

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS
HELD AT 1 CHURCHILL PLACE, LONDON E14 5HP
ON THURSDAY 20 MARCH 2008

Present:

Marcus Agius - Chairman

David Booth	Sir Richard Broadbent
Leigh Clifford*	Fulvio Conti
Dr Danie Cronjé	Professor Dame Sandra Dawson
Bob Diamond*	Gary Hoffman
Sir Andrew Likierman	Chris Lucas
Sir Michael Rake	Sir Nigel Rudd
Stephen Russell	Frits Seegers
Sir John Sunderland	John Varley
Patience Wheatcroft	

In Attendance:

Lawrence Dickinson	Company Secretary
Patrick Gonsalves	Deputy Company Secretary
Mark Harding	General Counsel
Robert Le Blanc	Group Risk Director (in attendance for items 1.1, 1.2(2)(a) and 2.2 only)

* via conference call

1. CHAIRMAN'S MATTERS

1.1 APPROVAL OF MINUTES AND ACTIONS ARISING FROM PREVIOUS MEETINGS

(1) Minutes

The minutes of the Board meeting held on 14 February 2008 and the Mini Board meeting held on 18 February 2008 were approved for signature by the Chairman.

(2) Actions Arising

Lawrence Dickinson drew the Board's attention to the schedule of Actions Arising from the 14 February 2008 Board meeting, which had been sent to Directors in advance of the meeting and noted that all actions arising from previous meetings were in hand.

(3) External Board Appointments

The Board noted the appointment of Patience Wheatcroft as a Non-Executive Director of Shaftesbury PLC, with effect from 27 February 2008.

The Board also noted the appointment of John Varley as Honorary President of the UK Drug Policy Commission. The appointment was expected to be effective from the end of March/beginning of April 2008 but the time commitment was not expected to be onerous.

1.2 BOARD COMMITTEE REPORTS

(1) Report of the Board Risk Committee Meeting Held on 19 March 2008

Sir Richard Broadbent presented his Report on the key issues discussed at the meeting of the Board Risk Committee meeting held on 19 March 2008, which had been laid on the table at the meeting, and highlighted the following points:

(a) Risk Appetite

At the time of recommending the Group's risk appetite for 2008 to the Board, the Board Risk Committee had noted that the capital position was tight relative to the proposed risk appetite. This was even more the case in current market conditions.

(b) Forward Risk Trends

Sir Richard drew the Board's attention to the summary of forward risk trends attached to the Quarterly Risk Report and noted that in addition to the 12 identified risks, there were risks relating to the cost of support for BGI's money market funds and the capital position.

(c) Wholesale Credit Risk and Stress Testing

Net exposures to the Asset Backed Securities and Leveraged Finance markets have not moved materially since the year-end. The outlook for the Alt-A market had deteriorated but the position on the monoline insurers had improved as new injections of capital had allowed them to retain their AAA rating.

The Committee had discussed two different stress scenarios. First, a short-term severe stress environment and the potential losses that could be incurred in one month. This could result in a loss of up to £850 million before tax, in a reasonably severe scenario. That level of loss could be absorbed without breaching minimum capital ratios. Losses materially above that level would require assumptions increasingly implying systemic failure. Longer term moderate and severe stress scenarios over 2-3 years again remained within the Group's capital ratios, assuming the impact of management actions.

(d) Liquidity

The Committee was reassured by both the level of the Group's funding and by its continuing good reputation in the market.

The Board noted the report from the Board Risk Committee Chairman.

(2) Quarterly Risk Reports

(a) Group Risk Report

Robert Le Blanc referred the Board to his Quarterly Risk Update, which had been sent to Directors in advance of the Board meeting and highlighted the following points:

i) Market Environment - Mr Le Blanc described how stresses in different areas such as mortgages, a slowdown in the global economic cycle, a major change in the credit cycle and efforts to de-leverage and de-risk had resulted in a loss of confidence and the current difficult market conditions. The combination of these events had reinforced each other and this would take time to work itself out.

ii) Hedge Funds - The Group's exposure to hedge funds had been reviewed as the sector was under continued pressure. The Group's positions were well collateralised but the Group could not be immune to the problems and Barclays Capital had lost £23 million in the rapid liquidation of Peloton.

iii) <u>Market Risk</u> - The Board discussed the Standard Chartered SIV, Whistlejacket, and noted that Standard Chartered's reputation in the market had not suffered so far as a result of its failure to stand behind Whistlejacket. BGI's cash funds had held approximately $1.8 billion of Whistlejacket paper. Half of that holding had been purchased by Barclays to mitigate the risk of net asset values in certain of their money market cash funds falling below par.

In response to a question, it was noted that BGI's exposures to Bear Stearns were being closely watched. There remained litigation outstanding between the Group and Bear Stearns.

The Board noted the Quarterly Risk Update.

Robert Le Blanc left the meeting.

(b) <u>Legal Risk Report</u>

Mark Harding referred the Board to the Quarterly Legal Risk Report, which had been sent to Directors in advance of the meeting and highlighted the following points:

Redacted:
Redacted For Privilege

Redacted:
Redacted For Privilege

1.3 BOARD EFFECTIVENESS REVIEW ACTION PLAN

Mr Dickinson presented the report on the Board Effectiveness Review Action Plan for 2008, which had been sent to Directors in advance of the meeting and noted that no major changes to Board processes were being proposed. A small number of specific actions would be taken including: the UK Retail Bank strategy presentation specifically covering the health of its customer franchise, Non-Executive Director training and additional material being presented to the Strategy Board on the external environment.

The Board discussed the proposed actions to respond to the Board Effectiveness Review and noted that the perceived decline in the Group's comparative financial performance did not indicate any complacency on the Board's part but rather that management was already fully aware of the Board's desire for improvement.

The Board noted the Board Effectiveness Review Action Plan.

2. CHIEF EXECUTIVE'S MATTERS

2.1 BUSINESS REPORTS

(1) Chief Executive's Report

John Varley presented his monthly Report, which had been sent to the Directors in advance of the meeting, and highlighted the following:

(a) HBOS

Mr Varley had spoken to the Chief Executive of HBOS to offer support following the sudden decline in their share price and market rumours of possible failure. Their situation had been very serious indeed. This highlighted the significant difference in approach between the Bank of

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England and the US banking authorities. Mr Varley noted that a high-level group of banks would be meeting shortly with the Bank of England to discuss the current market conditions and the proposed changes to the deposit protection regime post Northern Rock. The Board noted the importance of being well prepared to respond to market rumours and being ready to issue appropriately robust statements.

(b) Current Market Conditions

Bob Diamond updated the Board on current market conditions. As previously reported, three pre-conditions needed to be met to start the process of bringing confidence back to the markets: the publication of audited accounts by the leading banks, obtaining clarity on the position of the monoline insurers and the central banks taking concerted action to address global liquidity problems. The bank results season had overall been mixed and the position of the monoline insurers was still not completely clear, which could have serious implications for both Citigroup and UBS. However, the central banks had made some significant efforts in addressing liquidity and the problems at Bear Stearns had been very rapidly resolved. The strident statements of Mr Paulson and the concerted efforts of the central banks were likely to have a slow but material impact in the process of rebuilding confidence. It was possible that the worst of the crisis had now passed as, for the first time, there were signs of new money being invested, albeit very selectively, but it would be many months before real confidence returned to the markets.

(c) Zimbabwe

Frits Seegers briefed the Board on the contingency arrangements being made ahead of the Zimbabwe presidential elections to ensure the Group maintained control of its business in Zimbabwe. Part of the Group shareholding could be sold to an employee trust to meet new indigenisation legislation.

(d) Tax Status of Non Domiciled Residents

Up to 10,000 of the Group's 55,000 UK employees could be impacted by these proposals which could undermine the competitiveness of the UK financial services industry. The Group was lobbying Government strongly on this matter.

(e) Corporate Development

Following the Chairman's meeting with the Chairman of the FSA on the Group's capital position (which the Chairman had separately briefed Directors on), the corporate development opportunities the Group was currently working on had been put on hold until a way forward was agreed with the FSA.

(f) Russia - Expobank Acquisition

There had been very little reaction to the Group's Russian acquisition, given that it was consistent with the Group's strategy. The price paid ($745m) was in line with comparable transactions and the transaction had been concluded within the overall cost limits approved by the Board Finance Committee.

(g) VISA Flotation

Gary Hoffman reported that VISA's flotation in the US had been successfully completed with the Group expected to receive $200 million in cash in October 2008 and approximately $140 million in shares. The European flotation could raise a further $300 million to $400 million. £90 million had been included in the Medium Term Plan for 2008.

The Board noted the report.

(2) Finance Director's Report

Chris Lucas presented his monthly Report for February 2008, which had been sent to Directors in advance of the meeting, and highlighted the following:

(a) Results for February

Profit Before Tax (PBT) for the year-to-date at £1,156 million was £2 million ahead of STP but £121 million behind the same period in 2007. There had been a good income performance with net income before impairment charges increasing by 12%. Impairment charges of £641 million reflect the credit markets charges in Barclays Capital. As a result, net income increased by 5% compared to the prior year. Total costs increased by 14% including the £127 million of costs incurred in BGI relating to the provision of support to various liquidity products. Excluding that item, costs increased by 8% reflecting continued investment levels in the business.

(b) Balance Sheet and Capital Ratios

The total balance sheet at 29 February 2008 was £1,584 billion, an increase of 29% since 31 December 2007. This increase was largely driven by the accounting gross up under IFRS of derivative financial instruments and the increase in repurchase transactions which had been reduced at the year-end. The GRCB balance sheet was growing in mortgages and in the International businesses. At the end of January 2008 on a Basel II basis the Tier 1 ratio stood at 7.3% and the Equity Tier 1 ratio stood at 5%, reflecting an increase of 4% in Risk Weighted Assets (RWAs) since the year-end.

(c) Business Level Performance

GRCB PBT for the year-to-date was £653 million, which was £42 million ahead of the plan. UK Retail Bank, Barclaycard and the International Businesses were all performing well but the performance of Commercial Bank was being monitored. IBIM PBT for the year-to-date was £595 million, slightly behind plan. Barclays Capital were ahead of plan despite further credit related write-downs of £800 million. These had been partially offset by Own Credit resulting in a net negative impact of £50 million. However, BGI had been adversely impacted by the support to its money market funds resulting in PBT for the year so far of £27 million.

(d) Market Consensus

Analysts' forecasts for the year were now trending down and, excluding the outliers, were in the range £6.9 billion to £7 billion. A revised forecast for the year would be conducted at the end of March but the short term plan for the year indicated PBT of £7.7 billion. It was expected that the revised forecast would be lower than the STP.

In response to a question, Mr Lucas advised that difficult decisions would need to be made in the near future as to whether BGI would continue to provide support to money market funds, given the contribution that that part of its business made.

The Board noted the report.

(3) 2007 Interim Results - Peer Group Comparison of Results

Mr Lucas presented his paper on Peer Group Comparison of Results, which had been sent to Directors in advance of the meeting, and drew the Board's attention to:

(a) Peer Group Performance

Barclays performance against the peer group was fairly strong, without being outstanding. Income performance was below top quartile in 2007 but cost and impairment performance was good compared to its peers. Over the period 2004 to 2007, Barclays PBT performance was joint 5th in the peer group with good income growth and some productivity improvement.

(b) 2007 Net Losses

Barclays net write-downs of £1.6 billion were 3% of the total investment-banking losses and 2% of total losses. This was 11th within the peer group and top investment banks, with Citigroup, Merrill Lynch and UBS incurring the largest losses.

The Board discussed the relative performance in respect of sub-prime losses across the banks. Mr Varley noted that Goldman Sachs, Lehman Brothers, BNP and Barclays had performed relatively strongly

(c) Costs and Productivity

Barclays productivity improved in 2007 with a cost income ratio 1.3% lower than in 2006. BBVA and Santander were the peer group leaders for cost management.

(d) Balance Sheet

Royal Bank of Scotland's acquisition of ABN Amro had increased its balance sheet to nearly £2 trillion. Barclays asset growth was in line with others in the peer group and was largely driven by growth in investment-banking assets. This area was impacted by the introduction of IFRS.

The Board noted that HBOS had a significant gap between loans and deposits.

(e) Capital Ratios and Gearing

Royal Bank of Scotland's ratios were the lowest. Excluding the revaluation gain on its investment in Bank of China, its equity ratio would stand at about

4.2%. Barclays gearing was near the top end of the peer group as it had raised non-equity Tier 1 capital rather than equity due to its greater tax efficiency.

Board discussed whether the comparative strength of some banks' balance sheets would make them potential predators and noted that JP Morgan and Santander could be considered to be in that category, although JP Morgan's hands would now be full with Bear Stearns. The Board Finance Committee had recently reviewed some of the work that was under way to prepare the Group in the event of an approach from a predator or, more likely in the current circumstances, an activist shareholder proposing a break-up of the Group. The Board also noted the very encouraging progress being made by GRCB.

The Board noted the Report.

(4) **Franchise Health**

Mr Hoffman presented his Franchise Health report, which had been sent to Directors in advance of the meeting and highlighted the following points:

(a) <u>UK Retail Bank</u>

The reputation of the banking industry in the eyes of the media and customers remains tarnished and Barclays had not been able to differentiate itself from its competitors. UK Retail Bank had improved its relative performance against its peer group in terms of overall customer satisfaction from 7th out of the banks to 5th. First Direct and Nationwide still stand out from the crowd. The Board discussed the trade off between costs and services in the Retail Bank. First point of contact complaint resolution had increased so that by the end of 2007 the performance was 4% above the year-end target of 70%. One increase is the feature of complaints related to the use of overseas call centres. Approximately 50% of complaints could be easily avoidable as they arose from errors, attitude or a lack of knowledge on the part of staff.

(b) <u>Barclays Commercial Bank</u>

There has been significant change in the Commercial Bank and during the period of 'transition' satisfaction ratings have fallen, particularly in larger business which had lost its leading position to Lloyds TSB. Medium business satisfaction scores had also declined as a result of various one-off business initiatives which had mostly ended, so a recovery was expected.

(c) Barclaycard

Customer satisfaction and value for money measures returned to 2006 levels after the decreases in the first half of 2007. This was likely to be because of a campaign to increase the credit limits of low-risk customers and perceived satisfaction with interest rates had improved as a result of focused marketing activity.

(d) GRCB Western Europe and Emerging Markets

Barclays Spain currently had no complaints capture tool in its branches. This would be rectified. The change to a mass-market bank in Spain has had a material impact on its franchise health. This was an important lesson for when major strategic or operational changes were being made to ensure there was close monitoring of the impact on franchise health.

The Board discussed the drivers of the EOS and customer satisfaction scores which were impacted by the very significant level of change in the business but was also positively affected by increased innovation, more competitive products and a desire to be associated with a successful business.

In response to a question, Mr Seegers noted that Barclays Commercial's customer satisfaction scores had suffered as a result of the very high levels of change in the last year with 89% of the management team having been replaced.

The UK's negative attitude to overseas call centres was unusual but the very high cost of running UK call centres made them difficult to justify, although it was important to get the training of overseas call centre staff right. Over 7,000 jobs had been moved off-shore and the Indian call centres had experienced problems earlier in the year. However, the decision to bring the service in-house had resulted in an improving trend although further enhancement was needed.

The Board discussed the hidden costs of poor customer satisfaction and what would be an appropriate target for the business to set for itself. Reducing credit lines and more robust collections activity were likely to negatively affect customer satisfaction in the short term but both were significant contributors to the businesses' financial performance. It was agreed that in trying to influence public perception of the business it was necessary to make a particular effort for key opinion formers.

In response to a question, Mr Seegers advised that the Group's Internet banking offering needed to be enhanced to improve the customer experience. It was a very attractive market as on-line customers tended to buy more products than others.

Another important indicator of franchise health is the flow of new customers into Barclays. These figures are very positive.

The Board noted the report.

Robert Le Blanc joined the meeting.

2.2 CAPITAL MANAGEMENT UPDATE

Mr Lucas referred the Board to his presentation entitled Capital Management Update, which had been sent to Directors in advance of the meeting and highlighted the following points:

(a) Financial Services Authority (FSA)

The Group's Capital Management Plan had been shared with the FSA and discussions were continuing as to the appropriate target ratios that the Group should be seeking to achieve. The indications were that the FSA would wish the Group to achieve its own target equity ratio before the end of 2008.

(b) Capital and Dividend Policies

The Group's capital ratio targets correlate to the amount of economic capital required for the risks in the business, with the aim of maintaining a strong AA credit rating which was considered the most efficient level for the business. The achievement of those objectives translate into a target Tier 1 Capital Ratio of 7.25% and an Equity Tier 1 ratio of 5.25%. Both the FSA and the Federal Reserve Bank set minimum capital requirements with the Federal Reserve Bank's requirements being in practice more binding than those of the FSA. The Group's own targets were more challenging still. The dividend policy was to achieve dividend growth in line with the long-term growth of underlying profits, whilst ensuring that dividends were twice covered by profits after tax and minority interests. At 31 December 2007 the Tier 1 ratio was 7.6% and the Equity Tier 1 Ratio was 5.1%.

(c) STP Capital Plan

The STP Capital Plan had assumed a minimum RWA capacity of £21 billion in February 2008 and a 4.89% equity ratio by June 2008. Although mark to market of Own Credit creates a profit and loss benefit, it does not qualify as capital. The effect of that, together with the accelerated growth of RWAs, both planned and as a result of market conditions, means that the revised capital plan shows the equity ratio at 4.5% in June 2008, with a Tier 1 ratio of 6.9%. The maximum reduction in core equity which could be seen without breaching Federal Reserve Bank requirements of a "well capitalised" bank was £1.2 billion in February, rising to £2.6 billion in June. This compares favourably with the maximum loss in a severe stress environment in one month of £850 million (pre tax).

(d) Proposed Capital Issuance

To achieve an equity ratio of 5% by June 2008 the Group would need to reduce RWAs by £38 billion or increase equity by £1.9 billion. Discussions were under way with a Japanese bank and a Korean insurance company to enter into strategic partnerships which would include them taking equity stakes amounting to between £1 billion and £2 billion. Plans were also being formulated to release equity Tier 1 through changing the ESAS hedge from an equity holding to a derivative, which would release some £500 million on a conservative estimate. The businesses have also been challenged to reduce RWAs by £20 billion by 30 June 2008.

(e) Stress Testing of the Capital Plan

A severe economic downturn could reduce PBT by £2.7 billion in 2008 or £2.3 billion after tax. Over a 3 year period, the Group would continue to be profitable but cumulative PBT would be £8.8 billion (33%) below plan. Without management action, the equity ratio would fall below 4.6%. Actions to rebuild the capital ratios could include: disposal of non-core businesses, reducing the annual dividend, a significant reduction in RWAs coupled with a focus on higher returning RWAs and issuance of equity through private placements or scrip dividends. Enhancements to the capital management planning process were already being formulated for the 2008 MTP process, to ensure optimal allocation of capital across businesses in a more capital constrained environment.

The Board discussed the sensitive commercial judgements that would be required to achieve the improved capital ratios without causing long term harm to the business. Concern was expressed at the prospect of issuing equity to new investors at the current stock price and management were encouraged to give full consideration to other alternatives, including more aggressive management of RWAs, disposal of non-core businesses and a lower level of dividend growth while stopping short of actually cutting the dividend. Management were also encouraged to consider the opportunities that might be available to it if its capital position could be enhanced beyond the minimum target levels. It would be necessary to engage both CDB and Temasek before going forward with the two new investors.

The Board also discussed the likely reaction of the rating agencies to the reduction in the Group's equity Tier 1 ratio. The ratio had fallen to a similar level following the acquisition of Absa and the AA rating had been maintained. Rating agencies were, however, likely to be much more robust given the criticism that they have recently received.

A further paper on this subject would be presented to the Board in April for a final decision on the approach to be taken by the Group.

<u>Papers circulated for information</u>

Committee minutes:

Board Corporate Governance and Nominations Committee on 31 January 2008

Board Audit Committee Meetings on 5 February, 13 February and 28 February 2008

Board HR and Remuneration Committee Meeting on 6 February 2008

EXHIBIT 122

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FINANCE COMMITTEE AGENDA

Date: 25 March 2008

Attendees: Bob Diamond, Rich Ricci, Patrick Clackson

Venue: RED's Conference Room

Time: 11.30 - 12.00 London Time

Q1 P&L Out turn Analysis

£m	Jan	Feb	Mar F	Q1 '08 F	Q1 '07	∆ PY
			Barclays Capital			
Income	728	877	252	1,857	2,051	(9%)
Impairment	(51)	(224)	(167)	(442)	(2)	
Net Income	**677**	**653**	**85**	**1,415**	**2,049**	**(31%)**
Non Performance	(182)	(188)	(192)	(563)	(514)	(10%)
LTIP	(25)	(35)	30	(30)	(90)	67%
NI	(15)	(15)	2	(28)	(50)	43%
GBs	(2)	(2)	(2)	(6)	(15)	58%
Discretionary	(175)	(169)	19	(326)	(562)	42%
Performance	(218)	(221)	48	(391)	(716)	45%
Operating Expenses	**(400)**	**(409)**	**(144)**	**(953)**	**(1,230)**	**22%**
PBT	**277**	**244**	**(59)**	**462**	**819**	**(44%)**
Economic Profit	131	97	(108)	120	486	**(75%)**
Cost: Net Income	59%	63%	n/m	67%	60%	(7%)
Staff costs: net income	48.6%	51.7%	n/m	52.0%	49.5%	(3%)
Comp: pre-comp PBT	53.0%	57.0%	n/m	59.8%	54.0%	(6%)
Comp costs: net income	46.1%	49.4%	n/m	48.6%	47.0%	(2%)
Total bonus: net income	26.2%	26.2%	n/m	23.5%	28.1%	5%

Q1 Competitor Analysis

£m	Lehman Brothers		Goldman Sachs		Morgan Stanley	
	Q1 '08	∆ PY %	Q1 '08	∆ PY %	Q1 '08	∆ PY %
Net Income	**1,759**	(31%)	**4,180**	(35%)	**3,116**	(13%)
Operating Expenses	**(1,426)**	**15%**	**(3,106)**	**21%**	**(2,054)**	**5%**
PBT	**333**	(61%)	**1,075**	(56%)	**1,063**	(25%)
Cost: Net Income	81%	(15%)	74%	(12%)	66%	(6%)

Q1 Net Income (est for P&L cob 19th Mar)

£m	Jan	Feb	Mar F	Q1 F	Comments
Underlying income	725	788	288	1,801	Underlying income (pre impairment)
Month to go			161	161	Trading, accrual, new deals
Own Credit	225	512	196	933	
Reserve releases	12	35	144	191	
Impairment & potential losses	(285)	(780)	(705)	(1,769)	
Equity / PE Disposals	-	8		8	
Others	-	90		90	
Net Income	**677**	**653**	**85**	**1,415**	

Reconciliation to Mar Income Flash

Mar YTD Net Income per section 3	1,557
Add PAB Provisions	298
Add Provisions (excl PAB)	38
Mar YTD Income	1,893
Less Feb YTD Own Credit	(737)
Add Feb YTD losses taken in income line	645
YTD underlying income (above)	**1,801**

Section 3

March Income Flash

WTD 14 Mar	MTD 19 Mar	£m	YTD 19 Mar	Δ Budget	Δ PY	Δ PY %
		Global Markets				
(19)	(1)	Portfolio	87	47	50	138%
		Fixed Income				
12	85	Fixed Income Rates	511	198	270	112%
5	(27)	Fixed Income Credit	(151)	(171)	(266)	(231%)
17	58	Fixed Income Total	360	27	4	1%
19	13	Foreign Exchange	149	38	59	66%
(2)	13	Equities	45	(128)	(177)	(80%)
		Principal Credit				
(5)	5	Principal Credit Strategies	17	(9)	(33)	(66%)
1	2	CMBS	13	(20)	(22)	(63%)
5	15	Portfolio Management	41	(37)	(60)	(60%)
16	18	Portfolio Management - IAS Volatility	115	127	117	n/m
17	40	Principal Credit Total	186	60	2	1%
		Emerging Markets				
(14)	(6)	Emerging Markets Rates Total	64	(5)	18	39%
7	14	Emerging Markets Credit Total	63	14	19	41%
(7)	8	Emerging Markets Total	127	9	37	40%
3	30	Commodities	179	(44)	(113)	(39%)
16	30	Prime Services	106	4	35	50%
-	-	BCFS	2	(12)	2	n/m
1	6	Management	(4)	(4)	(7)	n/m
45	**198**	**Total Global Markets**	**1,237**	**(4)**	**(108)**	**(8%)**
		Primary Credit Products				
4	14	Primary Bonds	52	(35)	(21)	(29%)
1	2	Originating and Operating Products	8	(6)	(14)	(65%)
6	17	Global Loans	58	(32)	(3)	(5%)
2	4	Conduit	22	8	9	69%
2	5	HomEq	21	(3)	(12)	(36%)
-	-	EquiFirst	2	(11)	2	n/m
-	-	PC Management	(2)	3	3	n/m
13	**42**	**Total Primary Credit Products**	**161**	**(76)**	**(36)**	**(18%)**
4	**9**	**Principal Investments**	**55**	**(81)**	**(24)**	**(31%)**
10	**16**	**Structuring**	**111**	**(48)**	**6**	**6%**
7	**16**	**Absa Capital**	**61**	**(8)**	**18**	**41%**
4	**10**	**Shared Services**	**61**	**(33)**	**(25)**	**(29%)**
0	**3**	**IUR**	**3**	**3**	**42**	**n/m**
-	**-**	**Associates & JV Reclass**	**-**	**4**	**-**	**n/m**
83	**294**	**Income (excl Own Credit and PAB) Total**	**1,688**	**(243)**	**(128)**	**(7%)**
(1)	**(5)**	**Provisions (excl PAB)**	**(38)**	**(29)**	**(37)**	**n/m**
82	**289**	**Barcap (excl Own Credit and PAB) Net Income**	**1,650**	**(272)**	**(165)**	**(9%)**
-	**-**	**Management - Own Credit**	**736**	**692**	**736**	**n/m**
(22)	**(7)**	**Portfolio Asset Book**	**(531)**	**(377)**	(550)	**n/m**
(22)	**(7)**	**Own Credit and PAB Income Total**	**205**	**315**	**187**	**n/m**
6	**(56)**	**PAB Provisions**	**(298)**	**(52)**	(298)	**n/m**
(16)	**(62)**	**Own Credit and PAB Net Income Total**	**(93)**	**263**	**(111)**	**n/m**
66	**227**	**Net Income Total**	**1,557**	**(10)**	**(277)**	**(15%)**

Own Credit / New Deals / Reserve & FV Adjustments

Business	Product Group	Region	Date	Best £m	Description
Own Credit	Management - Own Credit	Europe		196	Own Credit based on estimated spreads - 19th March
Own Credit Hedges	Management - Own Credit	Europe		0	Own Credit Hedges as at 19th March
Structuring	Structuring	Europe		69	Reserve release
Various	Various	All		75	Various reserve releases across business areas
Global Loans	Global Loans	All		6	Pipeline deals
Total				**346**	

Expected Writedowns

Business	Product Group	Region	Date	Best £m	Description	Responsible Trader	Business Owner
Portfolio Asset Book	Cash Portfolio	US		0	Whole Loan IRS MTM movement $25m loss flashed 17th Mar, P&L now flashed daily	Stephen King	Eric Bommensath
Principal Credit	Portfolio Mgt	Europe		(5)	Whistlejacket £160m collateral on BS	David Head	Mike Keegan
FI Credit	CLO	US		TBC	Restructure in progress with Highland Capital	Kris Kraus	Eric Bommensath
FI Credit	CLO	Europe		TBC	EUR 20m loss flashed in Feb	Andrew Whittle	Eric Bommensath
Prime Services	Repo	US		TBC	ECM exposure currently being price tested	Tim Keenan	Dixit Joshi
Prime Services	Repo	Europe		4	Recovery of Unicredito loss following sale of assets	Tim Keenan	Dixit Joshi
Total				(1)			

Monthly Remarks and Exposures

Exposure	Net Exposure £bn	Business	Best £m	Description	Responsible Trader	Business Owner
ABS CDO Super Senior						
Non MTM ABS CDO (Saypoff)	4.4	Provisions	(102)	Includes £(47)m monthly accrual plus additional $109m writedown to reach latest LTD shortfall estimate of $1.027bn	Stephen King	Eric Bommensath
MTM ABS CDO (King)	0.1	Portfolio Asset Book	TBC		Stephen King	Eric Bommensath
Whole Loans / Alt A						
Whole Loans Subprime	3.2	Portfolio Asset Book	(205)		Tom Hamilton	Eric Bommensath
Whole Loans Alt A	0.9	Portfolio Asset Book	(100)		Stephen King	Eric Bommensath
ALT A Securities AAA	2.6	Portfolio Asset Book	(100) }	Additional loss to variance calculated at end of Feb	Stephen King	Eric Bommensath
ALT A Securities Subs	0.2	Portfolio Asset Book			Stephen King	Eric Bommensath
Other Subprime / Alt A	0.8	Various	-		Impairment Committee	Primarily Mike Keegan
Residuals (Nims/Post Nims)	0.2	Portfolio Asset Book	(48)		Stephen King	Eric Bommensath
Sheffield / Surrey Conduit	0.9	Conduit	-		Mike Wade	Mike Wade
Monolines						
Monolines	1.8	Portfolio Asset Book	TBC		Stephen King	Eric Bommensath
Monolines		Portfolio Asset Book	TBC		Stephen King	Eric Bommensath
CMBS						
CMBS - US	6.3	CMBS	TBC		Mike Mazzei	Mike Keegan
CMBS - Europe / Asia Primary	5.1	Primary Bonds	TBC		Lynne Gilbert (Banker)	Mike Keegan
CMBS - Secondary Europe	1.0	FI Credit	TBC		Conor Brown	Eric Bommensath
SIV's / SIV Lites						
SIV's	0.6	Sec Derivs	TBC	Whistlejacket SIV	John Mahon	Eric Bommensath
LIV's	TBC	Portfolio Management	(5)	Potential loss re Devonshire LIV restructure - awaiting feedback from EB	Keith Ho	Mike Keegan
LIV's	TBC	Portfolio Management Provisions	(31)	Identified impairment following Impairment Committee: Victoria Finance - $20m Lions Hill - $19m Cairn - $16m Tormes - $7.8m	Keith Ho	Mike Keegan
Siv Lite liquidity facilities	0.1	Portfolio Asset Book	TBC			
Leveraged Finance						
Leveraged Loans	7.4	Provisions	TBC		Impairment Committee	Impairment Committee
Secondary Lev Loans	0.4	FI Credit / Global Loans	TBC		Jm Moylan	Eric Bommensath / Tim Ritchie
Other						
ABS Europe Portfolio	2.6	FI - Credit	0	Positions now being marked daily	Conor Brown	Eric Bommensath
$ Denominated European ABS		FI - Credit	TBC	$ Denominated European ABS positions from repo unwinds. Positions being marked daily	Conor Brown	Eric Bommensath
Fund Linked Products	TBC	Equities	-		Richard Ho	Dixit Joshi
Jacobi	0.2	Equities	(79)	Estimated loss due to Jacobi trade restructure - awaiting confirmation	Richard Ho	Dixit Joshi
ABS Backstops	2.9	Principal Credit	TBC		Keith Ho	Mike Keegan
General Impairment	n/a	Provisions	(35)	Increase to Unidentified impairment based on latest Impairment Committee forecast	Impairment Committee	Impairment Committee
Total	**41**		(704)			

Total	(358)
Total Excluding Own Credit	(705)

Section 5 Other

Date:	20 March 2008
Attendees:	Rich Ricci, Patrick Clackson, Paul Copson, Viv Syal
Venue:	RED's Conference Room
Time:	08.00 - 08.30 London Time

	Action	Raised	Status / Due
No open items			

EXHIBIT 123

FILED UNDER SEAL

From:	Landreman, Richard: Product Control (NYK)
Sent:	Wednesday, April 2, 2008 10:39 PM
To:	Broome, Tim: Compliance (LDN); Hamilton, Tom: RMBS Trading (NYK); Cheng, Rebecca: GFRM (NYK); Guy, Lee: GFRM (LDN); Morton, Marcus: Product Control (NYK)
Cc:	McCosker, Tom: Product Control (NYK)
Subject:	FW: Planning summaryphase4 ALT-A
Attachments:	Updated FSA

Tim,
For the points below, I have attached the revised granular data, stress losses and updated reports eliminating the agencies stress losses. We also broke out the IO (Interest Only) AAA bonds to show pricing at more expected levels.

I should have the IPV and Trade data Thursday 10-11am NY time.

Points for delivery below:

* Rebecca Cheng to remove the Agency section and rework the Whole-Loan section in the spreasheet ALT-A Stress Testing.xls. Circulate the completed document to the group by NYK cob today.

* Marcus Morton to obtain sign-off for the Global Credit IPV pack for ALT-A. Approved extract to be sent to the group, aiming for NYK cob today.

* Rich Landreman to provide details of 3 or 4 of the larger ALT-A trades that we have executed recently - security characteristics, generic client type, price, etc.

* Tim Broome to send Rich Landreman and Marcus Morton further details of ALT-A related reserves of £349m ($690) presented to FSA in the 29th February YTD Income statement on March 27th.

Please contact me if you need any additional detail.

Rich

-----Original Message-----
From: Hamilton, Tom: RMBS Trading (NYK)
Sent: 02 April 2008 17:02
To: Broome, Tim: Compliance (LDN); Landreman, Richard: Product Control (NYK)
Subject: Re: Planning summaryphase4 ALT-A

I believe so yes.

----- Original Message -----
From: Broome, Tim: Compliance (LDN)
To: Hamilton, Tom: RMBS Trading (NYK); Landreman, Richard: Product Control (NYK)
Sent: Wed Apr 02 11:59:37 2008
Subject: RE: Planning summaryphase4 ALT-A

EXHIBIT 295
WIT: HAMILTON
DATE: 10-6-15
E. Mulvenna, CSR/RMR/CRR

Tom,

Thanks for this, we are already showing the credit support % across the portfolio by vintage by rating, I presume that this is an additional breakdown.
Was the request for both yours and Stephen's securities exposures ?

Rgds

Tim

From: Hamilton, Tom: RMBS Trading (NYK)
Sent: 02 April 2008 16:47
To: Landreman, Richard: Product Control (NYK)
Cc: Broome, Tim: Compliance (LDN)
Subject: FW: Planning summaryphase4 ALT-A

Rich-the FSA guys we met with today were very specific about wanting to see our breakdown by volume of AAA alt-a. they wanted to know how many super sr., sr mezz, and jr. mezz we had.

From: Broome, Tim: Compliance (LDN)
Sent: 02 April 2008 16:23
To: Cheng, Rebecca: GFRM (NYK); Gargano, Cindy: GFRM (NYK); Guy, Lee: GFRM (LDN); Hamilton, Tom: RMBS Trading (NYK); Landreman, Richard: Product Control (NYK); McCosker, Tom: Product Control (NYK); Moore, Patricia: GFRM (NYK); Morton, Marcus: Product Control (NYK); Pearson, Steve: GFRM (NYK); Walker, James: Finance (NYK); Wray, Justin: GFRM (NYK); Yoss, Eric: Market Risk (NYK)
Cc: Copson, Paul: Finance (LDN); King, Linda: GFRM (LDN); Mathieson, Sally: Compliance (LDN)
Subject: Planning summaryphase4 ALT-A

All materials agreed with the exception of the stress testing summary, outstanding actions:-

* Rebecca Cheng to remove the Agency section and rework the Whole-Loan section in the spreasheet ALT-A Stress Testing.xls. Circulate the completed document to the group by NYK cob today.

* Marcus Morton to obtain sign-off for the Global Credit IPV pack for ALT-A. Approved extract to be sent to the group, aiming for NYK cob today.

* Rich Landreman to provide details of 3 or 4 of the larger ALT-A trades that we have executed recently - security characteristics, generic client type, price, etc.

* Tim Broome to send Rich Landreman and Marcus Morton further details of ALT-A related reserves of £349m ($690) presented to FSA in the 29th February YTD Income statement on March 27th.

* Rebecca Cheng to confirm attendance at the Friday meeting with FSA.

* Tim Broome to coordinate production of hard copy pack for FSA and send soft copy to the group.

Please let me know if any issues.

Regards

Tim

From: Broome, Tim: Compliance (LDN)
Sent: 02 April 2008 13:27
To: Cheng, Rebecca: GFRM (NYK); Gargano, Cindy: GFRM (NYK); Guy, Lee: GFRM (LDN); Hamilton, Tom: RMBS Trading (NYK); Landreman, Richard: Product Control (NYK); McCosker, Tom: Product Control (NYK); Moore, Patricia: GFRM (NYK); Morton, Marcus: Product Control (NYK); Pearson, Steve: GFRM (NYK); Walker, James: Finance (NYK); Wray, Justin: GFRM (NYK); Yoss, Eric: Market Risk (NYK)
Cc: Copson, Paul: Finance (LDN); King, Linda: GFRM (LDN)
Subject: Planning summaryphase4 ALT-A

<< File: Planning summaryphase4 ALT-A.doc >>

Planning summary + materials for our 14:00 BST meeting this afternoon.

We need to be able to finalise the materials by New York close today in order to be able to consolidate/standardise the pack for FSA meeting.

Outstanding issues for resolution :-

* Will end February Global Credit IPV pack for ALT-A be available ?

* Update of February 04 2008 ALT-A Scenario Analysis format.

Questions from this monring's FSA meeting with Tom Hamilton :-

* Provide a breakdown of tranche attachment points for our trading book ALT-A exposures.

* Provide details of 3 or 4 of the larger ALT-A trades that we have executed recently - security characteristics, generic client type, price, etc.

* Explain difference between ALT-A related reserves of £349m ($690) in the 29th February YTD Income statement presented to FSA on March 27th and the $581m reserve noted in the Master Spreadsheet.

Regards

Tim

EXHIBIT 124

FILED UNDER SEAL

From:	Nesbit, Alex: Finance (LDN) [/O=BZW/OU=EUROPE/CN=LDN AD USERS/CN=USERS/CN=NESBITA]
Sent:	Wednesday, April 02, 2008 1:47:53 PM
To:	Diamond, Bob: Barclays Capital; Ricci, Rich: Barclays Capital; Clackson, Patrick: Finance (LDN)
CC:	Sherwood, Helen: Barclays Capital (LDN); Stanley-Johns, Jacqui: Barclays Capital; Syal, Vivek: Finance (LDN)
Subject:	Finance Committee Papers - 2 April 2008 15.00 - 15.30
Attachments:	FinCom 02.04.08.pdf; LAAMs.pdf; NonMTM Valuations.pdf

All

Please find attached the FinCom papers for this afternoon's meeting. Please print off all pages in full colour if possible.

Please note that these documents have **restricted distribution.**

FinCom Papers

FinCom
02.04.08.pdf

Attachments:

Section 5:

LAAMs.pdf

Section 6:

NonMTM
Valuations.pdf

Regards

Alex Nesbit
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Alex Nesbit
Financial Planning & Analysis
Barclays Capital, 5 The North Colonnade, Canary Wharf, London, E14 4BB

EXHIBIT NO. 481
DATE: 11/13/15
Reporter - Laurie A. Collins

☎ +44 (0)20 7774 1149
✉ alex.nesbit@barclayscapital.com

FINANCE COMMITTEE AGENDA

Date:	2 April 2008
Attendees:	Bob Diamond, Rich Ricci , Patrick Clackson
Apologies:	Paul Copson
Venue:	RED's Conference Room
Time:	15.00 - 15.30 London Time
Dial in Details:	+44 (0) 207 773 3113 9905#

BARCLAYS CAPITAL

£m	Barclays Capital					
	Jan	Feb	Mar F	Q1 '08 F	Q1 '07	Δ PY
Income	728	877	96	1,701	2,051	(17%)
Impairment	(51)	(224)	(185)	(460)	(2)	
Net Income	**677**	**653**	**(89)**	**1,242**	**2,049**	**(39%)**
Non Performance	(182)	(188)	(194)	(565)	(514)	(10%)
LTIP	(25)	(35)	60	-	(90)	100%
NI	(15)	(15)	6	(24)	(50)	52%
GBs	(2)	(2)	(2)	(6)	(15)	58%
Discretionary	(175)	(169)	70	(275)	(562)	51%
Performance	(218)	(221)	134	(305)	(716)	57%
Operating Expenses	**(400)**	**(409)**	**(60)**	**(869)**	**(1,230)**	**29%**
JVs and associates	-	-	7	7	-	-
PBT	**277**	**244**	**(141)**	379	**819**	**(54%)**
Economic Profit	131	97	(165)	64	486	**(87%)**
Cost: Net Income	59%	63%	n/m	70%	60%	(10%)
Comp: pre-comp PBT	53.0%	57.0%	n/m	61.5%	54.0%	(7%)
Comp costs: net income	46.1%	49.4%	n/m	48.7%	47.0%	(2%)
Total bonus: net income	26.2%	26.2%	n/m	22.5%	28.1%	6%

Based on whole loan write-downs of $800m

BARCLAYS CAPITAL

Finance Committee Meeting

£m	Jan	Feb	Mar F	Q1 '08 F	Q1 '07	Δ PY
Income	728	877	(105)	1,500	2,051	(27%)
Impairment	(51)	(224)	(185)	(460)	(2)	
Net Income	**677**	**653**	**(289)**	**1,041**	**2,049**	**(49%)**
Non Performance	(182)	(188)	(194)	(565)	(514)	(10%)
LTIP	(25)	(35)	60	-	(90)	100%
NI	(15)	(15)	10	(20)	(50)	60%
GBs	(2)	(2)	(2)	(6)	(15)	58%
Discretionary	(175)	(169)	115	(229)	(562)	59%
Performance	(218)	(221)	183	(255)	(716)	64%
Operating Expenses	**(400)**	**(409)**	**(11)**	**(820)**	**(1,230)**	**33%**
JVs and associates	-	-	7	7	-	-
PBT	**277**	**244**	**(293)**	**228**	**819**	**(72%)**
Economic Profit	131	97	(269)	(40)	486	**(108%)**
Cost: Net Income	59%	63%	n/m	79%	60%	(19%)
Comp: pre-comp PBT	53.0%	57.0%	n/m	70.9%	54.0%	(17%)
Comp costs: net income	46.1%	49.4%	n/m	53.4%	47.0%	(6%)
Total bonus: net income	26.2%	26.2%	n/m	22.5%	28.1%	6%

Based on whole loan write-downs of $1,200m

Section 2

March Income Flash

WTD 28 Mar	MTD 31 Mar	£m	YTD 31 Mar	Δ Budget	Δ PY	Δ PY %
		Global Markets				
40	43	Portfolio	131	87	89	215%
		Fixed Income				
73	170	Fixed Income Rates	596	246	319	115%
(40)	(100)	Fixed Income Credit	(247)	(247)	(361)	(318%)
3	37	Fixed Income ABS	59	37	48	420%
35	106	Fixed Income Total	408	36	6	224%
8	29	Foreign Exchange	165	40	64	64%
7	23	Equities	55	(139)	(205)	(79%)
		Principal Credit				
2	(1)	Principal Credit Strategies	11	(18)	(40)	(414%)
1	5	CMBS	16	(21)	(22)	(57%)
8	31	Portfolio Management	56	(31)	(62)	(52%)
(22)	(2)	Portfolio Management - IAS Volatility	95	108	97	n/m
(11)	32	Principal Credit Total	178	37	(27)	(13%)
		Emerging Markets				
(1)	-	Emerging Markets Rates Tota	-	-	-	n/m
5	14	Emerging Markets Credit Total	63	8	13	26%
4	15	Emerging Markets Total	134	2	34	33%
43	76	Commodities	225	(25)	(76)	(25%)
25	60	Prime Services	135	21	55	68%
-	1	BCFS	3	(12)	3	n/m
9	16	Management	6	6	3	n/m
160	401	**Total**	1,440	53	(54)	(4%)
		Primary Credit Products				
5	20	Primary Bonds	58	(39)	(25)	(30%)
0	4	Originating and Operating Products	10	(5)	(17)	(64%)
7	29	Global Loans	70	(30)	1	1%
2	7	Conduit	25	9	11	72%
2	8	HomEq	24	(2)	(13)	(35%)
-	-	EquiFirst	2	2	2	n/m
-	-	PC Management	(2)	3	4	n/m
15	68	**Total**	187	(63)	(38)	(17%)
3	109	Principal Investments	154	3	69	81%
10	57	Structuring	152	(26)	33	28%
3	24	Absa Capital	69	(9)	20	41%
3	14	Shared Services	65	(40)	(49)	(43%)
2	46	IUR	46	46	103	n/m
-	(7)	Associates & JV Reclass	(7)	(2)	(7)	n/m
197	713	Income (excl Own Credit and PAB) Total	2,107	(37)	78	4%
(35)	(51)	Provisions (excl PAB)	(84)	(74)	(82)	n/m
163	662	Barcap (excl Own Credit and PAB) Net Income	2,023	(111)	(4)	(0%)
-	-	Management - Own Credit	736	672	736	n/m
2	(6)	Portfolio Asset Book	(531)	(286)	(553)	n/m
2	(6)	Own Credit and PAB Income Total	205	386	183	n/m
(8)	(71)	PAB Provisions	(313)	(111)	(313)	n/m
(6)	(78)	Own Credit and PAB Net Income Total	(108)	275	(130)	n/m
157	584	Net Income Total	1,915	164	(134)	(7%)

£m	March MTD Best Case	March YTD Best Case
Income (31 Mar)	706	2,312
Accrual	0	0
Trading	0	0
Total	706	2,312
Pipeline Items not booked:		
Reserve Releases / Other	10	10
Losses & Writedowns	(583)	(583)
Own Credit (5yr @ 103)	(38)	(38)
New Deals & FV Adjustments	0	0
Income Total	96	1,701
Provisions - Portfolio Asset Book	(102)	(344)
Provisions - Prime Services	(14)	(40)
Provisions - Private Equity	(5)	(5)
Provisions - Portfolio Mgt identified impairment	(32)	(32)
Provisions - Monthly Accrual	(33)	(40)
Provisions Total	(185)	(460)
Total BarCap Net Revenue	(89)	1,242

March Budget	584	1,751
Var to Budget	(672)	(509)
Fcast Net Revenue Var to Prior Year	(769)	(807)

Note: Above excludes £7m Private Equity uplift to be included within Associates & Joint Ventures

Own Credit / New Deals / Reserve & FV Adjustments

Business	Product Group	Region	Date	Best £m	Description
Own Credit	Management - Own Credit	Europe		(51)	Own Credit - Update 31st March
Own Credit Hedges	Management - Own Credit	Europe		13	Own Credit Hedges as at 31st March
Structuring	Structuring	Europe		0	Non UK-Branches PUG release - Flashed £23m on March 31st
Structuring	Structuring	Europe		0	Tax Reserve release - Flashed £70m on March 31st
Principal Investments	Private Equity	Europe		0	Converteam - Flashed on 31st March (net fal income)
Various	Various	All		10	Various reserve releases across business areas
Global Loans	Global Loans	All		0	Pipeline deals - revised forecast at 31st March
Total				(28)	

Expected Writedowns

Business	Product Group	Region	Date	Best £m	Description	Responsible Trader	Business Owner
Principal Credit	Portfolio Mgt	Europe		0	Whistlejacket shortfall $(9)m on liquidation of repo - deferred to April pending credit review	David Head	Mike Keegan
FI Credit	CLO	US		0	Loss on Highland Capital CLO (Armstrong deal) - Flash 27th	Kris Kraus	Eric Bommensath
FI Credit	CLO	Europe		(8)	Expected loss based on latest mid close out levels (CVC 3 & 4)	Andrew Whittle	Eric Bommensath
Prime Services	Repo	US		0	ECM exposure currently being price tested	Tim Keenan	Dixit Joshi
Provisions	Private Equity	Europe		0	Identified impairment on Kermel (£2.6m) and Mory SAS (£2.3m) [Booked 20th March]	Roger Jenkins	Roger Jenkins
Total				(8)			

Monthly Remarks and Exposures

Exposure	Net Exposure £bn	Business	Best £m	Description	Responsible Trader	Business Owner
ABS CDO Super Senior						
Non MTM ABS CDO (Saypoff)	4.4	Provisions	(102)	Includes £(47)m monthly accrual plus additional $109m writedown to reach latest LTD shortfall estimate of $1,027bn	Stephen King	Eric Bommensath
Whole Loans / Alt A						
Whole Loans Subprime	3.2	Portfolio Asset Book	(351)	$700m of writedowns	Tom Hamilton	Eric Bommensath
Whole Loans Alt A	0.9	Portfolio Asset Book	(50)	$100m of writedowns	Stephen King	Eric Bommensath
ALT A Securities AAA	2.6	Portfolio Asset Book	0	No additional writedowns / Alternative scenario of $(400)m under discussion	Stephen King	Eric Bommensath
ALT A Securities Subs	0.2	Portfolio Asset Book			Stephen King	Eric Bommensath
Other Subprime / Alt A	0.8	Various	-		Impairment Committee	Primarily Mike Keegan
Residuals (Nims/Post Nims)	0.2	Portfolio Asset Book	(48)		Stephen King	Eric Bommensath
Surrey / Sussex Conduit	0.9	Conduit	-	Current MTM losses of approx $550mm charged directly through Equity	Juliet Jones / David Petrie	John Porter
Monolines						
Monolines	1.6	Portfolio Asset Book	(39)	Loss based on latest credit ratings and expected cash flows	Stephen King	Eric Bommensath
CMBS						
CMBS - US	6.3	CMBS	0	No expected writedowns. Archstone pending likely Q2	Mike Mazzei	Mike Keegan
CMBS - Europe / Asia Primary	5.1	Primary Bonds	0	No writedowns following discussion with M.Keegan	Lynne Gilbert (Banker)	Mike Keegan
CMBS - Secondary Europe	1.0	FI Credit	0		Conor Brown	Eric Bommensath
SIV's / SIV Lites						
SIV's	0.6	Sec Derivs	0	Whistlejacket SIV	John Mahon	Eric Bommensath
LIV's	TBC	Portfolio Management	0	No loss expected on Devonshire restructure	Keith Ho	Mike Keegan
LIV's	TBC	Portfolio Management Provisions	(32)	Identified impairment following Impairment Committee: Victoria Finance - $20m Lions Hill - $19m Cairn - $16m Tormes - $7.8m	Keith Ho	Mike Keegan
Siv Lite liquidity facilities	0.1	Portfolio Management Provisions	0	No writedowns		
Leveraged Finance						
Leveraged Loans	7.4	Provisions	0	No writedowns	Impairment Committee	Impairment Committee
Secondary Lev Loans	0.4	FI Credit / Global Loans	0	No writedowns	Jim Moylan	Eric Bommensath / Tim Ritchie
Secondary High Yield Cash		FI Credit	(7)	Loss following mid month price testing - Updated forecast 31st March	Jim Moylan	Eric Bommensath / Tim Ritchie
Other						
US Credit Card Bonds		Portfolio Asset Book	(18)	Writedown following continued market deterioration	Stephen King	Eric Bommensath
PULSE (ABS Bond)	0.1	FI - Credit	(5)	Loss related to markdown of PULSE bond (€76m notional). Under discussion whether taken in ABS Back Book or European CDO book	Conor Brown	Eric Bommensath
Illiquid Credit Portfolio		FI - Credit	(4)	Loss following mid month price testing - Updated forecast 31st March	Ross Taylor	Eric Bommensath
Fund Linked Products	TBC	Equities	-		Richard Ho	Dixit Joshi
Jacobi	0.2	Equities	(60)	Jacobi trade restructure based on marking underlying collateral - 26th March analysis	Richard Ho	Dixit Joshi
ABS Backstops	2.9	Principal Credit	0	No writedowns	Keith Ho	Mike Keegan
General Impairment	n/a	Provisions	(33)	Increase to Unidentified Impairment based on latest Impairment Committee forecast	Impairment Committee	Impairment Committee
Total	39		(741)			

Total	(776)
Total Excluding Own Credit	(739)

Structure	Investor	CPPI?	Portfolio breakdown	Total Assets	Equity	P&L	Current Status
LAAM 5	70% Barclays Capital 10% Kommunalkredit	Yes	100% AAA 1% Subprime 19% Alt A 80% Non US	€1,253m	€100m	€(38)m	The entire position has already been consolidated by Barclays as we own the risks and rewards of the fund. In the final stages of dismantling the structure with each investor taking a vertical slice of the investment in line with its equity investment.
Jacobi	100% Kommunalkredit	Yes	100% AAA 100% Subprime (06-07 vintage – Home Eq)	€251m	€40m	€(77)m	Negotiations with KK have been ongoing for some time. They have already invested an additional $20m of equity that has reduced the leverage of the fund down to 6x. Additional injections unlikely to cover repo MTM losses, so unwind of structure potential outcome.
LAAM 6	100% LBBW	No	99.8% AAA, 0.2% AA 5% Subprime 42% Alt A 53% Non US	€1,770m	€50m		Negotiating with LBBW to put in €50m extra capital, with Barclays term financing for 3 years.
LAAM 7	100% Threadneedle (on behalf of Zurich)	Yes	99.2% AAA; 0.8% AA 2% Subprime 12% Alt A 1% Prime US 85% Non US	€1,031m	€65m		Barcap has been negotiating with Theadneedle/Zurich for some time, but they will not inject more equity into the structure. Barcap is offering a 3 year term financing solution in return for the removal of the principal protection (CPPI).
LAAM 8	100% APO Bank	No	100% AAA 23% Subprime (100% 05 vintage) 23% Alt A 54% Non US	€1,851m	€75m		Continued negotiations with the counterparty
LAAM 20	100% APO Bank	No	100% AAA 17% Alt A 83% Non US	€1,157m	€78m		Continued negotiations with the counterparty
George's Quay	100% LBBW	No	100% AAA 20% Alt A 1% CDO 79% Non US	€4,917m	€400m		Just about to sign agreement with LBBW whereby they collateralise the portfolio with Letters of Credit from a €300m line that they are setting up.

See attached for further details

- Current Exposures in the High Grade Super Senior transactions to Sub-prime assets is $5bn and Alt-A $4bn
- The majority of the concentration is in the 2005 and 2006 vintages
- While 30 day and 60 day delinquency's have been falling 90 day delinquency rates have been increasing steadily since October
- As described in the attached file, the current Run Rate methodology used for calculating our expected losses assumes that 90 delinquency rates are the most relevant proxy

See attached

$USD
March 28th

	Previous DG	Current DG	Current Notional	Old NPV	New NPV	Old Reserve	New Reserve	Change
AMBAC ASSURANCE CORPORATION	2	2	(8,744)	462	571	21	22	0
ASSURED GUARANTY CORPORATION	1	1	(6,346)	343	438	13	18	4
CIFG	1	4	(3,295)	137	197	4	12	9
FINANCIAL GUARANTY INSURANCE COMPANY	4	4	(3,994)	254	356	17	22	5
FINANCIAL SECURITY ASSURANCE INC	1	1	(6,243)	359	484	4	5	1
MBIA INSURANCE CORPORATION	2	1	(11,134)	1,365	901	115	161	46
XL CAPITAL ASSURANCE INCORPORATED	4	4	(3,034)	253	381	27	40	13
Grand total			(42,790)	**3,174**	**4,328**	**201**	**279**	**78**

£39m

Ratings
AAA : 1
AA : 3
A : 4
BBB : 6
BB : 10
B : 14
CCC : 18
D : 22

Section 8 Other

Date:	25 March 2008
Attendees:	Bob Diamond, Rich Ricci, Patrick Clackson
Venue:	RED's Conference Room
Time:	11.30 – 12.00 London Time

	Action	Raised	Status / Due
No open items			

BARCLAYS CAPITAL

Decisions on LAAM structures

Impact of term financing

There are 7 LAAM and LAAM-like structures financed by Barclays

Structure	Investor	CPPI?	Portfolio breakdown	Total Assets	Equity	P&L	Current Status
LAAM 5	70% Barclays Capital 10% Kommunalkredit	Yes	100% AAA 1% Subprime 19% Alt A 80% Non US	€1,253m	€100m	€(38)m	The entire position has already been consolidated by Barclays as we own the risks and rewards of the fund. In the final stages of dismantling the structure with each investor taking a vertical slice of the investment in line with its equity investment.
Jacobi	100% Kommunalkredit	Yes	100% AAA 100% Subprime (06-07 vintage - Home Eq)	€251m	€40m	€(77)m	Negotiations with KK have been ongoing for some time. They have already invested an additional $20m of equity that has reduced the leverage of the fund down to 6x. Additional injections unlikely to cover repo MTM losses, so unwind of structure potential outcome.
LAAM 6	100% LBBW	No	99.8% AAA, 0.2% AA 5% Subprime 42% Alt A 53% Non US	€1,770m	€50m		Negotiating with LBBW to put in €50m extra capital, with Barclays term financing for 3 years.
LAAM 7	100% Threadneedle (on behalf of Zurich)	Yes	99.2% AAA; 0.8% AA 2% Subprime 12% Alt A 1% Prime US 85% Non US	€1,031m	€65m		Barcap has been negotiating with Theadneedle/Zurich for some time, but they will not inject more equity into the structure. Barcap is offering a 3 year term financing solution in return for the removal of the principal protection (CPPI).
LAAM 8	100% APO Bank	No	100% AAA 23% Subprime (100% 05 vintage) 23% Alt A 54% Non US	€1,851m	€75m		Continued negotiations with the counterparty
LAAM 20	100% APO Bank	No	100% AAA 17% Alt A 83% Non US	€1,157m	€78m		Continued negotiations with the counterparty
George's Quay	100% LBBW	No	100% AAA 20% Alt A 1% CDO 79% Non US	€4,917m	€400m		Just about to sign agreement with LBBW whereby they collateralise the portfolio with Letters of Credit from a €300m line that they are setting up.

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LAAM 5

- Investor: 70% Barclays Capital, 20% LBBW, 10% Kommunalkredit have invested in a CPPI note
- CPPI Provider: Barclays Capital
- Assets: €1.253bn, Equity: €100mm (CPPI floor is approx €35mm)
- Rating breakdown: 100% AAA
- Strategy: As Barclays is the majority investor, we are in the final stages dismantling the structure with each investor taking a vertical slice of the portfolio in line with its equity investment. KK have agreed to this, LBBW need final Vorstand approval on Tuesday11th March.
- Expected write downs for March are €(38)mm based on March 7th Price testing analysis.

	%	Comments
Subprime	1%	05/04 vintage
Alt A Senior AAA	19%	
Alt A Other	2%	
Prime US	2%	
Euro & Other	76%	14% CMBS, mainly UK

US RMBS Stress:

15% annual Foreclosure rate in Alt A
25% annual foreclosure rate in Subprime
55% severity in Alt A
75% severity in Subprime

Stress = €37.24mm

BARCLAYS CAPITAL

Jacobi

- Investor:100% Kommunalkredit invsted into a CPPI note
- CPPI provider: Barclays Capital
- Assets: €250mm, Equity: €40mm (with CPPI floor valued at approx €10mm)
- Rating breakdown: 100% AAA
- Strategy: KK have offered an additional €16mm if we would term finance this portfolio.
- Expected write downs for march are €(77)mm.

	%	Comments
Subprime	100%	06-07 Vintage – Home Eq

US RMBS Stress:
"Desk Curve"
40% severity = €8.3mm
50% severity = €59.8mm
60% severity = €128mm

BARCLAYS CAPITAL

LAAM 6

- Investor: Sachsen LB (now LBBW)
- Assets: €1.77bn, Equity: €50mm
- Rating breakdown: 99.8% AAA, 0.2% AA
- Of the 33 US bonds in the portfolio, 19 are already paying down.
- Strategy: LBBW and Barclays have discussed the possibility of a restructuring:
  - LBBW inject €50mm.
  - Barclays finance the portfolio for 3 yrs.
  - All market risk triggers removed.
- Currently there are no expected write down for March

	%	Comments
Subprime	5%	04-06 vintage
Alt A Senior AAA	41%	04-07 vintage
Alt A Other	1%	
Prime US	0%	
Euro & Other	52%	40% is UK non conforming

US RMBS Stress:

15% annual Foreclosure rate in Alt A
25% annual foreclosure rate in Subprime
55% severity in Alt A
75% severity in Subprime

Stress = €31.78mm

BARCLAYS CAPITAL

LAAM 7

- Investor: 100% Threadneedle (on behalf of Zurich) have invested in a CPPI note
- CPPI provider: Barclays Capital
- Assets: €1.03bn, Equity: €65mm (with CPPI floor valued at approx €20mm)
- Rating breakdown: 99.2% AAA, 0.8% AA
- Strategy: Threadneedle and Barclays have been discussing a restructuring.
  - Threadneedle allow the removal of the CPPI protection (effectively adding €20mm capital to the structure)
  - Barclays agree to finance for 3 yrs
- Currently there are no expected write down for March

	%	Comments
Subprime	2%	05/04 vintage
Alt A Senior AAA	7%	
Alt A Other	5%	
Prime US	1%	
Euro & Other	85%	42% Prime Euro (mainly Spanish) & UK RMBS

US RMBS Stress:

15% annual Foreclosure rate in Alt A
25% annual foreclosure rate in Subprime
55% severity in Alt A
75% severity in Subprime

Stress = €16.95mm

BARCLAYS CAPITAL

Georges Quay

- Investor: 100% Sachsen LB/LBBW
- Assets: €4.9bn, Equity: €400mm
- Rating breakdown: 100% AAA
- Strategy: Barclays and LLBW met in Jan and discussed a longer term financing plan. The plan allowed for financing up to Sep 2009 with an expectation of us rolling annually until 2012. In return, LBBW will provide additional support in the form of LCs to maintain a certain haircut (which steps up to from 2.5% to 4%). This agreement has been fully drafted and is set for approval from the LBBW Vorstand on Tuesday 11th March.
- Currently there are no expected write down for March

	%	Comments
US Alt A	20%	
CDO	1%	1 position with a put to AIG in Oct 2008
UK RMBS	10%	
Euro & Other	69%	Italian & Spanish RMBS

US RMBS Stress:
15% annual Foreclosure rate in Alt A
25% annual foreclosure rate in Subprime
55% severity in Alt A
75% severity in Subprime

Stress = unavailable

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Barclays Capital

Non-Mark to Market Super Senior Facilities

March 2008

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Agenda

- Exposures and Market Data Review
- ABS Valuations
  - Prepayment Curves
  - Credit Spreads
  - Default Curves
  - Cash Flow waterfall
  - Security Valuation
- Impairment Review

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Exposures and Market Data

- Current Exposures in the High Grade Super Senior transactions to Sub-prime assets is $5bn and Alt-A $4bn.
- The majority of the concentration is in the 2005 and 2006 vintages
- While 30 day and 60 day delinquency's have been falling 90 day delinquency rates have been increasing steadily since October
- As described in the following pages the current Run Rate methodology used for calculating our expected losses assumes that 90 delinquency rates are the most relevant proxy.

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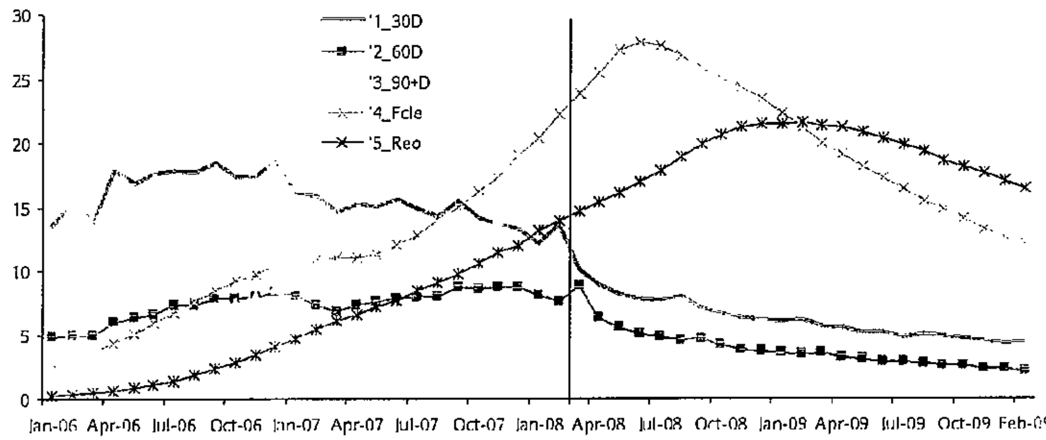
Market Data

2005 Vintage Historical and Projected Delinquencies



90+D Delinquency rates have been increasing steadily since Oct 2007.

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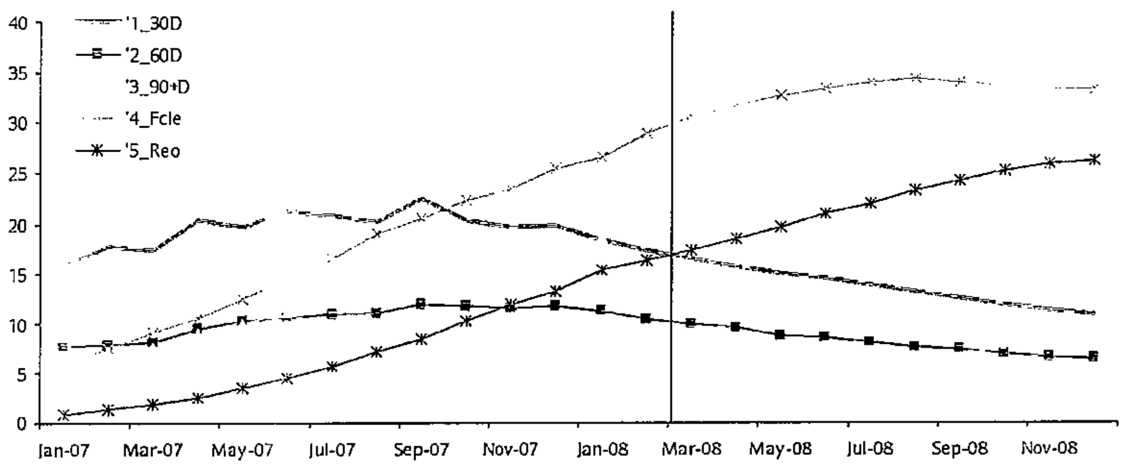
Market Data

2006 Vintage Historical and Projected Delinquencies



While 90+D delinquencies seem to plateau in March we continue to forecast increases in foreclosure.

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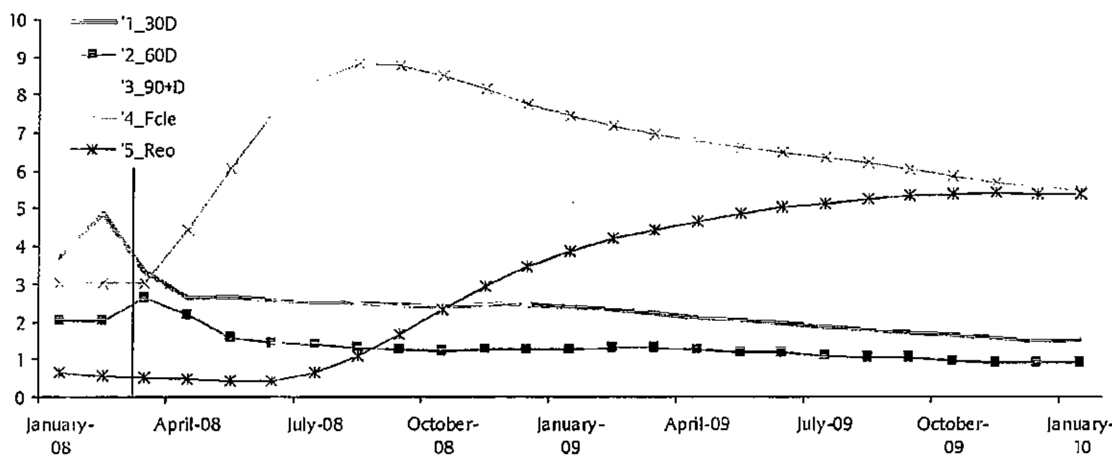
Market Data

2007 Vintage Historic and Projected Delinquencies



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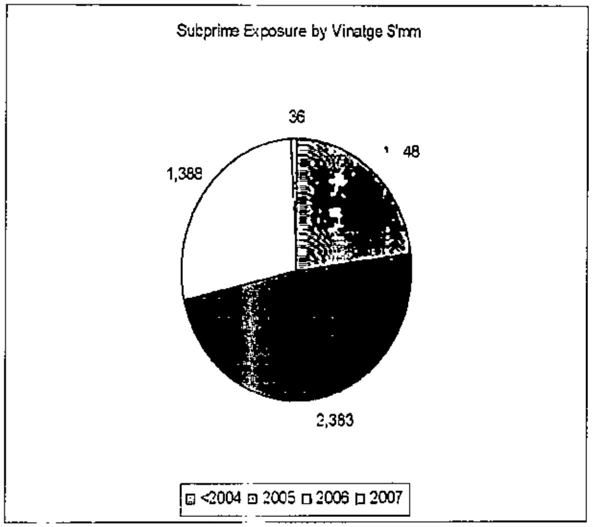
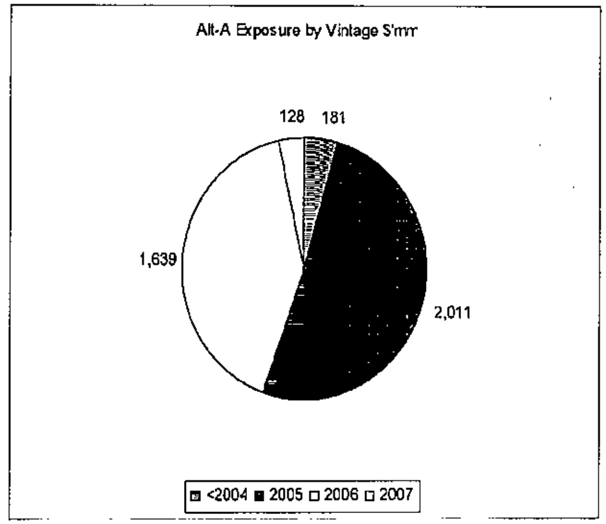
HG Super Senior Sub-prime & Alt-A Exposure





$'mm		Buck1	Buck2	Buck3	Citius1	Citius2	Liberty	Tourm1	Tourm2	Total
Subprime ABS										
	<2004	63	45	20	-	-	454	210	356	1,148
	2005	424	628	353	417	36	68	191	267	2,383
	2006	14	8	361	427	468	54	36	21	1,388
	2007	-	5	8	-	-	23	-	-	36
										-
ALT-A	<2004	36	6	-	-	-	131	8	-	181
	2005	168	456	291	666	58	152	147	72	2,011
	2006	25	23	211	195	909	150	-	125	1,639
	2007	18	9	6	-	-	80	-	15	128
										-
TOTAL		749	1,179	1,250	1,705	1,472	1,112	592	856	8,914

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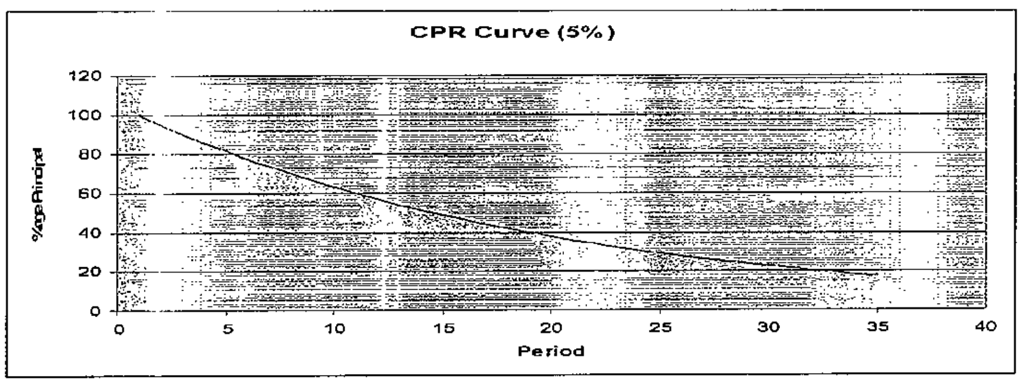
ABS Valuations

- ABS valuation models attempt to predict cash flows through the life of an ABS
- Prediction is based on statistical analysis of historical performance of similar assets
- Parameters that drive the valuation can be derived or observed from the market
- These parameters are :
  - Constant Prepayment Rate (CPR)
  - Compound Default Rate (CDR)
  - Credit Spread
- This information is then used to derive a set of expected cash flows for the security
- In addition the security itself will define certain parameters such as :
  - Payment priority to cash flow within waterfall
  - Credit protection features
  - Coupon payments
- Applying the cash flows to the security definition allows a security valuation to be established

Prepayment Curves

- ABS securities usually have an assumption that the principle will prepay through the life of the security rather than at maturity as for a corporate of bullet bond
- To estimate this a Constant Prepayment Rate (CPR) is estimated for the underlying pool of assets based on its characeristics
- CPR predicts the percentage of outstanding principal repaid per year
- More sophisticated models also try to replicate borrower behaviour, e.g. in an ARM pool the expectation would be that prepayments would spike just prior to the reset date
- A simple CPR curve is shown below



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Credit Spreads

- As with any other credit risky payment there is a yield premium expected to be received
- This is derived from market observations such as trade pricing or published indices (such as the ABX)
- Credit Spread is then applied as an incremental yield to the LIBOR curve used to discount the expected cash receipts

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Default Curves

- Within an ABS pool it is expected that a number of the underlying assets will default causing a principal loss
- This process is captured by the Compound Default Rate (CDR) that is used to estimate the size and timing of these losses
- A CDR curve is built through a series of steps to ensure that it captures all available market data
- The first two points on the curve are the origin (i.e. at the start date loss = 0) and the current loss experienced by the pool which is reported by the servicer each month

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Default Curves – Delinquency Data

- Roll Rate analysis is a technique used to derive expected losses for the pool from observed delinquency data
- Delinquency data is published each month by the servicer and captures the loan repayment performance of the pool. This is usually expressed in a matrix form as shown below :

ABX 06-1 (2/25/08)	Current	30 Days Delinquent	60 Days Delinquent	90+ Days Delinquent	Foreclosure	Real Estate Owned	Bankrupt
% of pool	67.01	5.66	3.52	5.22	13.77	7.66	2.83

- To convert this delinquency data into expected losses a Roll Rate Matrix is used
- This is based on historical performance of this or similar pools and published by servicers or research groups

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Default Curves – Roll Rate Analysis

- To convert this delinquency data into expected losses a Roll Rate Matrix is used
- This is based on historical performance of this or similar pools and published by servicers or research groups
- The BarCap roll rate was derived by looking across the street and consolidating the various sources

	Current	30 Days Delinquent	60 Days Delinquent	90+ Days Delinquent	Foreclosure	Real Estate Owned	Bankrupt
Moody's	0	0	0	75	95	100	N/A
UBS	0	0	70	70	100	100	70
FSA	0	15	25	45	60	100	45
BarCap	0	15	70	75	100	100	70

- This matrix expresses the expected conversion from delinquency to loss
- In general the expectation is that a delinquency will convert to a realised loss in about 18 months
- From this a third point on the CDR curve can be derived 18 months from the valuation date

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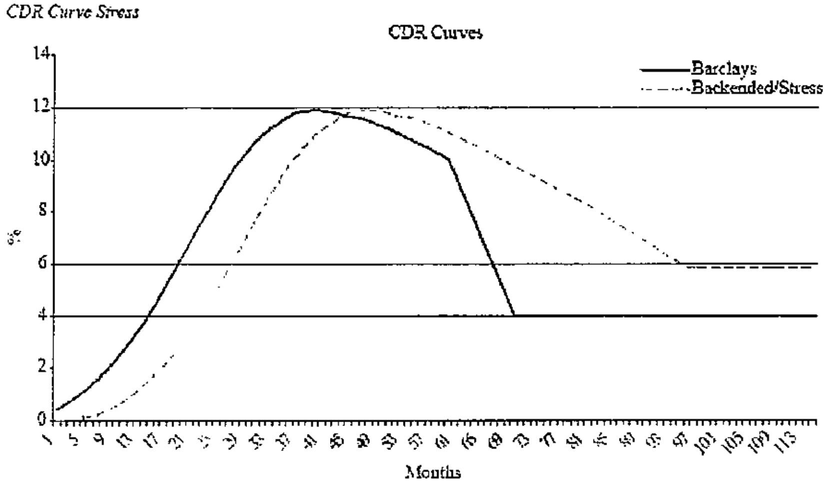
Default Curves – CDR Curve

- To extrapolate the losses through the remaining life of the ABS a CDR curve is fitted to the observed points
- The CDR curve is a defined "shape" which captures the historical performance of similar ABS, but can be modified to reflect market expectations or macroeconomic factors. For example an ARM portfolio would expect to see a spike in delinquencies after the reset date in a rising rate environment
- For the purposes of the BarCap trading desk valuations a standard curve is used across the desks to ensure consistency of risk and valuation
- For the Non-MTM facilities a stressed curve was used as shown below

CDR Curve Stress



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Default Curves

- Within the model a default curve is derived for each security pool
- The CDR curve is anchored at 0 and then the end point is adjusted up to best fit through the current losses and the 18 month expected losses derived through the roll rate analysis
- The total loss expected on the pool (Cumulative Loss) is then the sum under this loss curve
- The sensitivity of this curve is to the gradient from the current losses to the 18 month point as this sets the rate of losses through the remaining life of the pool

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Cash Flow Waterfall

- The analysis set out so far is at the pool level and seeks to estimate the changes in principal over time as well as the prepayment cash flows available
- ABS securities will use the prepayments to repay the principle on the outstanding notes based on a priority order defined by the securities waterfall
- In some securitizations there may be more than one AAA note and so these are prioritized into first pay, etc.
- In some circumstances excess interest income may also be used to pay principal, or vice versa depending on the exact definition of the waterfall
- For most CDO structures if an Event Of Default (EOD) trigger is breached all cash flows are diverted to paying down the principal of the senior classes

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ABS Valuation

- The combination of prepayments, defaults and cash flow waterfall are used to derive a cash flow vector
- These cash flows are then discounted to present value using the credit risky discount curve (LIBOR + credit spread) to derive a value for the security

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Impairment Review

- An impairment review consists of an analysis of the expected future losses on the security or facility
- The process used to derive this analysis is very similar to the valuation process with the following exceptions:
  - Prepay assumption is zero
  - Losses are discounted at a risk free rate
  - Cash Flow waterfall can be simplified to a hurdle subordination level beyond which the super senior tranche takes the principal loss
- This the main driver of the impairment provision is the construction of the CDR curve which in turn depends on the loss and delinquency data provided by the servicers each month.
- As shown in the following tables mapping out the ABX constituent's delinquency rates you will see that the "90+D" rates have been increasing steadily since Oct '07 which has been the primary driver of the increases we've seen in the impairment charge.
- While projected delinquencies rates appear to drop off in future months it is important to note that this can be attributable to the fact that as fewer loans remain current, the number of loans entering delinquency will drop off.

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<u>EXHIBIT 125</u>

FILED UNDER SEAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
- - -

IN RE: BARCLAYS BANK PLC SECURITIES LITIGATION
Master File No. 1:09-cv-01989-PAC

Certified Transcript of April 3, 2008,
Due Diligence Call

VERITEXT LEGAL SOLUTIONS
MID-ATLANTIC REGION
1801 Market Street - Suite 1800
Philadelphia, Pennsylvania 19103

- - -

FEMALE SPEAKER: I think we might start, if that's okay. We have most representatives from the data group on the call. So first, welcome and thank you very much for joining today's due diligence call. It's explained to you this is the annual due diligence, which is quite comprehensive and covers all Barclays' funding programs.

Representing Barclays here today we have Chris Lucas, the Group Finance Director; Mark Harding from Barclays General Counsel; Andy Bruce, Group Credit Risk Officer; Miles Storey, head of Group Balance Sheet; and Russ Aucutt head of Group Capital Issuance and Securitization.

I think everybody should have a list of the questions, so I just propose to hand it over to Chris Lucas and his colleagues to go through the answers.

MR. LUCAS: Hi. Good afternoon everybody, and thank you for joining us. This is Chris Lucas. I was going to work down your due diligence list sort of question by question, and just respond with some comments as I go

down, if that's okay. If I could just use the question numbers as a cross-reference.

The first one is the highlight question one, the major areas of revenue growth and business expenses in Barclays' agents and strategies. We have been clear that our strategy remains the same, that would be to look to diversify outside of the UK, and in particular to align capital and resources with businesses and in (inaudible) they give us faster growth then we have across the business as it stands at the moment. We've also been very clear --

(Has joined the conference)

-- that in terms of what does that mean? It means that we will be looking, I think John used the words, east wild and west. So we will be expecting to further ingrain the business in markets that give us diversification outside of the UK and gives us access to (inaudible) and commonry. Therefore, that translates into really two businesses as far as I'm concerned. It translates into international retail and commercial banking, which is part of GRC being run by (inaudible) and we expect to

see that business moving into countries and locations that it has not been. I think the other part of the business that I see as investing heavily in for growth is the wealth business --

(Has joined the conference)

-- and that I think will be more even paced around the world rather than any specific area. And if you look at what that translates into, we have, in 2007, opened operations in a number of locations, particularly the UA and India on the retail and commercial banking business. We have announced the acquisition of a small bank in Russia. And we have announced that we have licenses to commence operations in Pakistan. So those would be the major territories that I would see us looking to grow in terms of that medium and strategy.

Now prior to that, we shouldn't ignore the rest of the business, we have growth prospects today including EGI and also UK business, Barclaycard specifically. And you will see that we acquired, very recently, a portfolio of credit card customers and loans

from Discover.

Is that okay in terms of...

FEMALE SPEAKER: Yes, thank you.

MR. LUCAS: So sort of flows from that business plan for 2008, I should say that the business plan was put together --

(Has joined the conference)

-- and signed off at the end of 2007, and it is set around a PBT number, which is actually very, very close to the current consensus and that, I think, was more by luck than anything specifically. And I should just give you the reference I used for consensus of 2008, and I have to be honest and say this is the market's consensus is about 7 billion pounds PBT. That clearly is a number that is subject to fluctuation and in the current environment could fluctuate more significantly and rapidly than it would do in the past.

(Has joined the conference)

If I use that as a reference point, our plan prepared at the end of last year was retroactive in number, and I think it's fair to say that conditions have been tougher than envisioned, and I would expect both consensus and our plans, as we go to our full pass, to come down from that numbers. But I think as we sit here today, that's the best reference point I can give you.

In terms of question three, (inaudible) significant changes in management operation or legal structure degree. The answer to that is no.

In terms of significant acquisitions and disposals, I have already given you the list. In terms of recently, we have acquired Expobank in Russia for about $745 million. We acquired -- and that is a small bank, about 32 branches that are based around Moscow and St. Petersburg, it is a bank that we will be owning 100 percent of, and it is a starting place for our business in -- our retail commercial business in Russia. It will be complimentary to the investment and wholesale banking business we have there at the moment.

The second in terms of recent transactions is Discover's UK card business which is a small transaction, it was net assets of about 120 million pounds, something like that, which we acquired for 35 million. It's

1.8 billion pounds of credit card receivables. It is the business that was HSC flow through center, went I think for a while to Lloyds, if I remember correctly, and then to Discover. It is a UK business, so it is not directly in line with our strategy but it is meets all the -- (inaudible)

(Has joined the conference)

During the year we acquired Index Exchange Investments, which is the German exchange traded funds business in Germany. Not surprisingly we acquired EquiFirst, which was a small and now even smaller sub-prime originator in the United States. And we acquired Woolwich Group, a small business in the (inaudible), which was part of our wealth and trust business.

And those you can find more details on them on pages 174 and 175 about the former accounts.

In terms of disposals, we disposed of most of the monumental portfolio of credit card receivables. That was a business that was known in terms of customer quality and credit quality than we felt we wanted in the UK. We sold Intelenet, which was part of a

restructuring of our outsource provider in India. We are talking single millions of pounds here, so quite small.

The only other sale, I think, that was completed since year end, is we did sell BGI's Japan trust and banking business, as we wanted to focus there on investment management wealth and trust banking.

That, I think, is the list of significant acquisitions and disposals we made. We've got nothing significant on the stocks that I need to tell you about in terms of short term plans. You would expect that we receive many opportunities and will continue to evaluate them as they cross our desk.

I think that covers the first four. Five refers to 2007 four-year results. And you have seen those, we reported profitable taxes, 7076 billion profit before disposals is accurate, really depends on the prior year. I think those numbers were extremely close to consensus, within a few million pounds, and therefore came through very much as we were expecting.

The business is -- also came in

very close at a business level to the plans we had and had worked on. I think the only business that I would highlight in terms of a variance to plan, was the UK Retail Bank because of the level of refunds that we have paid out up until the stay in July of 2006, that was about 116 million pounds. That I think was the only really significant (inaudible) variance.

I should just mention Barclays Capital, it came in very, very close to our plan. And you will note that it had an extremely good first half, it made about 1.6 billion pounds of profits in the first half. The second half was impacted by the market conditions that you know as well as I do.

If I move to six, in terms of trading performance in the first two months of 2008, I should say probably the best -- the best guidance I can give you is that if you take consensus at 7 billion pounds and take a monthly run rate without looking at any formal seasonality, you get to about 518 million pounds a month. And for January and February, that is very, very close to our run rate, I think that is the best guidance I can give you. It was in

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terms of our plan, within a couple of million pounds of the plan, and therefore represented a good start to the year.

In terms of March, as you can imagine, March has been a very tough month. I'm not saying anything you guys don't already know, we are still in the process of completing the results process, we get an early look at them tomorrow. But I think the signs that I've got would tell me that the stock conditions have had an impact, but I think that the group will be profitable in March on the standalone numbers. I think that is the best I can give you. We still have quite a wide big offer in terms of some of the decisions we have to make around asset marks as we close the books.

In terms of H-1, 2008, it's quite difficult because there is -- the consensus numbers I gave you, 7 billion pounds, have not been refined by the investment community into a first half, second half. We had planned, if I go back to the plans, a better second half than first. I think it's fair to say that the conditions we have seen in March specifically, will have dented our first half numbers. But I

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still feel very good that we had had a good two months, we had a good first half of March, second half of March was up. And to be honest with you, we have to see how April and May play out.

I should just say that the CD businesses are performing extremely well, ahead of plan, and am very pleased with that. So while the real focus has been on the wholesale credit environment, there are parts of the business that continue to show the benefits and diversification that we have seen.

I think that was all I was going to do for six. In terms of seven, is that me?

MR. BRUCE: No, that's me.

MR. LUCAS: Andy, thank you.

MR. BRUCE: I'm going to comment on the steps the bank has taken to mitigate the effects of a serious economic downturn. We monitor macro markets and internal indicators of economic downturn, particularly in our four major markets, the UK, the U.S., the European area and South Africa, and in the context of both retail and wholesale businesses. We continue to identify a range of management

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action responses, each of which is quantified in terms of its financial and non-financial impact on the group. This would involve action plans across business units, such as changing them to value thresholds, score card cutoffs, sectional mandate and scale adjustments, margin changes, rejection of leverage appetite, haircut adjustments, et cetera, all of which are presented to discuss, reviews and challenges by the executive committee.

MR. LUCAS: Let me talk about the results in a little bit more detail by business segment. And I was going to do this by reference to the result announcement on page three, which shows the profit control tax by business.

If I could just run through them briefly, you will see UK retail banking is up 9 percent. And the story there has been good mortgage volume growth, if you could imagine in the last quarter, good mortgage volume growth, good savings growth which is important to us, and a reduced level of unsecured lending. One of the features of the business has been to move from unsecured to secured. And that has had a

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significant impact in terms of the risk profile and the impairment performance.

So while the net income is a relatively small growth in absolute terms, we saw good performance on impairment, so therefore it has been a combination, growth to growth. You will note that this is the business that has 116 million pounds refunds amount through there.

The other compound of major assets is that the costs were well controlled, and we therefore have seen the benefit of a number of reactions we have been taking on the cost front.

The costs were down three percent, and that was through the continued cost management program we've had. I think the cost income ratios, if you look at that, which we had a target out to the UK Bank as a whole, is reduced by 2 percentage points for 2007, which meant there were 8 percentage point reaction over three years, which was in excess of where we have been targeting.

Barclays' commercial bank was flat. The story there was reasonable income performance, predominantly in fees and commissions, rather than net interest income.

And net interest income was impacted by business disposals that we made in late 2006. Impairment increased 15 percent, the result of two specific names, trust income. Commercial bank amounts on page three --

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(AUDIO STARTS OVER)

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Mark Harding from Barclays General Counsel; Andy Bruce, Group Credit Risk Officer; Miles Storey, head of Group Balance Sheet; and Russ Aucutt, head of Group Capital Issuance and Securitization.

I think everybody should have a list of the questions, so I just propose to hand it over to Chris Lucas and his colleagues to go through the answers.

MR. LUCAS: Hi. Good afternoon everybody, and thank you for joining us. This is Chris Lucas. I was going to work down your due diligence list sort of question by question, and just respond with some comments as I go down, if that's okay. If I could just use the question numbers as a cross-reference.

The first one is the highlight question one, the major areas of revenue growth and business expenses in Barclays' agents and strategy. We have been clear that our strategy remains the same, that would be to look to diversify outside of the UK, and in particular to align capital and resources with businesses and in (inaudible) they give us faster growth then we have across the business as it stands at

the moment. We've also been very clear --

(Has joined the conference)

\-- that in terms of what does that mean? It means that we will be looking, I think John used the words, east wild and west. So we will be expecting to further ingrain the business in markets that give us diversification outside of the UK and gives us access to (inaudible) and commonry. Therefore, that translates into really two businesses as far as I'm concerned. It translates into international retail and commercial banking, which is part of GRC being run by (inaudible) and we expect to see that business moving into countries and locations that it has not been. I think the other part of the business that I see as investing heavily in for growth is the wealth business --

(Has joined the conference)

\-- and that I think will be more even paced around the world rather than any specific area. And if you look at what that translates into, we have, in 2007, opened operations in a number of locations, particularly the UA and India on the retail and

commercial banking business. We have announced the acquisition of a small bank in Russia. And we have announced that we have licenses to commence operations in Pakistan. So those would be the major territories that I would see us looking to grow in terms of that mediums and strategy.

Now prior to that, we shouldn't ignore the rest of the business, we have growth prospects today including EGI and also the UK business, Barclaycard specifically. And you will see that we acquired, very recently, a portfolio of credit card customers and loans from Discover.

Is that okay in terms of...

FEMALE SPEAKER: Yes, thank you.

MR. LUCAS: So it sort of flows from that business plan for 2008, and I should say that the business plan was put together --

(Has joined the conference)

\-- and signed off at the end of 2007, and it is set around a PBT number, which is actually very, very close to the current consensus and that, I think, was more by luck than anything specifically. And I should just give you the reference I used for consensus of 2008, and I have to be honest and say this is the market's consensus is about 7 billion pounds PBT. That clearly is a number that is subject to fluctuation and in the current environment could fluctuate more significantly and rapidly than it would do in the past.

(Has joined the conference)

If I use that as a reference point, our plan prepared at the end of last year was retroactive in number, and I think it's fair to say that conditions have been tougher than envisioned, and I would expect both consensus and our plans, as we go to our full pass, to come down from that number. But I think as we sit here today, that's the best reference point I can give you.

In terms of question three, (inaudible) significant changes in management operation or legal structure degree. The answer to that is no.

In terms of significant acquisitions and disposals, I have already given you the list. In terms of recently we have acquired Expobank in Russia for about $745

million. We acquired -- and that is a small bank, about 32 branches that are based around Moscow and St. Petersburg, it is a bank that we will be owning 100 percent of, and it is a starting place for our business in -- our retail commercial business in Russia. It will be complimentary to the investment and wholesale banking business that we have there at the moment.

The second in terms of recent transactions is Discover's UK card business which is a small transaction, it was net assets of about 120 million pounds, something like that, which we acquired for 35 million. It is 1.8 billion pounds of credit card receivables. It is the business that was HSC flow through center, went I think for a while to Lloyds, if I remember correctly, and then to Discover. It's a UK business, so it is not directly in line with our strategy but it is, meets all the (inaudible) --

(Has joined the conference)

During the year we acquired Index Exchange Investments, which is the German exchange traded funds business in Germany. Not

surprisingly acquired EquiFirst, which was a small and now even smaller sub-prime originator in the United States. And we acquired Woolwich Group, a small business in the (inaudible), which was part of our wealth and trust business.

And those you can find more details on the pages 174 and 175 about the former accounts.

In terms of disposals, we disposed of most of the monumental portfolio of credit card receivables. That was a business that was known in terms of customer quality and credit quality than we felt we wanted in the UK. We sold Intelenet, which was part of a restructuring of our outsource provider in India. We are talking single millions of pounds here, so quite small.

The only other sale, I think, that is completed since year end, is we did sell BGI's Japan trust and banking business, as we wanted to focus there on investment management wealth and trust banking.

That I think is the list of significant acquisitions and disposals we made. We've got nothing significant on the stocks that

I need to tell you about in terms of short term plans. You would expect that we receive many opportunities and will continue to evaluate them as they cross our desk.

I think that covers the first four. Five refers to 2007 four-year results. And you have seen those, we reported profitable taxes 7076 billion profit before disposal is accurate, (inaudible) depends on the prior year. I think those numbers were extremely close to consensus, within a few million pounds, and therefore came through very much as we were expecting.

The business is -- also came in very close at a business level to the plans we had and have worked on. I think the only business that I would highlight in terms of a variance to plan, was the UK Retail Bank because of the level of refunds that we have paid out up until the stay in July of 2006, that was about 116 million pounds. That I think was the only really significant (inaudible) variance.

I should just mention Barclays Capital, it came in very, very close to our plan. And you will note that it had an extremely good first half, it made about 1.6 billion pounds of profits in the first half. The second half was impacted by the market conditions that you know as well as I do.

If I move to six, in terms of trading performance of the first two months of 2008, I should say probably the best -- the best guidance I can give you is that if you take consensus at 7 billion pounds and take a monthly run rate without looking at any formal seasonality, you get to about 580 million pounds a month. And for January and February, that is very, very close to our run rate, I think that is the best guidance I can give you. It was in terms of our plan, within a couple of million pounds of the plan, and therefore represented a good start to the year.

In terms of March, as you can imagine, March has been a very tough month. I'm not saying anything you guys don't already know, we are still in the process of completing the results process, we get an early look at them tomorrow. But I think the signs that I've got would tell me that the stock conditions have had an impact, but I think that the group will be

profitable in March on standalone numbers. I think that is the best I can give you. We still have quite a wide big offer in terms of some of the decisions we have to make around asset marks as we close the books.

In terms of H-1, 2008, it's quite difficult because there is -- the consensus numbers I gave you, 7 billion pounds, have not been refined by the investment community into a first half, second half. We had planned, if I go back to the plans, a better second half than first. And I think it's fair to say that the conditions we have seen in March specifically, will have dented our first half numbers. But I still feel very good that we had had a good two months, we had a good first half of March, second half of March was up. And to be honest with you, we will have to see how April and May play out.

I should just say that the CD businesses are performing extremely well, ahead of plan and am very pleased with that. So while the real focus has been on the wholesale credit environment, there are parts of business that continue to show the benefits of the

diversification that we have seen.

I think that was all I was going to do for six. In terms of seven, is that me?

MR. BRUCE: No, that's me.

MR. LUCAS: Andy, thank you.

MR. BRUCE: I'm going to comment on the steps the bank has taken to mitigate the effect of a serious economic downturn. We monitor macro markets and internal indicators of economic downturn, particular in our four major markets, the UK, the U.S., the European area and South Africa, and in the context of both retail and wholesale businesses. We continue to identify a range of management action responses, each of which is quantified in terms of its financial and non-financial impact on the group. This would involve action plans across business units, such as changing them to value thresholds, score card cutoffs, sectional mandate and scale adjustments, margin changes, rejection of leverage appetite, haircut adjustments, et cetera, all of which are presented to discuss, reviews and challenges by the executive committee.

MR. LUCAS: Let me talk about the

results in a little bit more detail by business segment. And I was going to do this by reference to the result announcement on page three, which shows the profit control tax by business.

If I could just run through them briefly, you will see UK retail banking is up 9 percent. And the story there has been good mortgage volume growth, if you could imagine in the last quarter, good mortgage volume growth, good savings growth which is important to us, and a reduced level of unsecured lending. One of the features of the business has been to move from unsecured to secured. And that has had a significant impact in terms of the risk profile and the impairment performance.

So while net income is a relatively small growth in absolute terms, we saw good performance on impairment, so therefore it has been a combination, growth to growth. You will note this is the business that has 116 million pounds refunds amount through there.

The other compound of major assets is that the costs were well controlled, and we therefore have seen the benefit of a number of the actions we have been taking on the cost front.

The costs were down three percent and that was through the continued cost management program we have had. I think the cost income ratios, if you look at that, which we had a target out to the UK Bank as a whole, is reduced by 2 percentage points for 2007, which meant there were eight percentage point reduction over three years, which was in excess of where we have been targeting.

Barclays' commercial bank was flat. The story there was reasonable income performance, predominantly in fees and commissions, rather than net interest income. And net interest income was impacted by business disposals that we made in late 2006. Impairment increased 15 percent, the result of two specific names of some size as we had inherent charges against.

And costs were up six percent, probably higher cost increase than we've seen in the past, recognizing that we need to make some investments in this business, because it has been used very much as the generator of equity

and cash for us.

I think the only other thing I would say is if I look forward, risk pendency, our measure of forward looking risk, it was showing small upset from 2006 to 2007, from 290 to 305 million pounds.

If I look at Barclaycard --

(Has joined the conference)

-- Barclaycard is a strong force, 18 percent up, year on year. We have really looked to reduce exposure in the UK. We have a number of actions to improve the policy of the book. We reduced -- we increased the cutoff for score cards. We reduced the limits that people had on their cards. We improved collections. We chased after end stage delinquency. That policy had a significant reduction in impairment, down 21 percent. Also, because we took out some of the high-risk business, we saw a reduction in income.

You will know that we have been growing our international business of Barclaycard, and that has continued to be the case as we have continued to grow the business in South Africa, in the U.S., in Germany and in

Scandinavia.

The risk pendency has come down from 1135 to 945, reflecting the increased quality of the bulk, and particularly the sale of the Monumental (inaudible) I referred to earlier.

(Inaudible) had a good year in rans, probable cash in rans were up 22 percent. In 30 terms, it was about 9 percent. And most of the business probability increased in (inaudible) was in asset capital, which is the business run by Barclays Capital, which combined Barclays' investment banking product with assets distribution channel.

We had seen significant growth in the balance sheets from seeking those in advances, and we have seen a significant increase in risk pendency reflecting some, I think, improvement in how we measure it, and also the fact that there is an element of overheating in the South African economy.

If I talk about IRCD (inaudible) there are three things going on here. There is quite significant profits growth in western Europe. There is quite significant profits

growth in emerging markets, but there is similarly an investment in that growth in the central part of IRCD, simply developing platforms for the business. Income was up 28 percent, impairment was up 93 percent reflecting the growth in the books, very low base, costs are up 32 percent.

I should just say that this business, if you look at the headline numbers, also has in 2006, the sale of First Caribbean, which is why, on a headline basis, it looks lower.

Barclaycard, I think I have explained the performance of the first half versus the second half. You will note that we took a quite significant charge, so income was up 14 percent, impairment was significantly up. And the costs were down reflecting our scheduled cost base. We always said if the income comes down after impairment, then the cost would as well, and that has happened.

You will note, you have seen the results announcement and the references to the write offs we have taken, and I'm sure we will come back to that.

.. BGI had a good year, up from 714 to 734, income's up 17 percent. Cost is up 25 percent, reflecting investment in the business, particularly in terms of our IShares platform, and particularly in terms of alternative investments and the realties platform. Head (inaudible) was up from 2700 to 3400, and the closing assets under management were 1044 billion pounds, and particularly notes were put in there with that new assets under management of about 42 billion pounds.

I think that probably covers the business. Are we concerned with the status of Barclays Capital's profitability? I think concerned is an odd choice of words. It's clearly cognizant of the markets in which it operates. I have explained to you, I think that the first half of last year at 1.62 was a record year and we did not expect that to be within that sort of range in the first half. The second half is hard to predict, but with 600 million pounds of profits we would be expected to -- continues to be further recovery to be able to beat that.

So while I'm not concerned, we are

clearly cognizant of the environment in which we operate and the toughness of that and I would reserve some of that in terms of 2008 performance.

In terms of the pension scheme, we actually have a surplus under IA (inaudible) I think in funding terms. So we are working as we are required to, under UK laws, to develop a scheme specific funding plan with the trustees. There are no signs that due to the funding level, we are actually going to be advised to either a (inaudible) charge or a funding charge, significantly different than from what we have been seeing in 2007.

I think that's a good place for me to stop and hand over to Andy on asset valuation. Do you want me to do the first one?

MR. BRUCE: I thought you were doing up until 13.

MR. LUCAS: Okay. I have been told I got to keep going. So I will continue to do that.

I think the first thing in terms of questions 11 and 12, are to point you to our results announcements, and in particular notes

17 and 18. Note 17 covers what would be short end terms called the FAS 157 level 3 disclosures, which putting it another way, is those assets and liabilities we have taken at fair value, which have unobservable inputs into models. And you will see that it's about 24 billion pounds out of the total fair value, portfolio is 632. On the liability side, it's at 10 and-a-half billion out of 480.

If you look at the other part of that, which is the amortization and release of the previously unobservable P&L, that's set out on note 17, page 69 of our results announcement and shows about 514 million pounds of amortization of previously held up profits into the results (inaudible) --

(Has left the conference)

If I go to note 18, on page 60 of the results announcement, refresh our exposures both (inaudible) --

(Has left the conference)

-- (iuaudible) to ABS, CDO super senior, other sub-prime, AltA, monoline insurers, commercial mortgages, crediting facilities and exposures to structured

investment vehicles, I think in terms of which of this is marked to model is --

(Has left the conference)

-- predominately the ADS, CDO, super senior, whether it be sub-prime home loans and AltA, the others tend to be marked to market.

Are there any other off balance sheet vehicles that the bank is contemplating moving off the balance sheet, the answer is no. They are on the balance sheet as it stands.

In terms of 13, does management anticipate the need to make further write downs to eliminate any of the above projects? We wrote off 1.6 -- or we provided 1.6 billion up to the 31st of December, and that is net of 658 million of earned credit. We would expect, when you look at the market conditions in January and February and March, that we will be taking further write downs, that will be reflecting market conditions.

The numbers I gave you for January and February were after the write downs that we had taken. And I think the evidence will be in March, we will be taking further write downs.

I think that's a good place for me to stop and hand over.

MR. BRUCE: Okay. This is the exposure to leveraged loans. As of the 31st of December 2007, our draw on leveraged financed positions were 7.4 billion pounds, which actually was very close to the 30th of June 2007 number. Positions were stated (inaudible) of 130 million pounds and (inaudible) 68 million pounds driven by widening of corporate credit spreads.

Our leveraged financed assets are housed in our banking book on an accrual accounting basis, as these assets are performing, there is no charge for indemnified impairment. However, given the degree of dislocation experience in our leveraged financed syndication markets throughout 2007, we felt it prudent to take a reserve on a portfolio basis to reflect the low pricing that may result from distributing our current underwriting book over an extended period of time.

Subsequent attempt charge taken Q4, 2007 this period, as a result of prevailing syndication market conditions, barred any

concerns of fundamental credit quality of the underlying transactions.

While general leveraged financed markets remained uncertain, the principal assumptions used in the impairment methodology continue to be sound. Importantly the loans of performing asset construction liquidated long term positions. As such, the stance in market unidentified impartments from the absence of any new material credit concerns is viewed as a conservative approach and represents a fair value assessment of the portfolio.

The next question is our exposure to the fixed rate (inaudible) securities markets. Our exposure, essentially, is minimal. Participation in this market does not necessarily assign an increased fault probability. Actually failed auction written notes often offer good balance since the failed group promise seems to be very attractive and it's usually not any different than it was previously. Given that, there is not expected to be any material impact on the group's financial statements.

The next question is our exposure

to monoline, dirêct or indirect. Barclays Capital holds assets with insurance protection or other credit enhancements for monoline insurers, the negative basis trade book. Value of exposure to monoline insurance under these contracts as of the 31st of December 2007 was 1.335 billion pounds. It was 140 million at the 30th of June 2007. There were no claims up due under these contracts, and none of the underlying assets were in default. The source of the rest of the -- page 67 of the accounts.

In order for loss to occur in the negative basis, both with defaulting both the underlying security and the monoline is required. The nature of the policy supporting the negative basis, will obligate the insurers continue to make payments of principal and interest according to the original contract of any of the properly referenced obligation. There is no marked to market settlement of the obligation at default but a continuing pay as you go obligation from the financial guarantor. This protects the monolines from any credit crunch in the event of a high level of default of the securities they guarantee.

As to indirect monoline exposure, in addition to our direct exposure, we may incur indirect exposure in the normal course of business arising from trading and bonds racked by monolines at issue in CDS trading. These bonds covered by issue and trading and that's an exposure to monoline insurers as a result of such trading activities is not terrible, they are marked to market.

Question 17 is the breakdown of the loan book, and taking these statistics from page 96 of the accounts. As of the 31st of December, extending loans and advances to customers and banks of values at 389 billion, up from 317 we had previously. And of that, 349 billion was granted to personal or corporate customers. The advances are well distributed across the retail and wholesale portfolios almost equally. And our distribution is not expected to change materially.

18 is asking us to discuss any concentrations in the loan book in what is the largest industry section, how much does this account for in total portfolio. Loans and advances were well spread across industry

classifications. Excluding financial services, which is 20 percent, our largest executive exposures are to home loans, 32 percent, other personal, 12 percent, and business and other services, 9 percent. These categories are generally apprised of small loans having lowered our facility credit establishment and are intrinsically highly diversified.

Loans and advances are also diversified across a number of geographical regions. The majority of the exposure is in the UK, 55 percent, which includes secured home loans exposures, followed by the U.S. and South Africa 11 percent, and the rest of the European 16 percent. You can see the breakdown by industry sector, again, on page 96.

In terms of the current credit quality of the portfolio, question 19, what is the current level of nonperforming loans, and do we expect any deterioration of the loan portfolio during 2008? We actually have been monitoring the risk profile of the loans and advances to customers with a view to early protection of any concentrations in higher risk segments.

The majority of the whole exposure is to higher quality names, is just under 70 percent of our exposure to customers with a default grade of ten or better. Grades 10 to 12 -- I'm again looking at page 97 again on your account -- would approximate a weak investment grade grading. So that gives you an idea of the balance of the exposure in the portfolio.

We actively manage our credit exposures. Corporate accounts that are deemed to contain heightened level of risks are recorded on an early warning or watch list comprising three categories of increasing concern. These are updated monthly and circulated to the relative risk control points. Once the risk has taken place, exposure is very carefully monitored and when appropriate, exposure reductions are effected.

Should an account become impaired, it would normally, but not necessarily, have passed through all three categories, which reflect the need for having increasing caution and control.

In terms of our categorization of potential credit risk loans. Again, page 99 of

the accounts, these are potential problem loans and credit risk loans. If the credit quality of the early warning list or watch list deteriorates, the highest category, consideration is given for including it in the potential problem loan list. CPLs to loans where payments of principal and interest is up to date, but where serious doubt exists of the ability of the borrowers to continue to comply with their payment terms, the total monitor for problem loans, (inaudible) 797, up from 761 the year previous. That's broken down for you on page 120.

Of the total PPL, that's 951 million, which is the substantial majority of the increase of ABS, CDO, super senior and similar exposures. Simple credit risk loans, clearly shift (inaudible) should deterioration be observed. It will lose hippocratic risk loans category. This would be missed payments or future covenant with (inaudible)

We got three classes of loans impaired, accrued, past due 90-days or more impaired and restructured loans. Potential lines of credit risk loans of 31st of December

was 9.6 billion pounds, up from 5 billion in 2006.

Again, within these categories, which you can see on page 118, there were 15 impaired loans including, three on 344 of ABS, CDO super senior exposures, and the balance of approaching another billion pounds -- is a balance of a number of diverse nonperforming loans through different industry sectors.

Question 20, are there any loans that represent more than 10 percent of the group's equity base, and if so, how many? Are any of these loans nonperforming or on the watch list?

None of them are nonperforming or are on the watch list. As of December 31st, there were four counterparties for exposure, represents more than 10 percent of the group's equity base. Two relates to recently priced large M&A underwrites, which are being sold down as we speak. And two are government-related exposures.

21, discuss the status of the bank's risk management process and procedures. And did we make any significant changes to the way the bank manages capital or report risks, and are we considering anymore changes in 2008?

The approach to risk management undertaken by Barclays has not changed during 2007, continues to involve a number of fundamental efforts that drive processes across the group. No material changes are anticipated for 2008.

The risk policy covered the group's main risk policy for assigning responsibility for the management of specific risks, setting out requirements for control frame work for all the risk types, individual control frame works are obstructed around five discreet processes. Again, in pages 83 and 4 of the accounts, direct (inaudible) control reports and damage and challenge to enable a robust system of review and challenge.

The responsibility for risk management resides at all levels within the group, from the executives down through the organization to each business manager and risk specialist. Credit risk is clearly one of the group's major sources of income and is the most significant risk and consider all the resources

dedicated to controlling it. Within the group's risk, the credit risk function provides wide direction on credit risk taken.

Functional team manages the resolution of all significant credit policy issues and runs the group credit committee which approves major credit decisions. Other principal committees that review credit risk management, formerly payroll group credit policy, resolve all significant credit policy issues that the wholesale credit risk management committee, the group retail credit risk management committee and the risk oversight committee and the board risk committee. The board audit committee also reviews the impairment for answers as part of financial plotting.

We also discuss other risks and things, market risk and operational risk and so on. I think it's you.

MR. AUCUTT: As of the 31st of December 2007, the group's consolidated tier 1 capital ratio was 7.8 percent and the group's risk asset ratio was 12.1 percent. As of January 1st, 2008, the group's capital tier 1

ratio was 7.6 percent and our risk asset ratio was 11.2 percent.

Question 23, outline the capital requirements of the bank. Barclays operates essentialized capital management model considering both regulatory and economic capital. Decisions on the allocation of capital resources are conducted as part of the strategic planning review and are based on --

(Has left the conference)

Including returns on economic and regulatory capital. The group's capital management activities seek to maximize shareholder value by optimizing the level and maximizing capital resources. The group's management objective are to support the group's AA credit rating, maintain sufficient capital resources to support the group's risk appetite and meet the capital requirements, maintain sufficient capital resources to meet the efforts of a minimum regulatory capital requirements, and the U.S. Federal Reserve Bank's requirements, the financial holding company will be capitalized and insure locally regulated subsidiaries can meet their minimum capital

requirements.

The key measurement the group uses to assess its capital strength is a tier 1 capital ratio, which represents tier 1 capital compared to risk-weighted assets. The group's target of tier 1 capital ratio is 7 and a quarter percent. And minimal requirements under the FSA bubble are expressed as a ratio as capital resources to risk-weighted assets. Risk-weighted assets are a fraction of risk weighted. Risk weighted applies to the group's (inaudible) characterization developed by the Basel committee.

MR. LUCAS: Question 24, commenting on Barclays' asset and liability management procedures. I'll look at each component in turn. Market risk, risk appetite that is set by board risk committee. Group risk oversight committee delegate oversight to the group market risk director under his team in group market risk. Overall group policy is to concentrate market risk in Barclays Capital. Trading risk components of market risk is concentrated in Barclays Capital.

The head of market risk in

Barclays Capital, the global market risk management unit, and that is independent of front office activities. The nontrading risk in the UK, Barclays' treasury at the group level met the market risk positions of the businesses --

(Has joined the conference)

-- with Barclays Capital. Structured interest rate positions, such as loan disparity in current accounts and capital, are similarly managed by Barclays' treasury.

The market risk in the overseas businesses is small compared to the group and is managed by the local treasuries in a similar manner to that in the UK. Since making these acquisitions from Barclays Capital, Barclays and overseas treasuries are reported daily, exclude market risk, and they are used to make all trading in treasury activities. Over 2007 this averaged at 14 million pounds with a high of 59.3 million and a low of 33.1 million.

The liquidity risk, the short term liquidity day-to-day as managed by Barclays Capital, under oversight of Barclays' treasury, liquidity mismatch is reported and monitored

daily here. For other local businesses, they are similarly required to manage their liquidity requirements, and meet those liquidity limits set by the group, plus any other local regulatory requirements.

The term liquidity, Barclays' treasury calculates the transfer price for the generation or use of term liquidity based on market rates and the behavior maturity of balances. This enables the business to accurately price its products to customers and the group to insure that the balance sheet is correctly priced.

On question 25, comments on any changes in funding sources. Barclays has been able to access its usual sources of funding over the recent months. Through this period, while there's been a relative lack of short and medium term funding in the wholesale markets for all counterparties, Barclays has continued to maintain its strong liquidity position. We have benefited from significant inflows of deposits, consistent accounts of party lines, steady and sometimes increased client flows across many businesses and the continued full self-funding

of our competent vehicles.

Question 26, how is the overall balance sheet position been straight influenced and outlook for margins. Interest rate risk in the balance sheets arising from the provision of retail and wholesale on nontrading banking products, as well as following currency translation exposures within the balance sheet.

(Inaudible section due to high-pitched humming sound on audio.)

In 2007, based on annual earnings and risk assessment, 50 basis point change in interest rates across all occurrences have impacted DVT by 18 million pounds --

(Has left the conference)

-- and this compares to 12 (inaudible) --

(Has left the conference)

A detailed summary of interest rate risk concentration across the balance sheets which shows the spectrum is provided in the annual report from pages 236 and 237.

On margins, I'd refer you to the detail contained in the annual report on pages 46 and 47, the margins by business prevailing in

the last couple years. There's no expectation of --

(Has joined the conference)

-- any deterioration in the margins through 2007.

On question 27, how do we manage overall currency exposure? For a transaction on currency exposure, the group's risk management policies prevent the holding of any significant open positions outside of the trading portfolio -- (inaudible) -- for translation, foreign currency exposure, the group operates in a number of countries which result in structural foreign exchange exposures on its investments in those countries. The group's policy to economically hedge all such foreign currency investments, where applicable, to do so.

In terms of impact with borrowed earnings, unless specifically hedged, the fall on the dollar would normally reduce fallen denominated income streams when translated into earnings. Nevertheless, we do not have a significant underlying earnings risk to dollars in the overall context of group earnings. Over to you Russ.

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MR. AUCUTT: Question 28, fluency on the group's information implementation of Basel II and what are the expected impacts on the capital ratios for its implementation. As I mentioned before, I gave you the group's tier 1 and risk asset ratio on the Basel II. Under Basel II, we are effective from the 1st of January 2008, the group has been granted approval by the FSA to adopt the advanced approaches to credit and operational risk management. Pillar 1 risk-weighted assets will be generated in the group's risk models. Pillar 1 minimum capital requirement in the Basel II add pillar 1 risk-weighted assets, multiplied by 8 percent, internationally agreed minimum ratio.

Under Basel II, total qualifying tier 1 capital has decreased by 665 million. Total net capital resources has decreased by 2.8 billion. The tier 1 ratio reduced by 20 basis points. And the risk asset ratio reduced by 90 basis points. Further details of this can be found on pages 57 and 58 of the 2007 annual report.

MR. LUCAS: I think in relation to question 29, there are no material regulatory

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changes or experiences in difficulty implementing.

Under 30, are there any other actions or issues not yet discussed that should impact on the group's financial performance or condition? I think I was just referencing to Mark Harding's comment when we talk about the LSE cases in the UK on refunds, I think you should be aware of that.

In terms of 31, the answer is none that I'm aware of.

MALE SPEAKER: Good. In reference to 32, any further pending material litigation, the answer to that is that we have in note 35 to our accounts, have given you the disclosure of any material litigation. Of course we would be obliged to disclose any other material litigation or regulatory action, and we have not disclosed anything further from what's in note 35. So I refer you to that.

Have we entered into any settlement agreement for material impact on international traditional business realms, that is no.

Question 33, are there any

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outstanding declaratory judgments that effect the group's operations, the answer to that is also no. We have generally made -- I should say generally made a schedule (inaudible) in note 35 and in note 36 in relation to completion of regulatory matters and a number of matters that effect us, including the current accounts test case, which is fully disclosed in there and obviously has got some period to run yet.

In reference to question 34, any issues regarding any (inaudible) regulatory compliance practices to gain in relation to sanctions. We have made a disclosure about that in note 36, about the internal investigation which we are discussing with the U.S. and UK authorities regarding sanctions compliance. I can add nothing more to that. I am not aware of any other material -- (inaudible) entity issues that need to be brought to your attention.

MALE SPEAKER: In terms of 35, as you would imagine we have ongoing conversations with the rating agencies. They will be continuing the dialogue and reviewing the year end, to that form of the process, stopping in the next month. The ratings are public

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knowledge, we have no information that would suggest anything other than what you know publicly in terms of Fitch and Standard & Poor's one negative outlook, outside of that we have our AA ratings as you're aware.

In terms of other risks or concerns which we are exposed in the future, I think the only thing I would just highlight over and above everything else we've covered is that we did in 2007 provide some support to some BGI funds at a cost of 80 million pounds. That is reflected in the results I described earlier and we had disclosed -- we had provided some selective support since then. I think that would be the only thing I would have brought to your attention.

In terms of whether we have process complied with (inaudible) parts 7 in levels 1, 2 and 3, that is set out in notes 17, the results announcement. I don't really have much more to say on that.

MR. BRUCE: Question 38 is discussing our risk management experience in the past six months and progress capital. Clearly outside of the well documented exposures that we have outlined to sub-prime leveraged monolines and --

(Has left the conference)

-- exposures, I think the group's wholesale credit risk offered in 2007 benefitted from the diversification available from the UK and international portfolios which grew by 14 and 41 percent respectively. The corporate's credit risk profile remains steady with corporate credit ratings and watch list balances broadly stable.

Going into 2008, the credit environment reflects concern about weakening economic conditions in our major markets, credit spread and other indicators signal credit cycle has changed for the worse after a long period of stability. We expect deterioration in credit metrics as to whole probabilities moves towards the median term averages. This environment has lead to a more cautious approach to credit assessment processing and ongoing control, which we believe will continue throughout the year.

39 is what improvements would we make, if any? Market stress during 2007 was well handled, and Barclays Capital benefitted

significantly during this period from continued business diversification, include growth risk is notable given the sale of our markets were effectively closed during the second half of the year. We continue to operate in difficult market conditions. But diversification of income in terms of region and product helps us manage through challenging conditions.

We recognize that the financial world is a less predictable place, with high volatility and significant challenges to historic assumptions about correlations, and as such recalibration of our diversification benefits has been considered.

MALE SPEAKER: Question 40, general (inaudible). The answer to that is no to the best of my knowledge. I don't believe anybody associated with the group is any (inaudible) sanction list for any term.

Question 41, any capital raised? No, we have offered extensive procedures to insure that we check that the banks -- the groups that this is done in compliance with sanctions and we do not intend any money raised at any time will be used to -- in any way that's

not in compliance with U.S. sanctions.

MALE SPEAKER: I think the final question 42, is there anything material that management would like to highlight that has not been covered on the call? I'm certainly not aware of anything that I would need to highlight to you.

FEMALE SPEAKER: Great. Thank you very much. I think if we can now open it up to questions from the dealers. And if you have any, could you please introduce yourself and state the organization that you represent.

MR. PASS: Hi, this is Matt Pass from Merrill Lynch, I just have a quick question. I know you were focused on valuation of assets on the balance sheet at the moment, and mindful that credit source obviously puts some results out and then very quickly came out with additional numbers on write downs. Can you just explain over what period do you have a more formal monitoring of valuations and, you know, you are obviously obliged to state when you think that it's deteriorated, but is there a weekly, a monthly process and, you know, that gives an idea on how likely outside of the

normal course of announcement you make, you would be sort of making an announcement on additional write downs or do you have any plans to make announcements outside the normal course of, you know, talking to the market on a regular basis?

MR. LUCAS: I think the information we presented is clearly as of the year end and reflected year end valuations. We monitor and update valuations on a daily, weekly and monthly basis depending on the complexity of the valuation and the level of facility. I think in terms of announcements, we would expect only to make an announcement outside of our --

(Has left the conference)

-- usual cycle if there was something that we believed to be material and price sensitive. And those are the guidelines that we would use to form a view as to whether we should make an announcement or not. I referred you to the difficulty and the market positions, as of today I have no plans to make an announcement. I follow our usual updates to the market.

MR. PASS: Thanks.

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FEMALE SPEAKER: Are there anymore questions from the any of the dealers?

MR. MCSPADDEN: Yes, Citigroup here, Jack McSadden. In general, sort of the same area of questioning with regard to leveraged loans, particularly where there is a fairly active secondary market. You mentioned you have a -- you touched on the size of your portfolio. Similar type of question as to any difference in what you might think about timing.

MR. LUCAS: Well, I should remind you any comments about our accounting call leveraged loans, which is in our banking business, and therefore we account for it looking at impairment rather than market value, we will continue to account for on that basis. And (inaudible) signs of impairment, say direct read across to market indices is less relevant in this asset class.

MALE SPEAKER: I'm going to agree, it's right that we feel extremely comfortable with the performance of the underlying transactions at present.

MR. MCSPADDEN: Thank you.

FEMALE SPEAKER: Any other

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questions please? If not, I guess that completes the due diligence, so thank you very much to all participants.

\- - -

End of recording.

\- - -

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CERTIFICATE.

I hereby certify that the aforesaid tape recording was transcribed by me to the best of my ability and is a true record of the content as heard by me.

Michelle A. Landman

Michelle A. Landman

Dated: July 21, 2015

(The foregoing certification of this transcript does not apply to any reproduction of the same by any means, unless under the direct control and/or supervision of the certifying shorthand reporter.)

d

<u>EXHIBIT 126</u>

FILED UNDER SEAL

From:	Clackson, Patrick: Finance (LDN) [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=CLACKSONP]
Sent:	Thursday, May 08, 2008 10:30:12 AM
To:	Copson, Paul: Finance (LDN); Walker, James: Finance (NYK); Morton, Marcus: Product Control (NYK)
Subject:	FW: BAC report
Attachments:	Barclays AC May 13 Final draft.pdf

latest version

From: phil.g.rivett@uk.pwc.com [mailto:phil.g.rivett@uk.pwc.com]
Sent: 08 May 2008 11:05
To: chris.lucas@barclays.com; Ricci, Rich: Barclays Capital; Clackson, Patrick: Finance (LDN)
Cc: jon.holloway@uk.pwc.com; lawrence.dickinson@barclays.co.uk
Subject: BAC report

I attach a revised version of the document we discussed this morning. We have added in paragraphs dealing with AFS and own credit and also amended the Alt to make it clear (I think) that this is a 2008 event. There are a few other minor edits and one remaining square bracket.

I have also amended the BGI section to attempt to deal with the S2.26bn coverage v loss point. I have also tried to focus the date question onto the meeting in NY as this does seem to me to be the best evidence we are likely to have of when the various parties all got on the same page as to the nature, form and extent of coverage was 'agreed'. I still need to understand where the various amounts are included - I think some in BGI and some that Chris may have allowed for in the centre - but I need to know where/how.

(See attached file: Barclays AC May 13 Final draft.pdf)

I need to get the final version to Lawrence either tonight or very early tomorrow.

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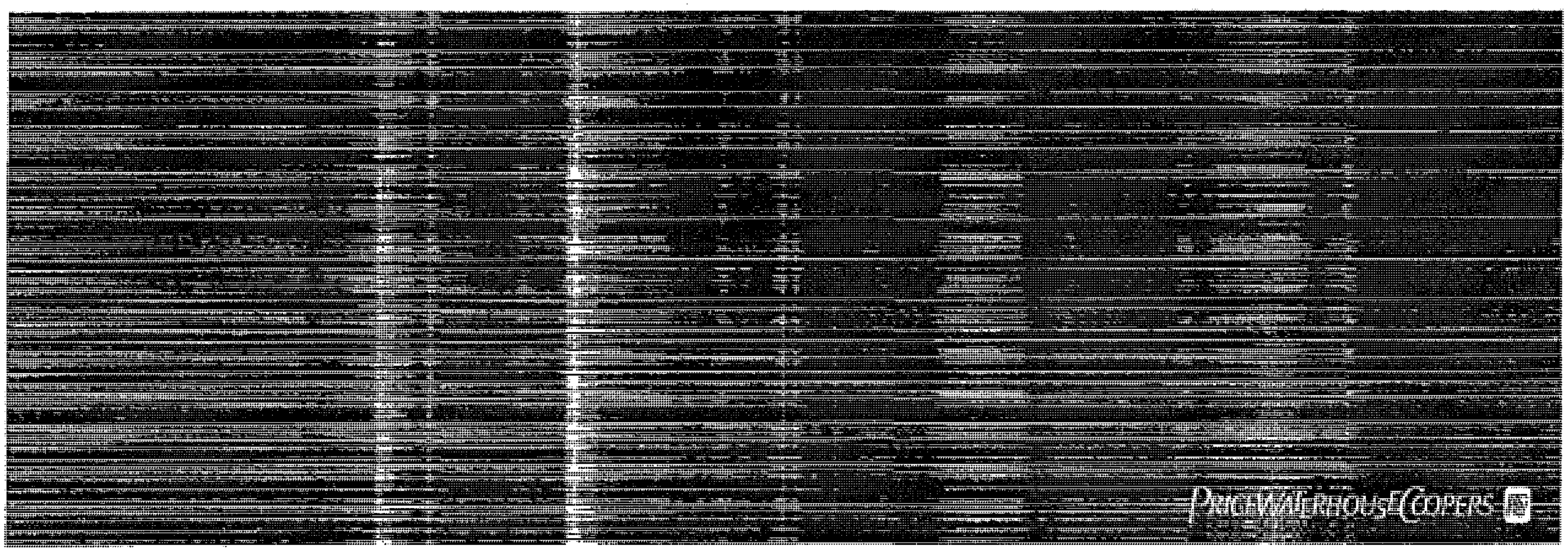
------------------- End of message text -------------------

Barclays PLC

Board Audit Committee report

FINAL DRAFT - 13 May 2008



Barclays Capital

Introduction and scope

We have undertaken a high level review of the credit related losses and exposures disclosed within the Interim Management Statement to be published on 15 May 2008. Our work has comprised of making enquiries of finance and business management to understand the methodologies and assumptions employed. We have also read certain management reports and analyses of the exposures at 31 March 2008. In addition, we have checked that the data disclosed in the Statement is in agreement with underlying accounting records and other management reports. We have not performed any audit work or updated any of our internal controls testing.

Performance

The Barclays Capital profit before tax for the quarter ended 31 March 2008 was £200m. This is a 75% decrease compared to the same period in 2007. The results for the quarter have been significantly impacted by sub-prime and Alt-A losses offset partially by gains on 'own credit'.

Although there were significant write downs in the credit businesses, some of the bank's trading businesses recorded strong revenues, such as Fixed Income rates, FX, Prime Services and Portfolio Management, despite difficult conditions across the entire banking sector.

The write downs in sub-prime and other credit businesses are based on management's judgement and estimates of fair values/impairments as at 31 March 2008. However, the Group holds large positions and given the uncertainty that still exists in these markets, there could be further impacts on performance in the future.

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

ABS CDO Super Senior		
High Grade	(420)	(926)
Mezzanine	(74)	(486)
Total ABS CDO Super Senior	(495)	(1,412)
Other US Sub-prime		
Whole loans	(446)	(115)
Other direct and indirect exposures	(192)	(1,132)
Total other US subprime	(639)	(1,247)
Total Alt-A	(675)	(111)
Exposure to Monoline insurers	(81)	(36)
Investment vehicles - SIV/ SIV Lites	(18)	(82)
Leveraged Finance	(15)	(82)
Other losses	(126)	(117)
	(2,050)	(3,087)
Barclays Capital issued notes - own credit	703	658
Income on impacted books	341	795
Net losses	(1,006)	(1,635)

We comment on the main losses and exposures below.

ABS CDO super senior liquidity facilities

The notional exposure of ABS CDO super senior liquidity facilities provided to synthetic, high grade and mezzanine collateralised debt obligations ("CDOs") was written down by a further $990m (£495m) in the first quarter, net of hedge gains. Management has applied a consistent valuation methodology to identify losses within the book compared with the year end.

The notional exposure of the outstanding liquidity facilities decreased from $15.7bn at 31 December 2007 to $9.7bn at 31 March 2008, although the credit market exposure only reduced from $9.3 bn to $8.0bn, net of hedges. The reduction in notional exposure was caused by the default triggers within all synthetic and a majority of mezzanine facilities. Upon default, the CDOs were consolidated by Barclays and the structures are in the process of being liquidated. The majority of the collateral in these CDOs was synthetic credit protection sold to Barclays by the CDO vehicle by way of a derivative. The derivative receivable and the liquidity payable are offset on consolidation leaving only the credit exposure with the market in the form of credit default swaps.

On the portfolio of $15.7 bn of notional exposure at 31 December 2007, Barclays recorded additional losses of $120m (£62m) (before hedges) on the $4.3bn of synthetic facilities held in the trading book. These transactions defaulted and are all in the process of liquidation. Additional impairment losses of $1.13 bn (total £565m, before hedges) were recorded on the $11.4 bn of facilities included in the accrual book. The direction of these losses is consistent with our understanding of recent market movements.

The majority of the additional losses ($842m) were incurred on the facilities within the accrual book where an expected cash flow model is used to calculate impairment. Market data has indicated greater than expected delinquencies, higher cumulative loss rates and higher loss severity. For example, Barclays has increased the loss severity rates for sub-prime and Alt-A assets from 40% and 30% to 50% and 37.5% respectively. There has also been a continued deterioration in the benchmark ABX index which has caused further losses on the mezzanine facilities where the impairment approach is based on a calculation of implied market prices.

In April 2008, management updated the cumulative loss rates used in the impairment model based on newly published data. This resulted in an impairment charge of $402m in relation to the high grade CDO liquidity facilities. As the data related to the position at 31 March, the additional loss has been recorded in the first quarter results. We concur with this adjustment.

As explained in our February BAC report, the mezzanine liquidity facilities contain certain default triggers which if met would result in Barclays assuming control of the CDO and recognising the underlying collateral on the Group balance sheet at fair value. At year end, management concluded that a majority of mezzanine CDOs were highly likely to hit these triggers in the next 12 months. The impairment loss on the liquidity facilities issued to these CDOs was therefore calculated using a similar approach to the trading book based on the fair value of the collateral. This approach produced a substantially higher loss than the expected cash flow model used to estimate impairment on the other accrual accounted high grade CDOs. At 31 March 2008, all but one of these mezzanine CDOs have now met the triggers and are in the process of liquidation.

As explained in our February BAC report, the high grade facilities (other than the hybrid facilities) are not subject to default triggers except for actual defaults to the senior note holders. It is now expected that a high grade facility may default in 2009, although not within the next 12 months. The impact of applying a trading book approach to the valuation of this facility at 31 March 2008 would be a loss of $285m. Management is currently reviewing the accounting and valuation methodology in respect of the impact of potential future defaults and triggers. Whilst we are satisfied with the approach at 31 March, as any potential defaults or triggers are not expected for at least 12 months, we recommend that the review of the valuation basis being undertaken by management is finalised before the half year.

Sub-prime whole loans

The unpaid principal balance of sub-prime whole loans has increased from $6.4bn at 31 December 2007 to $6.7bn at 31 March 2008 due to new originations at Equifirst. The sub-prime whole loans were written-down a further $890m (£446m).

A number of exit strategies have been identified by management to reduce the exposure. Approximately $2.2bn of performing loans have been identified as eligible for Federal Home Association (FHA) refinancing. Equifirst has ceased sub-prime originations and is in the process of obtaining FHA retail licenses in all U.S. states. A further $2.8 bn of performing loans have been identified as potentially eligible for other government sponsored agency refinancing or for third party sale. Of this portion of the portfolio, management is considering the option of securitizing two $600m pools where the majority of the risk will be sold. The majority of approximately $1.0bn of non-performing loans have been packaged into 45 pools, of which management has sold five pools and are in the process of trying to sell the remaining pools to various credit opportunity funds. The business is now valuing sub-prime loans based on where they believe they can exit the current inventory using these three broad options.

Product Control has performed price verification work on the traders' valuations using the same cash flow model which was applied at the year end. They have made certain modifications to the assumptions including:

- the use of actual delinquency data from Barclay's sub-prime servicer, HomEq, for loans with greater than nine months seasoning;
- the application of a stress multiple to the rating agency estimated delinquency rate data based on the actual data observed for loans with less than nine months seasoning;
- the use of implied liquidity discounts from the ABX Index where current delinquency rates are greater than 25% (NB pools with delinquency rates less than 25% continue to be discounted at the same rate used at 31 December 2007) and
- an increase in the severity rate to 50%.

There was no material net difference to the sub-prime loan valuations between the approaches used by the business and Product Control.

US sub-prime - other direct and indirect exposures

Other losses of £192m from US sub-prime exposures included write downs of residual assets, a leveraged repo transaction and a further impairment of loans to leveraged investment vehicles. The key matters are discussed below.

- Residuals

Sub-prime and Alt-A residual equity positions arising from whole loan securitisations (Post NIMs and NIMs) have been written down by a further $220m (£112m). The remaining assets are valued at approximately $200m. All 2006 and 2007 Post NIM residuals have been written down to zero. Earlier vintage collateral has continued to generate cash flows.

- Leveraged repurchase financing facilities

Barclays Capital has extended repurchase financing to seven special purpose entities on a leveraged basis. Junior notes are issued to investors and these funds provide margin for the repo collateral. The underlying collateral is mainly AAA rated and well diversified ABS.

Following a decline in the market value of the collateral in 2008, management has been seeking to obtain additional funds or credit support from investors. The largest facility (Georges Quay) has been satisfactorily restructured, whilst another transaction has been terminated leading to a loss of £51m. This transaction was alone in being heavily exposed to US sub-prime.

Barclays is currently seeking to restructure the remaining agreements and stabilise the financing arrangements. In the first quarter, the shortfall between the value of outstanding loans and the fair value of collateral has increased to £366m. A cash flow analysis is also being prepared to establish whether a loss will be incurred in the longer term. If a facility cannot be restructured, Barclays would have to acquire the underlying assets and recognise the losses on a fair value basis in the income statement. It is important that management complete their analysis by the half year and determine whether any impairment is required.

Alt-A whole loans and securities

Alt-A securities and whole loans have been written down by an additional $1.2bn and $190m (total £675m) respectively due to falling prices and increased price observability in the markets. The market decline in 2008 resulted from the liquidation of certain large hedge funds and general selling by funds and other banks due to liquidity and other constraints, as well as a deterioration in underlying asset data. The consequence of the observable Alt-A transactions is that a higher liquidity discount is required at 31 March 2008 than had been used by management at 31 December 2007.

Exposure to monoline insurers

Barclays' exposure to monoline insurance companies exists largely within "negative basis trades". These trades involve the acquisition of an asset and purchase of credit protection from a monoline insurer. The exposure represents the current fair value loss on the assets which, in the event of a default on those assets, would be recoverable from the monoline. The notional amount of monoline guarantees amounts to $42.3bn and the fair value exposure is $5.5bn. The increased exposure is due to further write-downs in the underlying assets although none of these assets have defaulted to date. A loss of £81m was recorded in the first quarter based on the Group's Risk Tendency model which is used to estimate the fair value adjustment.

We note that RBS has announced significant provisions against its monoline exposures. This is partly explained by the fact that RBS has significantly larger exposures to RMBS, CDOs of RMBS and other ABS in these structures than Barclays. In addition, Barclays' notional exposure to non investment grade monolines of $4.0bn is mainly in respect of lower risk assets (fair value exposure $0.4 bn). The assets underlying the non investment grade exposure of RBS (notional $5.2 bn) have been valued for "capital planning" purposes at 40% of the notional. This indicates a much higher level of risk that RBS is recognising associated with lower grade monolines.

Investment vehicles – SIVs and SIV lites

A number of facilities provided to third party SIVs expired in the quarter leading to a reduction in the exposure from £590m to £412m. A provision of £10m was recorded following the collapse of Victoria Finance. There has been no change in the SIV lite exposure and no additional losses.

Leveraged finance

Barclays Capital has retained unsold underwriting ("hung") positions of £7.3bn (31 Dec 2007: £7.4bn) and target "hold" positions of £1.5bn (2007: £1.5bn). There were very few sales in the quarter. 73% of the unsold position relates to three loans - namely Alltel, AA/Saga and Boots. Management is closely monitoring the performance of each borrower and believes that the respective businesses are performing satisfactorily. As a result, no additional impairment has been recorded in 2008.

Other losses

The other losses mainly comprise losses on CMBS (see below). European ABS trading positions (£52m) and ABS backstop facilities (£20m). Management has performed detailed price testing of the ABS exposures using evidence from the pricing services, some limited recent trades and proxy analysis using comparable securities.

Commercial real estate loans - US

The US commercial real estate mortgage portfolio comprises large leveraged loans of $11.2bn which management intend to hold and $1.4bn of loans intended for securitisations. Write-downs of $10m (£5m) on specific leveraged loans based on credit concerns have been recorded in the first quarter. Consistent with the year end and despite deterioration in liquidity in this market, management has concluded that loans sales, pay downs, refinancing at market rates and the short-term nature of the book continue to support the valuations at par less deferred fees for a majority of the assets. The securitizable loans continue to be marked to a CMBS index.

Management continues to monitor closely the Archstone equity bridge facility of approximately $1bn as underlying asset sales have progressed slowly. We understand that management intend to mark this facility down from 95 to 90 by the half year in the absence of any sale or restructuring.

Commercial real estate loans – Europe

Management continues to seek buyers for the portfolio of European real estate loans of £5.8bn (31 December : £5.7bn) which were acquired for securitisation purposes.

These assets are held within the trading book. The value of the loans is based on the specific attributes of each asset and expected investor returns. Whilst investor sentiment has declined in recent months due to the economic environment, management has reduced in value only a small number of loans resulting in losses of £[15]m. Management's view is that the portfolio is of a high quality, the loans were originally extended at attractive margins and the assets are well diversified across Europe where most markets have remained relatively stable. There are also significant sales and repayments planned for the second quarter at prices consistent with the 31 March valuations.

There is very limited external data to benchmark management prices other than from the few sales out of the portfolio. Product Control performed a review of loan margins to check internal consistency within the portfolio and this identified no issues.

Available for sale securities

Barclays Capital holds portfolios of AAA rated Alt-A securities within its US Conduits (which are all consolidated). These are classified as "available for sale". The fair value loss at 31 March 2008 was approximately £200m. Management has not recorded any impairment loss in the income statement as the fair value movement is deemed not to be permanent.

Barclays Capital issued notes – own credit

Management has used a consistent methodology to calculate own credit gains arising from the fair valuation of structured note liabilities. The gain of £703m arose due to a significant widening of credit spreads in the banking sector, including Barclays. The market has improved in April and £457m of this gain has reversed.

Barclays Global Investors

At 31 December 2007, support agreements (in the form of derivative contracts) were in place in respect of certain of the BGI liquidity funds ("the funds"). Since the year end further decreases in the value of the underlying assets held by the funds have arisen such that by 22 February the cover of $0.36bn provided by the support agreements had been fully utilised, resulting in the Group recognising a further loss of some £80m. Management were in discussions from early in 2008 in relation to the extent and form of any further support that may be provided to these funds but it is clear that the form of the support would not be on the basis of the December agreements. On 31 March 2008, guarantees were signed in respect of specific assets in the funds. The cover provided by the new agreements was effective as of 22 February, being the date at which the original support agreements were fully utilised.

The new agreements are in the form of financial guarantees (rather than derivative contracts) and as such the Group is only liable to make payments to the funds if a default occurs in one of the assets covered by the guarantee or such an asset is restructured. The total principal value of the specific assets covered by the guarantees is $2.26bn but any loss arising from payments under the guarantee would be reduced by the value recovered from the underlying asset.

Under IFRS, a financial guarantee is recorded at fair value when initially recognised. In order to determine the fair value it has been necessary to identify when the level of cover, maturity and other significant terms of the financial guarantees ("the key terms") were agreed between Group management, BGI and the funds ("the various parties"). It is clear that the Group always intended to provide further support otherwise the investors in the funds would have been notified once the value of a fund fell to below 99.51cents after 22 February 2008. We have seen evidence (emails, minutes of meetings, spreadsheet, draft agreements and presentations setting out impact of the subprime valuations) which indicate that the key terms were agreed by the various parties some time prior to the formal agreements being signed on 31 March 2008. In particular, a meeting took place in New York on 4 March between Bob Diamond, Rich Ricci (Group) and Blake Gossman, Rohit Bhagat and Mike Williams (BGI/the funds) where we understand the key terms were agreed based upon work done in the period from early February. We have agreed with management that the recognition date of the support agreements to determine the initial fair value is 4 March 2008 – the date of the New York meeting. The initial fair value of $68m [Chris – I think you told me that this is somewhere in the numbers/Rich to confirm the amount] has been provided in the income statement in the period to 31 March 2008. The total cost of the support agreements in the period is £209m to confirm.

As the agreements are financial guarantees, from the point of view of the Group, subsequent to the initial fair value being recognised further provisions will only be required if it is probable (e.g. more likely than not) that further losses will occur and those losses can be reliably measured. This is only likely to occur when an event of default occurs, or is highly likely to occur, in the specific assets held in the funds. We have asked management to prepare an analysis of the indicators of such events of default.

EXHIBIT 127

FILED UNDER SEAL

From: Diamond, Bob: Barclays Capital [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=DIAMONDB]
Sent: Saturday, August 02, 2008 12:51:29 PM
To: Varley, John: Barclays PLC
Subject: FW: Board Accounts Committee Report
Attachments: Item 3.1(2) - Accounts Committee Report.doc

John,

Rich has kept me informed that Steve Russell is pushing hard around disclosure of gross vs net. As you know, I have a strong feeling here that media needs to be treated differently than investors, and that net is the only appropriate "headline" number based on peers, etc for media. is there a time we can chat over the weekend? can it hold to Monday? Do you have a clear prior?

From: Lucas, Chris: Barclays PLC
Sent: 31 July 2008 18:58
To: Ricci, Rich: Barclays Capital
Subject: FW: Board Accounts Committee Report

Will see what I can do but you should be aware that I will get pushed on this

Overall comment is fine however , I think we need to be robust

---

From: Dickinson, Lawrence : BCS
Sent: 31 July 2008 18:19
To: Lucas, Chris : Group Exec
Subject: Board Accounts Committee Report

Chris,

I attach a copy of the report from Steve Russell on the Board Accounts Committee yesterday. This has been agreed with Steve who specifically asked for the gross amount of write-offs in 2007 and 2008 to be included together with the section at the top of page 2 on the key features of the write-downs. Please let me know if you have any comments. We will be circulating to the Board tomorrow.

Lawrence

Item 3.1(2) - Accounts Com...

Lawrence Dickinson
Company Secretary

One Churchill Place
London E14 5HP

Telephone: 020 7116 8099
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Fax: 020 7116 7785

EXHIBIT NO. 482
DATE: 11/13/15
Reporter - Laurie A. Collins

Email: lawrence.dickinson@barclays.com

www.barclays.com

COMPANY CONFIDENTIAL

PAPER FOR BOARD MEETING ON TUESDAY 5 AUGUST 2008

Agenda Item No.

3.1(2)

TO:	The Directors
FROM:	Stephen Russell
DATE:	5 August 2008
SUBJECT:	REPORT OF THE BOARD ACCOUNTS COMMITTEE MEETING HELD ON 30 JULY 2008

2008 Half-Year Results

The Committee reviewed the Half-Year Results at its meeting on 30 July 2008 and I set out below the key areas of focus of the Committee's work. The process for the production of the Half-Year Results has run smoothly and efficiently. In summary, the principal issue continues to be the mark to market valuation of sub-prime and related assets, particularly given the contagion from the sub-prime sector into, in particular, Alt A and other asset categories such as commercial mortgages.

1. **Accounting Policies – Leveraged Finance**

   Barclays has accounted for this type of financing on an accrual basis (ie, cost less an adjustment for impairment) since the adoption of IFRS in 2005. US banks typically use Fair Value accounting, although some European banks also use the accruals basis. Fair value accounting has resulted in many competitors having written down their loans held for trading since the fair value is lower than the amortised cost, including any impairment allowance. Having discussed the matter with PwC and management, the Committee was content that there was no reason to change the accounting policy. A decision to sell these loans in the market would cause a different approach to be considered. PwC endorsed the current approach.

2. **Mark to Market Valuations**

   The Gross write downs on sub-prime and related items for the first half of 2008 amount to £3,505 million. Cumulative gross write downs for 2007 and 2008 amount to £6.6 billion. After deductions for Own Credit of £852 million and the income arising from these assets of £687 million, net losses stand at £1,966 million. Cumulative net losses for 2007 and 2008 amount to £3.6 billion. A schedule from PwC's report which provides further detail is attached, together with a page from Barclays Capital's presentation on Mark to Market valuations, which highlights that net exposures have reduced significantly as a result of write downs taken and the sale of assets. The one area where the Group's net exposure has increased has been to Monoline Insurers as a result of a decline in the fair value of the underlying assets. Provisions of £370 million were taken in the first half against our exposure to Monolines.

The key features of the write downs taken are:

i). Further deterioration in the value of sub-prime and sub-prime related assets continuing the trend started in the second half of 2007;

ii). Significantly increased write downs in Alt A whole loans and securities as they have suffered contagion from the sub-prime markets;

iii). Increased write downs relating to Monoline insurers as a result of rating downgrades and more negative sentiment generally; and

iv). Some £171 million of write downs in respect of commercial mortgages from the very low level taken at the full-year stage.

There have been more transactions in the markets for sub-prime and related assets which provide more robust data for the Group's own marks. PwC's view is that Barclays valuations are in the mid-range of the peer group. The Committee is satisfied with the valuations.

The Half-Year Report includes significantly increased disclosure on Barclays Capital's credit market exposures. This approach, which takes account of the disclosure recommendations from various bodies, such as the FSA and the Committee of European Banking Supervisors, should result in the Group regaining a market leading position. The Committee welcomed and supported the enhanced disclosures. The Committee also discussed whether the disclosure should include the amount of the gross write downs taken and it was agreed that this would be left with management to consider.

3. **Impairment**

The Committee discussed the half-year charge for impairment, which is significantly higher than H1 2007 because of the sub-prime position and higher charges from the international retail portfolios. The charge for retail impairment is £986 million compared to £799 million in the first half of 2007, with higher charges in the US, Spain and South Africa. The UK retail portfolio has not as yet seen any material deterioration. The Committee, having sought PwC's view, was content with the proposed impairment charge.

4. **Other Assurances Received**

The Committee also received assurances relating to the Group's tax charge and the level of provisions held; the half-year review of the Group's internal controls; the Group's accounting for derivatives; and the Litigation Statement which shows only very minor revisions from previous announcements. The Committee also considered the level of the proposed Interim Dividend which it considered to be acceptable.

2008 Half-Year Report

Having reviewed the contents of the draft report and noted the revised presentation to meet the new requirements of the Disclosure and Transparency rules and the inclusion in the document of a Directors' Responsibility Statement (page 67), the Committee feel able to recommend the Half-Year Report to the Board for approval.

EXHIBIT 128

FILED UNDER SEAL

From:	Aitken, Bruce: Barclays Treasury (LDN) [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=AITKENB]
Sent:	Friday, November 30, 2007 5:00:00 PM
To:	Stone, Jonathan: Barclays Treasury (LDN); Britton, Jonathan: Barclays PLC; Stone, Jonathan: Barclays Treasury (LDN)
CC:	Fowden, Rupert: Barclays Treasury (LDN)
Subject:	Capital Plan - 30/11/07
Attachments:	Capital Plan v6(01)_BaselII_MTP_endOct_30.11.07.pdf

Attached is the revised capital plan.

Since the plan circulated yesterday, the changes at Dec 07 include:

- A reduction in forecast expenditure on the share buy back programme (benefit of £48m to Group equity); and
- An increase in preference share issuance in December 2007 (£50m to Tier 1 capital)

The plan also reflects:

- revised forecast FX rates at Dec 07.
- the draft FSA internal capital guidance letter that excludes the Pillar 2 capital requirements for pension risk from Solus capital requirements.

Regards
Bruce

Capital Plan v6
(01)_BaselII_MT...

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Barclays Group
(Basel II basis, including MTP stage 2)

Net RWAs	Dec-05	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	01-Jan-08
												Actual	Forecast	Forecast	Forecast
Net UK Retail Banking	42,347	42,619	42,936	43,323	43,397	43,815	44,030	41,205	41,550	42,096	42,494	42,772	42,963	43,170	30,464
Net Barclays Commercial Bank	43,975	46,928	49,137	46,154	45,918	45,900	45,972	46,974	47,120	46,600	48,922	48,316	49,173	49,501	56,868
Net GRCB - ABSA	20,984	21,409	21,065	21,324	21,474	22,148	22,328	22,761	22,244	22,528	23,758	24,703	22,829	23,243	21,145
GRCB - non ABSA	21,480	20,525	20,855	21,360	22,027	22,575	23,501	24,209	25,255	26,191	27,288	28,043	29,223	29,868	33,322
Barclaycard (inc ABSA)	12,112	15,907	15,604	16,264	15,531	15,319	15,174	16,020	16,145	16,453	16,899	17,533	18,494	18,494	19,364
Total GRCB	**140,898**	**147,388**	**149,596**	**148,425**	**148,347**	**149,757**	**151,004**	**151,168**	**152,314**	**153,868**	**159,361**	**161,367**	**162,682**	**164,276**	**161,162**
Barclays Capital (inc ABSA)	116,582	140,429	149,139	154,338	162,859	164,425	165,283	156,112	172,893	177,968	180,555	184,752	185,080	175,000	177,200
Net Barclays Global Investors	1,659	1,375	1,419	1,417	1,450	1,513	1,623	1,616	1,530	1,504	1,818	2,041	2,500	2,500	4,800
Net Wealth	4,702	6,494	6,498	6,641	6,846	7,072	7,122	7,396	7,584	7,532	7,905	7,861	8,190	8,190	8,200
Total IBIM	**123,343**	**148,297**	**157,057**	**162,396**	**171,155**	**173,010**	**174,027**	**165,124**	**182,007**	**187,003**	**190,278**	**194,654**	**195,770**	**185,690**	**190,200**
Other (including central override)	4,907	2,148	3,822	3,656	2,725	2,463	2,223	1,750	1,931	1,385	1,323	1,252	1,909	2,645	4,138
PR4 - additional RWAs implied (+other inorganic activity)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Total WRAs - Basel I to 31/12/07; Basel II from 1/1/08	269,148	297,833	310,475	314,477	322,227	325,229	327,255	318,043	336,252	342,257	350,961	357,312	360,361	352,610	355,500
Central Override - RWA reduction included in 'Other'	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,653
Required reduction in Basel II RWAs to hit target 5.25% equity ratio															
Excess of expected loss over impairment (IRB approaches)															(1,392)
PR4 - increase in EL less impairment deduction															(118)
Collective impairment (standardised approaches)															557

Market Actions

Annual issuance / monthly in current year

BBPLC Capital Issuance	Total 05	Total 06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total 07
Preference shares	2,246	439	-	-	-	-	-	-	-	-	700	-	-	550	1,250
RCI	-	1,224	-	-	-	-	-	500	-	-	600	-	-	-	1,100
Upper Tier 2 Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lower Tier 2	1,202	1,263	-	-	765	-	1,020	-	-	-	-	-	-	1,100	2,881
	3,448	2,926													5,234
Redemption & amortisation of capital instruments	(286)	(361)	(494)	(77)	(101)							10			(662)

Reduction in WRAs (net of amortising securitisations)

Securitisation transactions	Total 05	Total 06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total 07
UK Retail Banking			-	-	-	-	-	(2,890)	-	-	-	-	-	-	
Barclays Commercial Bank			-	(3,500)	-	-	-	-	-	-	-	-	-	-	
Barclaycard			-	-	-	-	-	(0)	-	-	-	-	-	-	
GRCBI			-	-	-	-	-	-	-	-	(30)	-	(25)	-	
ABSA			-	-	-	-	(203)	-	-	(106)	(5)	(170)	-	-	
Total securitisations	(13,850)	(5,900)	-	(3,500)	-	-	(203)	(2,890)	-	(106)	(36)	(170)	(25)	-	(6,930)

Annual impact / monthly in current year

Key items impacting Group capital resources	Total 05	Total 06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total 07
															-
Retained profit after tax and minority interest	3,447	4,324	414	395	512	329	474	510	236	244	371	168	409	409	4,471
Dividends paid / payable	(1,581)	(1,771)	-	-	-	(1,341)	-	30	1	(791)	24	-	-	-	(2,077)
Share Schemes Movement in Reserves		513	5	12	(198)	8	4	118	3	(278)	115	(18)	53	72	(103)
Share Buybacks (BPLC shares)			-	-	-	-	-	-	-	(477)	(405)	(546)	(287)	(115)	(1,830)
Net Pension Liability		(50)	12	10	6	20	9	39	15	12	(244)	9	12	(5)	(105)
Retained profits in non consolidated insurance subsidiaries		(495)	-	-	(15)	-	-	286	-	-	35	-	-	19	325
Batho Banke Share issuance			-	-	-	-	-	-	-	-	-	-	-	-	-

Key currencies impacting Group capital resources	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	01-Jan-08
USD	1.96	1.96	1.96	1.96	2.00	1.98	2.01	2.03	2.02	2.04	2.04	2.04	2.04	2.04
EUR	1.49	1.51	1.48	1.47	1.47	1.46	1.49	1.48	1.48	1.43	1.47	1.47	1.47	1.47
ZAR	13.71	14.17	14.22	14.24	14.07	14.07	14.12	14.46	14.48	14.03	14.81	14.81	14.81	14.81

		Sep-07	Oct-07	Nov-07	Dec-07
ZAR spot rate on 15/10/2007	13.69	13.69	13.69	13.69	13.69
Impact on Equity Ratio if forecast ZAR rate equals spot rate		(0.02%)	(0.06%)	(0.06%)	(0.06%)

Inorganic activity included in the forecast capital ratios	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total 07
Hom Eq - mortgage servicing rights (intangible asset)	(102)	5	4	6	1	5	6	1	2	5	4	7	(56)
BGI EOP - goodwill	-	-	-	-	(251)	-	-	-	-	-	(191)	-	(442)
Placeholders for: Dividends from BIDL / BADL / BRIL (Sept 07); Increase in agreed pension scheme contributions (July 08)	-	-	-	-	-	-	-	-	-	-	-	-	-

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		Dec-05	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	01-Jan-08
Group Capital Resources													Actual	Forecast	Forecast	Forecast
Capital and Reserves		18,461	21,242	21,713	22,143	22,453	21,494	21,971	22,959	23,232	24,600	24,385	23,880	24,067	**24,410**	24,410
Minority Interest		1,965	1,550	1,433	1,429	1,453	1,474	1,471	1,499	1,478	1,448	1,461	1,514	1,459	**1,541**	1,541
Goodwill & Intangibles		(7,180)	(7,045)	(7,118)	(7,260)	(7,322)	(7,366)	(7,770)	(7,757)	(7,700)	(7,751)	(7,863)	(7,924)	(8,047)	**(8,089)**	(8,089)
Total Adjusted Common Equity for Equity Ratio		13,246	15,747	16,028	16,312	16,584	15,603	15,672	16,701	17,010	18,297	17,983	17,470	17,479	17,861	17,862
Total Preference Shares		2,934	3,586	3,580	3,579	3,575	3,679	3,683	3,684	3,691	3,692	4,404	4,407	4,407	**4,957**	4,957
Tier One Notes		981	909	910	910	905	895	901	887	869	883	890	881	881	**876**	876
Reserve Capital Instruments		1,735	2,765	2,764	2,771	2,744	2,733	2,760	3,222	3,208	3,221	3,825	3,781	3,781	**3,768**	3,768
Deductions from T1 Capital including EL & Securitisations		0	0	(26)	(26)	(29)	(29)	(29)	(27)	(26)	(30)	(31)	(31)	(31)	**(28)**	(1,141)
Total Tier 1 Capital After Deductions		18,896	23,007	23,256	23,546	23,779	22,881	22,987	24,467	24,752	26,063	27,071	26,508	26,518	27,435	26,322
Upper Tier 2 Capital		6,151	6,324	6,323	6,326	6,363	6,353	6,356	6,499	6,495	6,502	6,512	6,502	6,502	**6,671**	4,356
Total Lower Tier 2 Capital		7,154	7,713	7,182	7,154	7,826	7,782	8,827	8,734	8,654	8,686	8,813	8,759	8,759	**9,947**	9,947
Deductions from T 2 Capital including EL & Securitisations		0	0	(26)	(26)	(29)	(29)	(29)	(27)	(26)	(30)	(31)	(31)	(31)	**(28)**	(1,141)
Deductions from Total Capital		(1,743)	(2,330)	(2,129)	(2,208)	(2,128)	(2,225)	(2,277)	(2,222)	(2,310)	(2,416)	(2,385)	(2,359)	(2,614)	**(1,972)**	(870)
Net Capital Base		30,498	34,714	34,606	34,792	35,811	34,762	35,864	37,451	37,564	38,805	39,980	39,339	39,134	42,053	38,512
Group Ratios	Floor / Target															
Equity Ratio	NA / 5.25%	4.92%	5.29%	5.16%	5.19%	5.15%	4.80%	4.75%	5.25%	5.06%	5.35%	5.12%	4.89%	4.85%	**5.07%**	5.02%
Tier 1 Ratio - US Fed Basis	6% / NA	7.02%	7.64%	7.42%	7.43%	7.35%	6.97%	6.95%	7.53%	7.24%	7.55%	7.50%	7.19%	7.14%	**7.61%**	7.23%
Tier 1 Ratio - FSA Basis	NA / 7.25%	7.02%	7.72%	7.49%	7.49%	7.38%	7.04%	7.02%	7.69%	7.36%	7.62%	7.71%	7.42%	7.36%	**7.78%**	7.40%
Risk Asset Ratio	10% / 11%	11.33%	11.65%	11.15%	11.06%	11.11%	10.65%	10.95%	11.78%	11.17%	11.34%	11.35%	11.01%	10.86%	**11.93%**	10.86%
Impact of £100m change in capital on ratios (basis points)				3.2	3.2	3.1	3.1	3.1	3.1	3.0	2.9	2.8	2.8	2.8	2.8	
Impact of £1bn increase in WRAs on equity ratio (basis points)				1.7	1.6	1.6	1.5	1.5	1.6	1.5	1.6	1.5	1.4	1.3	1.4	
Impact of £1bn increase in WRAs on Tier 1 ratio (basis points)				2.4	2.4	2.3	2.2	2.1	2.4	2.2	2.2	2.2	2.1	2.0	2.2	
Impact of £1bn increase in WRAs on risk asset ratio (basis points)				3.6	3.5	3.4	3.3	3.3	3.7	3.3	3.3	3.2	3.1	3.0	3.4	
WRA capacity over 6% Tier 1 Ratio floor (Fed)		45,781	81,246	73,566	75,109	72,570	52,373	51,776	81,217	69,223	88,405	87,499	71,146	68,277	94,358	72,918
WRA capacity over 10% RAR floor (Fed)		35,830	49,303	35,586	33,443	35,885	22,391	31,384	56,465	39,392	45,792	48,838	36,081	30,974	67,918	30,624
RWA capacity over minimum FSA capital requirements (Basel II)		-	-	122,101	120,423	125,413	105,296	121,044	150,093	133,303	142,804	148,787	134,429	128,808	138,322	93,680
S&P Ratios																
ACE Ratio (S&P)			4.45%	4.77%	4.75%	4.68%	4.31%	4.27%	4.54%	4.53%	4.75%	4.60%	4.33%	4.23%	**4.36%**	
ATF Ratio (S&P)			5.95%	6.36%	6.34%	6.24%	5.75%	5.65%	6.05%	6.05%	6.34%	6.13%	5.78%	5.64%	**5.81%**	
Group Limits	Maximum															
(Prefs + RCIs + TONs) / Tier 1 Capital after deductions	30%	30%	32%	31%	31%	30%	32%	32%	32%	31%	30%	34%	34%	34%	**35%**	36%
Innovative / Tier 1 - (adding back 50:50 dedns)	15% (FSA)	9%	12%	12%	12%	12%	12%	12%	13%	13%	12%	14%	14%	14%	**14%**	14%
TONs-Innovative / Tier 1 - (adding back 50:50 dedns)	15% (FED)	14%	16%	16%	16%	15%	16%	16%	17%	16%	16%	17%	18%	18%	**17%**	17%
T2 / T1 capital (adding back 50:50 dedns & moving innov to T2)	100% (FSA)	88%	83%	79%	78%	80%	84%	89%	87%	85%	80%	82%	84%	84%	**86%**	76%
LT2 / T1 capital (adding back 50:50 dedns & moving innov to T2)	50% (FSA)	42%	38%	35%	34%	37%	39%	44%	41%	40%	38%	38%	38%	38%	**42%**	42%

Solus		Dec-05	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	01-Jan-08
Net RWAs													Actual	Forecast	Forecast	Forecast
Solus Total External WRAs - Basel I/Basel II from 1/1/08		195,186	222,850	227,749	229,874	242,880	242,792	244,294	238,605	249,565	254,285	259,708	271,020	272,784	266,674	256,911
Solus Intra Group WRAs																14,900
PR4 - additional RWAs implied																0
Basel II - Solus Pillar I WRAs - Including Intra-Group RWAs																271,811
Solus Capital Resources																
Key items impacting Solus capital resources		Annual impact / monthly in current year														Total 07
Profit after tax in BBPLC Solus				90	204	337	(132)	(95)	362	(117)	5	355	(465)	(8)	(61)	472
Dividends paid to BBPLC Solus					16	398	311	251	559	(13)	728	270	211	257	152	3,149
Capital injections into subsidiaries						(153)	(1)	(252)	(134)	(85)	(279)	325	(36)	(314)	159	(770)
Project Patriot - capital generation in Solus																-
Profits earned in or repatriated to BBPLC Solus as a % of Group attrib profit																81%
Solus Total Capital Resources		19,580	21,855	21,581	21,661	23,004	22,063	23,030	24,302	23,972	25,795	26,749	25,450	25,246	**28,467**	25,657
Excess of expected loss over impairment (IRB approaches)																(1,140)
PR4 - Increase in EL less impairment deduction																(218)
Collective impairment (standardised approach)																484
Solus Ratios	Floor / Target															
Solus Risk Asset Ratio	8.59%; 8.24% from 1/1/08 / 9.75%	10.03%	9.81%	5.48%	9.42%	9.47%	9.09%	9.43%	**10.19%**	9.61%	10.14%	10.30%	9.39%	9.25%	**10.67%**	5.45%
Excess/(shortfall) RWAs over minimum FSA requirements				23,487	22,287	24,922	14,053	23,805	**44,305**	29,509	46,005	51,684	25,254	21,115	**64,722**	40,045
Impact of £100m change in capital on ratios (basis points) (Basel II from 01/01/08)				4.4	4.4	4.1	4.1	4.1	4.2	4.0	3.9	3.9	3.7	3.7	3.7	
Solus Limits	Max															
T2 / T1 capital (adding back 50:50 dedns & moving innov to T2) - Solus	100%	102%	100%	85%	84%	83%	86%	91%	**88%**	88%	80%	83%	87%	86%	**89%**	81%
LT2 / T1 capital (adding back 50:50 dedns and moving innov to T2) - Solus	50%	51%	48%	39%	39%	40%	41%	46%	**43%**	43%	35%	40%	41%	41%	**46%**	46%

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Barclays Group (Basel II basis, including MTP stage 2)		01-Jan-08	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08		Dec-09	Dec-10
Net RWAs		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast		Forecast	Forecast
Net UK Retail Banking		30,464	30,545	30,626	30,707	30,787	30,868	30,949	31,013	31,078	31,142	31,206	31,271	31,335		34,005	36,450
Net Barclays Commercial Bank		56,868	57,526	58,184	58,841	59,499	60,156	60,814	61,030	61,247	61,463	59,160	59,376	60,215		67,218	74,558
Net GRCB - ABSA		21,145	21,357	21,568	21,780	21,800	22,016	22,169	22,354	22,551	22,748	22,944	23,141	23,357		27,262	29,131
GRCB - non ABSA		33,322	33,744	34,236	34,729	35,221	35,714	36,966	37,634	38,360	39,085	39,810	40,535	40,604		52,634	63,222
Barclaycard (incl ABSA)		19,364	19,741	20,119	20,536	20,913	21,291	22,462	21,988	21,986	22,765	22,763	22,850	22,853		24,381	28,022
Total GRCB		161,162	162,913	164,732	166,592	168,220	170,045	173,360	174,020	175,221	177,202	175,883	177,172	178,364		205,504	231,383
Barclays Capital (incl ABSA)		177,700	184,000	185,000	186,000	187,000	188,000	179,650	188,000	189,000	190,000	191,000	191,000	180,000		217,500	249,600
Net Barclays Global Investors		4,800	4,867	4,933	5,000	5,067	5,133	5,200	5,200	5,200	5,200	5,200	5,200	5,200		5,100	5,700
Net Wealth		8,200	8,341	8,482	8,623	8,763	8,904	9,045	9,226	9,407	9,588	9,769	9,950	10,131		13,027	16,939
Total IBIM		190,200	197,208	198,415	199,623	200,830	202,038	193,895	202,426	203,607	204,788	205,969	206,150	195,331		235,627	272,239
Other (including central override)		4,138	4,064	3,990	3,917	3,843	3,769	3,695	3,711	3,726	3,742	3,758	3,773	3,789		(24,955)	(34,868)
PR4 - additional RWAs implied (+other inorganic activity)		0	0	0	0	0	0	486	485	486	486	486	486	486		486	486
Net Total WRAs - Basel I to 31/12/07; Basel II from 1/1/08		355,500	364,184	367,138	370,131	372,893	375,852	371,436	380,643	383,040	386,218	386,096	387,582	377,970		416,662	469,240
Central Override - RWA reduction included in 'Other'		1,655	1,585	1,532	1,446	1,376	1,307	1,267	1,279	1,291	1,319	1,331	1,343	1,260		(27,248)	(37,231)
Required reduction in Basel II RWAs to hit target 5.25% equity ratio			(18,137)	(44,203)	(46,424)	(44,454)	(39,747)	(25,395)	(34,291)	(44,570)	(38,831)	(34,529)	(28,351)	(10,137)			
Excess of expected loss over impairment (IRB approaches)		(1,392)	(1,378)	(1,363)	(1,349)	(1,335)	(1,320)	(1,306)	(1,292)	(1,277)	(1,263)	(1,249)	(1,234)	(1,220)		(1,158)	(1,088)
PR4 - increase in EL less impairment deduction		(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)		(118)	(118)
Collective impairment (standardised approaches)		557	568	579	590	601	612	624	635	646	657	668	679	690			
Market Actions																	
BBPLC Capital Issuance															Total 08	Total 09	Total 10
Preference shares			-	-	500	-	-	-	-	-	500	-	-	-	1,000	2,000	2,000
RCI			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Upper Tier 2 Capital			-	-	-	-	1,000	-	-	-	-	500	-	-	1,500	2,000	1,000
Lower Tier 2			1,000	-	1,000	-	-	-	-	-	500	-	-	-	2,500	1,000	2,000
															5,000	5,000	5,000
Redemption & amortisation of capital instruments			(176)				(324)		(602)						(1,102)	(105)	(1,364)
Securitisation transactions																	
UK Retail Banking			-	-	-	-	-	-	-	-	-	-	-	-			
Barclays Commercial Bank			-	-	-	-	-	-	-	-	-	(2,520)	-	-			
Barclaycard			-	-	-	-	-	-	(470)	-	-	-	-	-			
GRCBI			(61)	-	-	-	-	-	(48)	-	-	-	-	-			
ABSA			-	-	(94)	(185)	-	(48)	(1)	-	-	-	-	-	Total 08	Total 09	Total 10
Total securitisations			(61)	-	(94)	(185)	-	(48)	(519)	-	-	(2,520)	-	-	(3,426)	(5,127)	(3,930)
Key items impacting Group capital resources															Total 08	Total 09	Total 10
Retained profit after tax and minority interest			386	386	386	386	386	386	385	386	386	386	386	476	4,723	5,311	5,912
Dividends paid / payable			-	(1,541)	-	-	-	51	-	(821)	-	-	-	33	(2,278)	(2,465)	(2,761)
Share Schemes Movement in Reserves			0	-	(357)	-	-	112	-	-	155	-	-	181	92	112	103
Share Buybacks (B PLC shares)			(133)	(75)	-	-	-	-	-	-	-	-	-	-	(208)	-	-
Net Pension Liability			13	13	13	9	13	13	9	13	13	9	13	(248)	(117)	(113)	(118)
Retained profits in non consolidated insurance subsidiaries			-	-	(63)	-	-	(63)	-	-	(63)	-	-	(63)	(251)	(289)	(324)
Batho Banke Share Issuance			-	-	120	-	-	-	96	-	-	-	-	-	216	94	0
Key currencies impacting Group capital resources																	
USD		2.04	2.03	2.03	2.03	2.02	2.02	2.02	2.02	2.02	2.02	2.01	2.01	2.01			
EUR		1.47	1.47	1.47	1.47	1.46	1.46	1.46	1.46	1.46	1.46	1.45	1.45	1.45			
ZAR		14.81	14.99	14.99	14.99	15.16	15.16	15.16	15.34	15.34	15.34	15.51	15.51	15.51			
ZAR spot rate on 15/10/2007	13.69		13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69			
Impact on Equity Ratio if forecast ZAR rate equals spot rate			(0.07%)	(0.07%)	(0.07%)	(0.07%)	(0.07%)	(0.07%)	(0.08%)	(0.08%)	(0.08%)	(0.09%)	(0.09%)	(0.09%)			
Inorganic activity included in the forecast capital ratios															Total 08	Total 09	Total 10
Hom Eq - mortgage servicing rights (intangible asset)			-	-	5	-	-	4	-	-	5	-	-	5	19	19	18
BGI EOP - goodwill			-	-	-	(150)	-	-	-	-	-	(175)	-	-	(329)	(339)	(378)
Placeholders for: Dividends from BDL / BADL / BRL (Sept 07) Increase in agreed pensions scheme contributions (July 08)			-	-	-	-	-	-	(500)	-	-	-	-	-	(500)	-	-

CONFIDENTIAL

Group Capital Resources

	01-Jan-08	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Dec-09	Dec-10
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Capital and Reserves	24,410	24,676	23,459	23,445	23,840	24,239	24,759	24,654	24,232	24,735	25,130	25,529	25,916	28,336	31,289
Minority interest	1,541	1,541	1,541	1,619	1,615	1,619	1,687	1,783	1,783	1,777	1,777	1,777	1,865	2,132	2,231
Goodwill & Intangibles	(8,089)	(8,050)	(8,046)	(8,070)	(8,216)	(8,213)	(8,279)	(8,254)	(8,251)	(8,274)	(8,450)	(8,446)	(8,470)	(8,836)	(9,157)
Total Adjusted Common Equity for Equity Ratio	17,862	18,167	16,954	16,995	17,243	17,646	18,167	18,183	17,764	18,238	18,457	18,860	19,311	21,632	24,363
Total Preference Shares	4,957	4,957	4,957	5,457	5,457	5,457	5,448	5,448	5,448	5,948	5,948	5,948	5,943	7,937	9,921
Tier One Notes	876	876	876	876	876	876	881	881	881	881	881	881	883	886	891
Reserve Capital Instruments	3,768	3,768	4,034	4,034	4,034	4,034	4,060	4,060	4,060	4,060	4,060	4,060	4,072	4,277	3,807
Deductions from T1 Capital including EL & Securitisations	(1,141)	(1,134)	(1,127)	(1,121)	(1,124)	(1,117)	(1,109)	(1,118)	(1,111)	(1,099)	(1,137)	(1,125)	(1,121)	(1,193)	(1,250)
Total Tier 1 Capital After Deductions	26,322	26,634	25,695	26,241	26,487	26,897	27,448	27,455	27,044	28,029	28,210	28,621	29,089	33,539	37,733
Upper Tier 2 Capital	4,356	4,367	4,378	4,389	4,400	5,111	5,130	5,141	5,152	5,163	5,674	5,685	5,610	6,816	7,825
Total Lower Tier 2 Capital	9,947	10,770	10,770	11,963	11,959	11,935	11,924	11,282	11,282	11,782	11,782	11,782	11,765	12,888	14,120
Deductions from T2 Capital including EL & Securitisations	(1,141)	(1,134)	(1,127)	(1,121)	(1,124)	(1,117)	(1,109)	(1,118)	(1,111)	(1,099)	(1,137)	(1,125)	(1,121)	(1,193)	(1,250)
Deductions from Total Capital	(870)	(860)	(860)	(870)	(777)	(777)	(782)	(772)	(772)	(777)	(767)	(767)	(789)	(833)	(873)
Net Capital Base	38,612	39,777	38,856	40,601	40,945	42,048	42,609	41,988	41,394	43,097	43,762	44,192	44,552	51,217	57,555

Group Ratios

	Floor / Target	01-Jan-08	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Dec-09	Dec-10
Equity Ratio	NA / 5.25%	5.02%	4.99%	4.62%	4.59%	4.62%	4.69%	4.89%	4.78%	4.64%	4.72%	4.78%	4.87%	5.11%	5.19%	5.19%
Tier 1 Ratio - US Fed Basis	6% / NA	7.23%	7.16%	6.71%	6.83%	6.86%	6.93%	7.18%	7.01%	6.84%	7.08%	7.14%	7.24%	7.56%	8.05%	8.04%
Tier 1 Ratio - FSA Basis	NA / 7.25%	7.40%	7.31%	7.00%	7.09%	7.10%	7.16%	7.39%	7.21%	7.06%	7.26%	7.31%	7.38%	7.70%	8.05%	8.04%
Risk Asset Ratio	10% / 11%	10.86%	10.92%	10.58%	10.97%	10.58%	11.19%	11.47%	11.03%	10.86%	11.16%	11.33%	11.40%	11.79%	12.29%	12.27%
Impact of £100m change in capital on ratios (basis points)			2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.6	2.6	2.6	2.5	2.6	2.4	2.1
Impact of £1bn increase in WRAs on equity ratio (basis points)			1.4	1.3	1.2	1.2	1.2	1.3	1.3	1.2	1.2	1.2	1.3	1.3	1.2	1.1
Impact of £1bn increase in WRAs on Tier 1 ratio (basis points)			2.0	1.9	1.9	1.9	1.9	2.0	1.9	1.8	1.9	1.9	1.9	2.0	1.9	1.7
Impact of £1bn increase in WRAs on risk asset ratio (basis points)			3.0	2.9	3.0	2.9	3.0	3.1	2.9	2.8	2.9	2.9	2.9	3.1	2.9	2.6
WRA capacity over 6% Tier 1 Ratio floor (Fed)		72,918	70,344	43,717	51,414	53,482	58,534	73,130	64,097	53,602	69,704	73,499	80,041	98,530	142,324	159,646
WRA capacity over 10% RAR floor (Fed)		30,624	33,587	21,422	35,883	36,554	44,631	54,658	39,238	32,904	44,752	51,525	54,339	67,554	95,504	106,314
RWA capacity over minimum FSA capital requirements (Basel II)		93,680	99,130	84,597	103,187	104,591	115,025	126,251	109,503	102,329	117,387	125,580	129,312	143,297	185,481	209,830

S&P Ratios

	01-Jan-08	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Dec-09	Dec-10
ACE Ratio (S&P)		4.68%	4.27%	4.22%	4.22%	4.26%	4.43%	4.46%	4.25%	4.28%	4.27%	4.29%	4.53%	4.75%	5.26%
ATF Ratio (S&P)		6.24%	5.69%	5.63%	5.63%	5.68%	5.91%	5.95%	5.67%	5.71%	5.69%	5.72%	6.04%	6.34%	7.01%

Group Limits

	Maximum	01-Jan-08	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Dec-09	Dec-10
(Prefs + RCIs - TONs) / Tier 1 Capital after deductions	30%	35%	36%	38%	40%	39%	39%	38%	38%	38%	39%	39%	38%	37%	39%	39%
Innovative / Tier 1 - (adding back 50:50 dedns)	15% (FSA)	14%	14%	15%	15%	15%	14%	14%	14%	14%	14%	14%	14%	13%	12%	10%
TONs+Innovative / Tier 1 - (adding back 50:50 dedns)	15% (FED)	17%	17%	18%	18%	18%	18%	17%	17%	18%	17%	17%	17%	16%	15%	12%
T2 / T1 capital (adding back 50:50 dedns & moving innov to T2)	100% (FSA)	75%	79%	84%	87%	86%	88%	86%	84%	85%	84%	85%	84%	82%	79%	73%
LT2 / T1 capital (adding back 50:50 dedns & moving innov to T2)	50% (FSA)	42%	45%	47%	51%	51%	50%	49%	46%	47%	47%	47%	46%	45%	42%	40%

Solus

Net RWAs

	01-Jan-08	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Dec-09	Dec-10
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Solus Total External WRAs - Basel I/Basel II from 1/1/08	256,511	263,272	265,409	267,688	269,826	271,963	268,596	275,206	276,935	279,446	278,655	279,745	272,849	300,174	340,367
Solus Intra Group WRAs	14,900	14,900	14,900	14,900	14,900	14,900	14,900	14,900	14,900	14,900	14,900	14,900	14,900	14,900	14,900
PR4 - additional RWAs implied	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Basel II - Solus Pillar I WRAs - including Intra-Group RWAs	271,811	278,172	280,309	282,588	284,726	286,863	283,496	290,106	291,835	294,346	293,555	294,645	287,749	315,074	355,267

Solus Capital Resources

Key items impacting Solus capital resources	01-Jan-08	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total 08	Total 09	Total 10
Profit after tax in BBPLC Solus		49	131	131	44	131	131	41	131	131	35	131	131	1,218	1,276	1,373
Dividends paid to BBPLC Solus				227	160	20	299			417			566	1,689	1,916	2,056
Capital injections into subsidiaries		(315)	(79)	(20)	(221)	(79)	(258)	(93)	(79)	(86)	(206)	(18)	(157)	(1,612)	(1,171)	(1,222)
Project Patriot - capital generation in Solus														-	-	-
Profits earned in or repatriated to BBPLC Solus as a % of Group attrib profit														62%	60%	58%

	01-Jan-08	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Dec-09	Dec-10
Solus Total Capital Resources	25,697	26,344	26,430	28,161	26,708	27,488	27,721	26,552	26,637	28,139	27,605	27,753	28,136	31,547	34,375
Excess of expected loss over impairment (IRB approaches)	(1,140)	(1,127)	(1,113)	(1,100)	(1,087)	(1,073)	(1,060)	(1,047)	(1,033)	(1,020)	(1,007)	(993)	(980)	(867)	(753)
PR4 - Increase in EL less impairment deduction	(218)	(218)	(218)	(218)	(218)	(218)	(218)	(218)	(218)	(218)	(218)	(218)	(218)	(218)	(218)
Collective impairment (standardised approach)	484	492	499	507	514	522	530	537	545	552	560	567	575		

Solus Ratios

	Floor / Target	01-Jan-08	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Dec-09	Dec-10
Solus Risk Asset Ratio	8.59%; 8.24% from 1/1/08 / 9.75%	9.45%	9.47%	9.43%	9.97%	9.38%	9.58%	9.78%	9.15%	9.13%	9.56%	9.40%	9.42%	9.78%	10.01%	9.68%
Excess/(shortfall) RWAs over minimum FSA requirements		40,045	41,536	40,441	59,172	39,402	46,734	52,923	32,132	31,434	47,142	41,462	42,169	53,713	67,776	61,904
Impact of £100m change in capital on ratios (basis points) (Basell II from 01/01/08)			3.6	3.6	3.5	3.5	3.5	3.5	3.4	3.4	3.4	3.4	3.4	3.5	3.2	2.8

Solus Limits

	Max	01-Jan-08	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Dec-09	Dec-10
T2 / T1 capital (adding back 50:50 dedns & moving innov to T2) - Solus	100%	81%	85%	84%	85%	90%	92%	91%	90%	89%	87%	92%	92%	90%	90%	87%
LT2 / T1 capital (adding back 50:50 dedns and moving innov to T2) - Solus	50%	45%	49%	49%	51%	54%	53%	52%	50%	50%	50%	52%	51%	50%	48%	48%

EXHIBIT 129

FILED UNDER SEAL

PAPER FOR BOARD MEETING ON THURSDAY
6 DECEMBER 2007

Agenda Item No.
2.1(3)

TO: The Directors

FROM: Chris Lucas

DATE: 4 December 2007

SUBJECT: SHORT TERM PLAN

I attach for our discussion on Thursday the STP for 2008. I set out below a number of areas which I expect to touch on when we meet.

- The STP indicates PBT of £7,752 million for 2008, an increase of 9.5% over our current forecast for 2007. This is the same profitability and growth rate as presented in the MTP on 15 November 2007. You will note Economic Profit is down 8% on 2007, this is the result of the increase in cost of capital from 9.5% in 2007 to 10.5% in 2008.

- The negative income-cost jaws of 2.6% in 2008 compared to a forecast positive of 0.9% in 2007 is eye catching. This is due to the level of impairment charge in 2007 compared to the lower level in 2008 and the fact that income-cost jaws is measured prior to impairment charge.

- The STP delivers on many of the objectives we set ourselves particularly in terms of income growth, investment in the businesses and improvements in productivity in some of the businesses. The plan does remain predicated on reasonable economic conditions and we have put together some sensitivity analysis which I will share with you on Thursday.

- We also intend to phase the discretionary cost spend to ensure that we see the revenue growth in advance of major spending plans.

- The STP is ahead of consensus analyst PBT forecasts which are for 5% PBT growth over 2007. Current estimates still have a considerable range and are unlikely to move significantly until 2008.

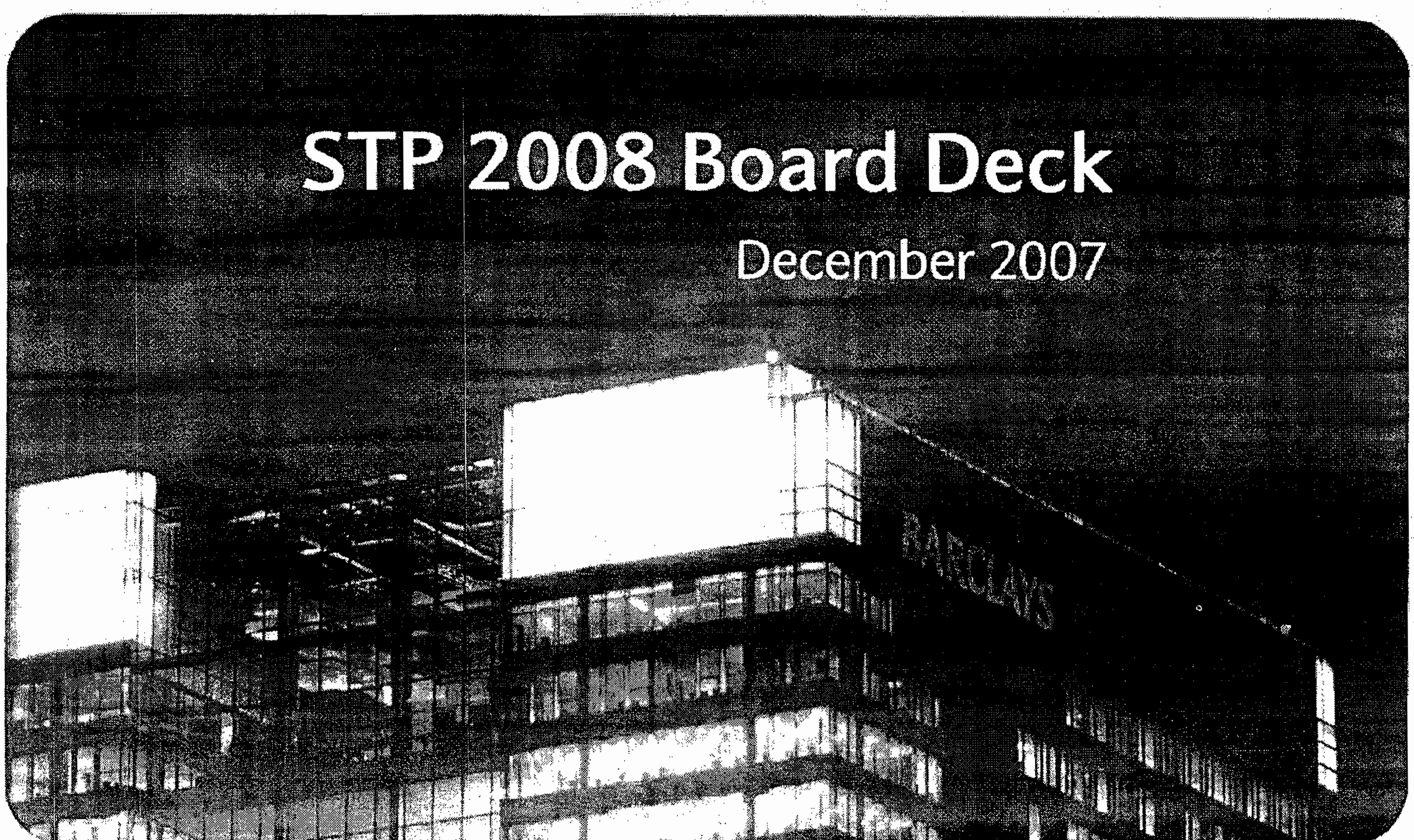
- We have been focusing on the level of RWAs and resulting capital position at the end of 2007 and 2008. The current plan has an equity tier one ratio of 5.00% at 31 December 2007 improving to 5.16% at 31 December 2008. Corresponding tier one ratios are 7.65% at 31 December 2007 and 7.74% at 2008. While the equity tier one ratio remains below our target, further work is underway to reduce the RWA utilisation.

- The full time employee analysis shows a 11.6% growth in headcount in 2008. The number includes considerable growth in Direct Sales Agents (19,000 in 2007 and 8,000 in 2008) in the emerging markets business which may not be appropriately considered "full time". We will revisit the definition in advance of the year end report and accounts.

I look forward to discussing the STP with you on Thursday.

STP 2008 Board Deck

December 2007



Contents

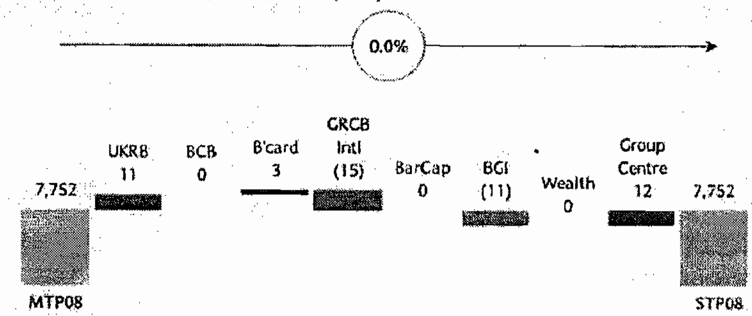
In preparing the STP, the Group's PBT remains at £7,752m, while the RWA consumption increases to £376bn. A contingency of £76m PBT is retained

Group Summary Financials – Published (£m)

	2007	2008	% Growth 07/06	% Growth 08/07	CAGR 08/06
Income	23,160	25,430	7.2%	9.8%	8.5%
Impairment	(2,638)	(2,584)	(22.5%)	2.0%	(9.5%)
Costs	(13,482)	(15,159)	(6.4%)	(12.4%)	(9.4%)
JVs	39	143	(89.5%)	>200%	(37.8%)
Central Provision	0	(76)	n/m	n/m	n/m
PBT	7,079	7,752	(0.8%)	9.5%	4.2%
Attributable Profit	4,471	4,724	(2.2%)	5.7%	1.7%
EP	2,332	2,149	(13.7%)	(7.9%)	(10.9%)
Metrics					
EPS	69.8	74.3	(2.9%)	6.4%	1.6%
DPS	34.9	37.1	12.6%	6.4%	9.5%
Rg-Cg Δ			(0.8%)	(1.1%)	n/m
Ig-Cg Δ			0.5%	(2.6%)	n/m
Ig-Cg Δ excl Prop Credits			2.5%	(1.0%)	n/m
CIR	58.2%	59.6%	0.5%	(1.4%)	n/m
ROE	20.6%	20.2%	(4.1%)	(0.4%)	n/m
Basel I RWAs (bn)	358	402	(20.1%)	(12.5%)	(16.2%)
Basel II RWAs (bn)	358	376	n/a	(4.9%)	n/m
Tier 1 Ratio[1]	7.65%	7.74%	(0.07%)	0.09%	n/m
Equity Ratio[1]	5.00%	5.16%	(0.29%)	0.17%	n/m
ECF	(1,045)	670	(195.9%)	164.1%	(21.6%)
FTEs	155,985	174,103	(20.3%)	(11.6%)	(15.9%)

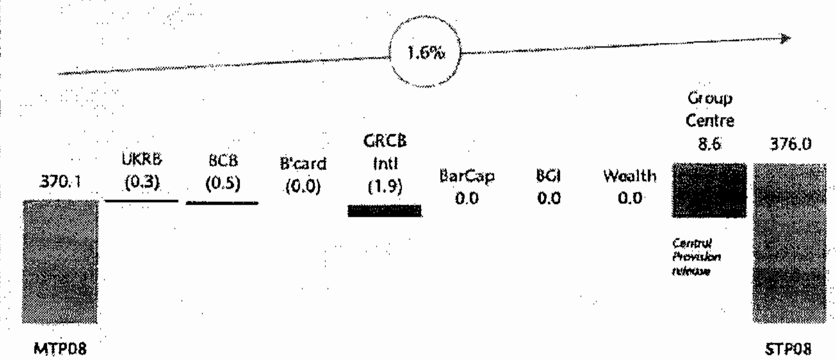
Note: 1) 2007 ratios on a Basel I basis, 2008 on a Basel II basis

2008 MTP vs STP PBT by Business (£m)



	MTP08	UKRB	BCB	B'card	GRCB Intl	BarCap	BGI	Wealth	Group Centre	STP08
Income	25,458	(3)	(3)	4	(15)	61	(28)	-	(41)	25,430
Impair	(2,445)	-	-	11	-	(150)	-	-	(0)	(2,584)
Costs	(15,228)	14	3	(12)	-	67	17	-	(21)	(15,159)
JVs	123	-	-	-	-	20	-	-	-	143
Provision	(150)	-	-	-	-	-	-	-	74	(76)
PBT	7,752	11	-	3	(15)	0	(11)	-	12	7,752

2008 MTP vs STP RWAs by Business (£bn)



The 2008 Group shape has changed to reflect movements in the 2007 forecast and changes in market conditions; PBT growth is maintained

- Since the Medium Term Plan (MTP) was presented the shape of the 2008 plan has changed: PBT growth is maintained
  - This is primarily driven by P&L movements in Barclays Capital
    - Impacted by market conditions, Barclays Capital's 2007 impairment increases £655m, income increases £490m and costs are reduced by £145m offsetting this
    - Barclays Capital's 2008 plan has been revised to include an additional £150m of impairment. This is offset by additional income and a reduction in costs
  - 2008 Group impairment is now in line with 2007. This compares to the 24% growth shown in the MTP. This reflects the increase in Wholesale impairment in 2007
  - PBT is unchanged with headline 08/07 growth of 10%. The financials have been impacted by movements which have netted out:
    - Revised economic assumptions particularly a reduction in forecast interest rates have negatively impacted Treasury income and minority interests
    - Reduced RWAs in Global Retail & Commercial Banking (GRCB) results in an income reduction of £20m
    - A reduction in the central provision to £76m
  - AP and EPS growth has been revised downwards. This is because of increased treasury charges from the finalisation of the capital plan, this and an increasing tax rate result in AP growing c.4% slower than PBT growth
  - 2008 EP has also been revised downwards considerably following an increase in the cost of equity from 9.5% to 10.5%. This is due to an increase in the risk free rate from 3% to 4%
- The 2008 Short Term Plan (STP) delivers against many of the Group objectives, with the plan particularly encompassing continued growth, investment in the business and improvements in productivity. The plan remains predicated on a macro-economic outlook that remains relatively healthy in 2008. However, there remains some risk that the current turbulence in the US credit markets will impact the global economy more severely
- The STP is ahead of consensus analyst PBT expectations. Planned PBT growth of 10% compares favourably with consensus of 5%
  - There are, however, variances in the income/cost mix with 2008 income and costs ahead of consensus
- 2008 EPS growth is 6th in the peer group ahead of key competitors such as RBS, HSBC and HBOS. PBT is 5th, with EPS reflecting a higher 2008 tax rate assumption
- 2008 free cash flow is positive and this counters the negative free cash flow in 2007 caused by market turbulence
- The year-end 2007 equity ratio is below Group target (5.00% vs 5.25%). The Group override on RWAs has been reduced and some challenges drilled down to the businesses. The equity ratio recovers to 5.16% in 2008, although a £10bn override is required to deliver this. Further consideration will be given to determine over what period the equity ratio will be rebuilt to target ratios. Part of this will depend on market conditions
- 2007 and 2008 tier one ratios at 7.65% and 7.74% retrospectively are ahead of our targets
- Group EC supply is in excess of demand. The risk metrics are slightly outside of appetite but are within model tolerances

Core P&L Analysis

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The 2008 P&L shape has changed to reflect the latest 2007 position and revised economic assumptions. Overall PBT growth is maintained

Summary Financials (£m)

	Current Year STP				Δ to Current Year MTP		Current Year MTP			
	2007	2008	07/06	08/07	2007	2008	2007	2008	07/06	08/07
Income	23,160	25,430	7.2%	9.8%	515	(23)	22,645	25,453	4.9%	12.4%
Impairment	(2,638)	(2,584)	(22.5%)	2.0%	(666)	(139)	(1,972)	(2,445)	8.4%	(24.0%)
Costs	(13,482)	(15,159)	(6.4%)	(12.4%)	138	69	(13,620)	(15,228)	(7.5%)	(11.8%)
JVs	39	143	(89.5%)	>200%	20	20	19	123	(94.9%)	>200%
Central Provision	-	(76)	n/m	n/m	-	74	-	(150)	n/m	n/m
PBT	7,079	7,752	(0.8%)	9.5%	7	(0)	7,072	7,752	(0.9%)	9.6%
AP	4,471	4,724	(2.2%)	5.7%	(0)	(47)	4,471	4,770	(2.2%)	6.7%
EP[1]	2,332	2,149	(13.7%)	(7.9%)	(3)	(293)	2,335	2,442	(13.6%)	4.5%

Metrics

	2007	2008	07/06	08/07	2007	2008	2007	2008	07/06	08/07
EPS (p)	69.8	74.3	(2.9%)	6.4%	0.0	(0.7)	69.8	75.0	(2.9%)	7.5%
Ig-Cg			0.9%	(2.6%)	3.5%	(3.2%)			(2.6%)	0.6%
CIR	58.2%	59.6%	0.5%	(1.4%)	(1.9%)	(0.2%)	60.1%	59.8%	(1.5%)	0.3%
Basel I RWAs (bn)	358	402	(20.1%)	(12.5%)	1	11	356	392	(19.7%)	(10.0%)
Basel II RWAs (bn)	358	376	n/a	(4.9%)	3	6	355	370	n/m	(4.2%)
ROE	20.6%	20.2%	(4.1%)	(0.4%)	(0.1%)	(0.1%)	20.7%	20.3%	(4.0%)	(0.5%)

Note 1) The reduction in EP for 2008 is the result of the increase in the cost of equity from 9.5% to 10.5%

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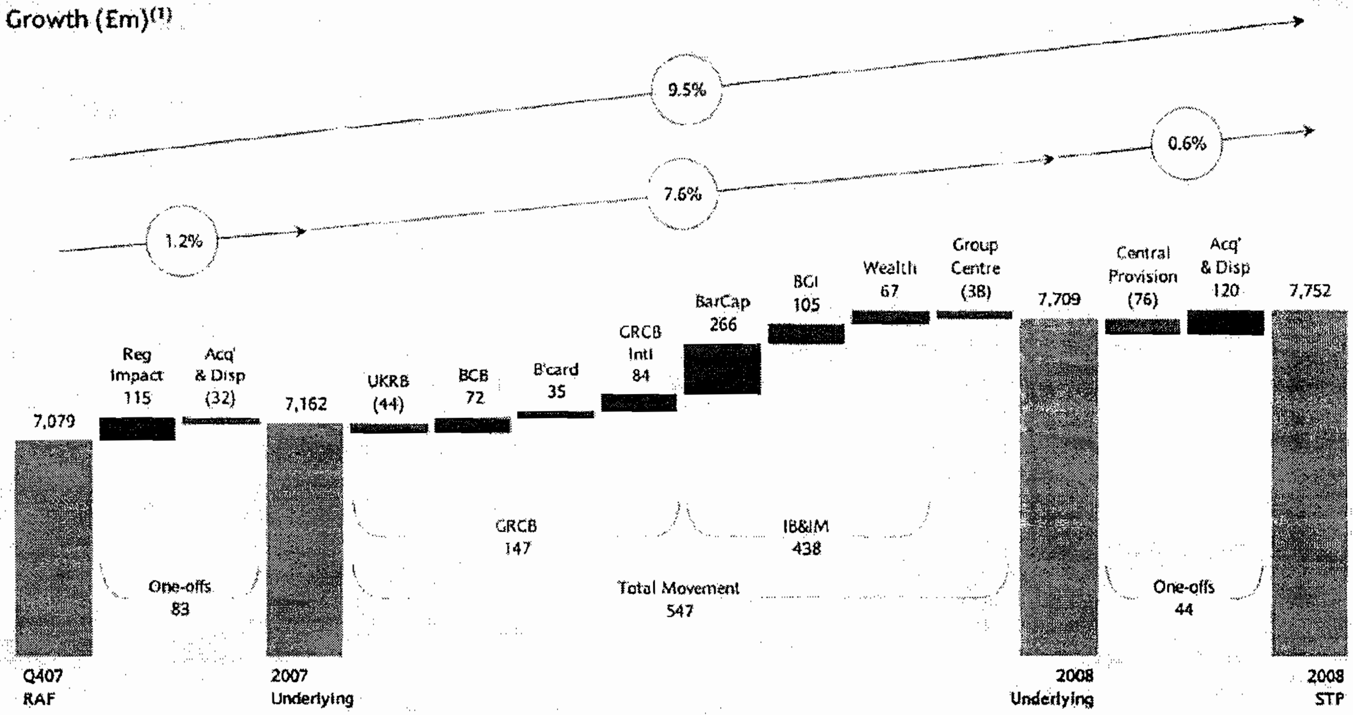
Underlying growth remains strong although it is marginally behind headline performance

Overall PBT Growth (£m)(1)



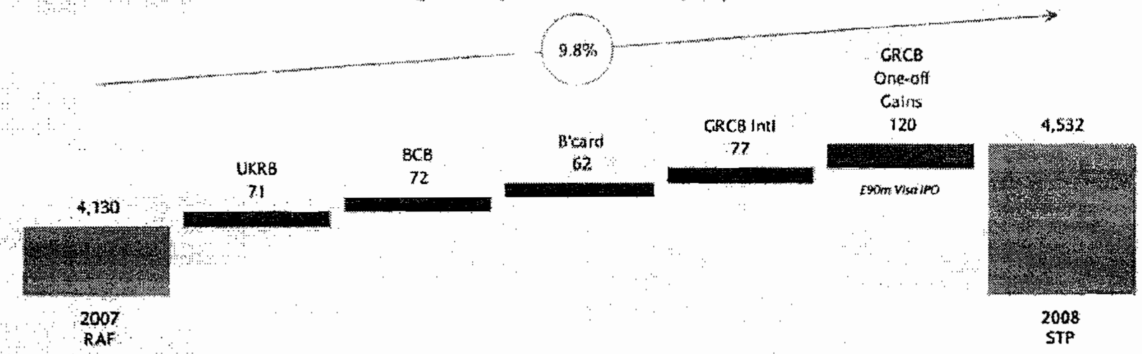
	Q407 RAF	Reg Impact	Acq' & Disp	2007 Underlying	UKRB	BCB	B'card	GRCB Intl	BarCap	BGI	Wealth	Group Centre	2008 Underlying	Central Provision	Acq' & Disp	2008 STP
Income	23,160	115	20	23,295	97	227	261	496	590	303	178	(18)	25,430	0	0	25,430
Impair	(2,638)	0	0	(2,638)	(44)	(17)	(154)	(149)	425	0	(1)	(6)	(2,584)	0	0	(2,584)
Costs	(13,482)	0	(52)	(13,534)	(97)	(126)	(74)	(256)	(749)	(198)	(110)	(14)	(15,159)	0	0	(15,159)
JVs & Central Prov	39	0	0	39	0	(12)	2	(6)	0	0	0	0	23	(76)	120	66
PBT	7,079	115	(32)	7,162	(44)	72	35	84	266	105	67	(38)	7,709	(76)	120	7,752

Note: 1) One-off property gains are offset by accelerated expenditure

BARCLAYS

GRCB's performance represents a turnaround in profitability compared to 2007 on a reported basis, with less reliance on one-off items

Global Retail & Commercial Banking PBT by Business Unit (£m)



Core P&L (£m)

	2006	2007	2008	07/06	08/07
Income	12,500	12,870	14,086	3.0%	9.4%
Impairment	(2,121)	(1,940)	(2,304)	8.5%	(18.8%)
Operating Costs	(6,529)	(6,819)	(7,372)	(4.4%)	(8.1%)
JVs	369	19	123	(94.9%)	>200%
PBT	4,219	4,130	4,532	(2.1%)	9.8%
Attributable Profit	3,043	2,849	3,118	(6.4%)	9.4%
EP	1,955	1,602	1,708	(18.0%)	6.6%
Ig-Cg Delta				(1.5%)	1.3%
CIR	52.2%	53.0%	52.3%	(0.8%)	0.6%
Avg Assets (£bn)	195	210	238	7.7%	13.8%
Avg Liabilities (£bn)	146	155	172	6.7%	10.4%
Net RWAs Basel I (£bn)	147	164	191	(11.5%)	(16.5%)
Net RWAs Basel II (£bn)	-	161	178	n/m	(10.7%)
AEC (£bn)	9.9	11.2	12.6	13.7%	12.0%
ROEC	29.5%	24.0%	23.4%	(5.5%)	(0.6%)
FCF	1,229	788	235	(36%)	(70%)
FTEs[1]	104,178	126,487	141,431	(21.4%)	(11.8%)

Note: 1) Direct sales agents FTE remains under review

Key Features

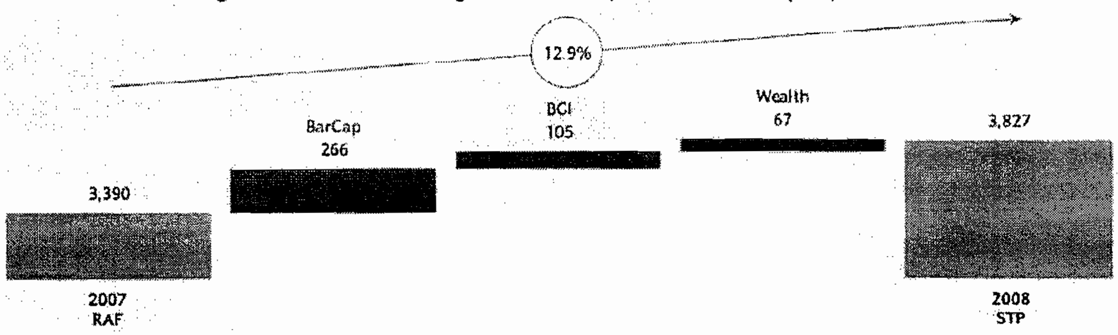
- Built strong momentum going into 2008 with loan balances up 11% and deposits up 8% YoY (constant currency)
- Plan to achieve sustainable profit growth with reduced dependency on one-offs and more geographical diversification
- Continue to rapidly grow the international footprint: become the biggest bank in Africa and one of the leading foreign banks in Europe. International businesses contributed 70% income growth (YTD07 vs YTD06) and are expected to generate 32% of GRCB's PBT in 2010 organically
- Continue to transform the UK with a focus on cost efficiency. Achieve strong top line growth of +5% per year through improved Retail Branches, Expanded Commercial Sales Teams and Selective New Card Products and Partnerships

Risks & Opportunities

- Key risks: interest rate volatility, sub-prime market impact on lending growth and securitisation capacity
- Key opportunities: build up of unsecured lending capabilities, continued focus on off-shoring and expense rationalisation

IB&IM maintains historic growth momentum, although there is some uptick in pace of PBT growth

Investment Banking & Investment Management PBT by Business Unit (£m)



Core P&L (£m)

	2006	2007	2008	07/06	08/07
Income	9,092	10,500	11,571	15.5%	10.2%
Impairment	(44)	(704)	(280)	<(200%)	60.2%
Operating Costs	(5,873)	(6,426)	(7,484)	(9.4%)	(16.5%)
JVs	-	20	20	n/m	0.3%
PBT	3,175	3,390	3,827	6.8%	12.9%
Attributable Profit	2,180	2,485	2,629	14.0%	5.8%
EP	1,688	1,838	1,781	8.9%	(3.1%)
Rg-Cg delta				(1.2%)	(1.2%)
Ig-Cg Delta				6.1%	(6.3%)
CIR	64.6%	61.2%	64.7%	3.4%	(3.5%)
Avg Assets (£bn)[1]	6	8	10	40.6%	27.2%
Avg Liabilities (£bn)[1]	28	31	35	10.5%	14.0%
Net RWAs Basel I (£bn)	148	191	219	(28.6%)	(14.7%)
Net RWAs Basel II (£bn)	-	193	204	n/m	(5.6%)
AEC (£bn)	4.4	5.9	7.6	34.8%	28.1%
ROEC	48.4%	40.8%	33.4%	(7.6%)	(7.4%)
FCF	(265)	(1,734)	165	<200%	110%
FTEs	22,977	27,700	30,947	(20.6%)	(11.7%)

Note: 1) Barclays Wealth only

Key Features

- IB&IM cluster to deliver 13% growth in 2008
- Continue to deliver on individual business unit level plans
- Key differentiators that will determine success:
  - ability to innovate and create solutions for increasingly sophisticated client needs
  - ability to scale the business through technology
  - ability to work across boundaries and to a relentlessly high quality

Risks & Opportunities

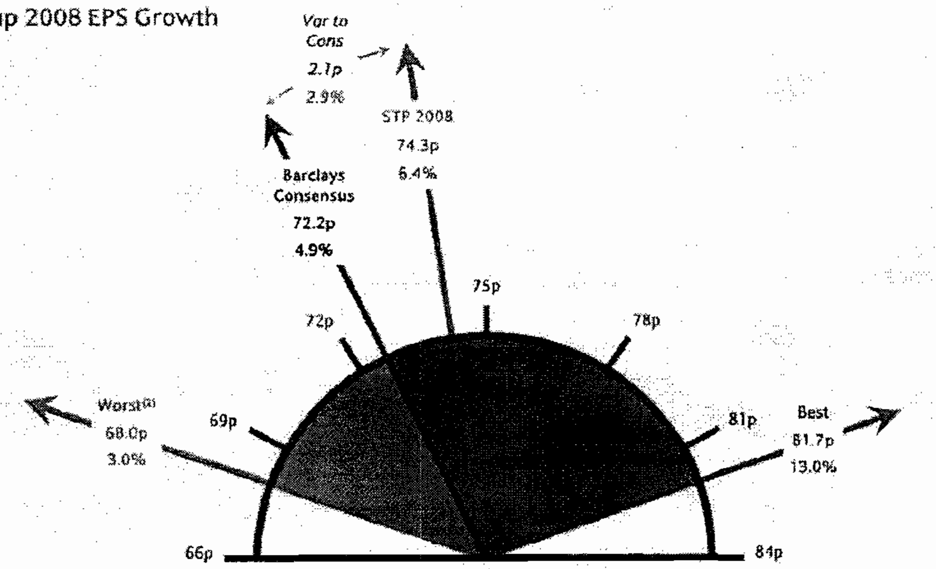
- IB&IM is not immune from the downside effects of prolonged turmoil in the credit markets in 2007 and 2008
- In short to medium term there may be a slowing of the global economy
- 'Flight to quality' following recent market turbulence continues to present opportunities to grow market share vis-à-vis competitors
- Universal banking model is the natural model for clients and customers and is a source of competitive advantage

Performance exceeds analyst consensus expectations, with significantly higher growth envisaged in the plan...

Group 2008 Consensus (£m)[1]

	2008 STP	Growth from PY	2008 Cons	Growth from PY	Var to Cons	06-08 CAGR % STP	06-08 CAGR % Consensus
Income	25,430	9.8%	23,998	5.9%	1,432	8.5%	5.4%
Impair	(2,584)	2.0%	(2,356)	(8.9%)	(228)	(9.5%)	(4.6%)
Costs	(15,159)	(12.4%)	(14,204)	(5.8%)	(955)	(9.4%)	(5.9%)
JVs/Central Prov	66	70.8%	12	(42.7%)	54	(57.7%)	(82.1%)
PBT	7,752	9.5%	7,450	4.9%	303	4.2%	2.2%
Ig-Cg		(2.6%)		0.1%	(2.7%)		
EPS	74.3	6.4%	72.2	4.9%	2.1	1.6%	0.2%

Group 2008 EPS Growth



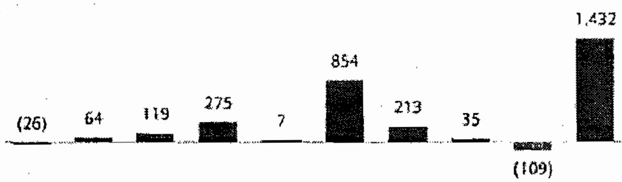
Commentary

- 2008 STP PBT is ahead of consensus. Current expectations are a 4.9% growth on PY vs the STP estimate of 9.5%
- The P&L shape is however materially different from consensus. Overall STP estimates higher income, costs and impairment than consensus
- Panmure has the lowest forecast for Barclays (2008 PBT: £4,509m) as it believes Barclays has (1) the highest exposure to credit derivatives among UK banks and (2) the highest potential exposure to counterparty default risks if the liquidity crisis deepens into an insolvency crisis
- Excluding Panmure, 2008 consensus PBT increases by £123m to £7,572m, this reduces the positive variance to STP from £303m to £180m
- Since the November MTP, 2008 consensus has been revised downwards by £34m, predominantly driven by Goldman Sachs downgrading by £888m to £7,249m. This is slightly offset by KBW upgrade of £148m

Notes: 1) Consensus consists of 25 analysts. Consensus growth off 2007 consensus base. 2) Worst is excluding Panmure EPS. Panmure EPS for 2008 is 38.5p (2007 is 52.9p)

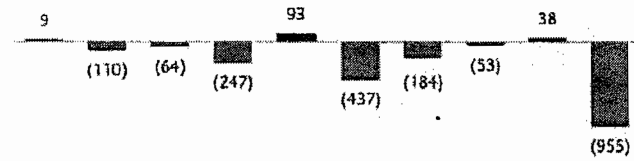
…driven by Barclays Capital and GRCB International's faster income growth

FY Income vs Consensus[1] (£m)



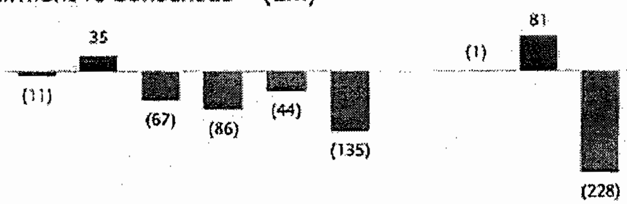
(£m)	UKRB	BCB	B'card [2]	GRCB Intl	Absa[3]	BarCap	BGI	Wealth	Other [4]	Group
2007 Var	(37)	1	6	111	(20)	457	91	(14)	(102)	491
Growth (%)										
STP08	5%	9%	10%	23%	10%	8%	16%	14%	(8%)	10%
Var to Cons	0%	2%	4%	11%	1%	5%	6%	4%	1%	4%

FY Costs vs Consensus[1] (£m)



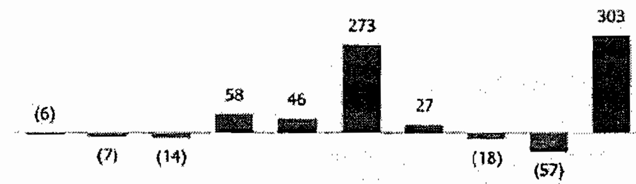
(£m)	UKRB	BCB	B'card [2]	GRCB Intl	Absa[3]	BarCap	BGI	Wealth	Other [4]	Group
2007 Var	38	(24)	(56)	(105)	41	135	(89)	(12)	16	(55)
Growth (%)										
STP08	(4%)	(14%)	(6%)	(23%)	(3%)	(18%)	(17%)	(11%)	(28%)	(12%)
Var to Cons	(1%)	(9%)	(0%)	(13%)	4%	(14%)	(7%)	(4%)	7%	(7%)

FY Impairment vs Consensus[1] (£m)



(£m)	UKRB	BCB	B'card [2]	GRCB Intl	Absa[3]	BarCap	BGI	Wealth	Other [4]	Group
2007 Var	(9)	(2)	59	(30)	5	(586)	0	(1)	91	(474)
Growth (%)										
STP08	(8%)	(6%)	(17%)	(87%)	(58%)	61%	0%	(35%)	(109%)	2%
Var to Cons	(0%)	13%	(15%)	(58%)	(34%)	83%	0%	(2%)	(113%)	11%

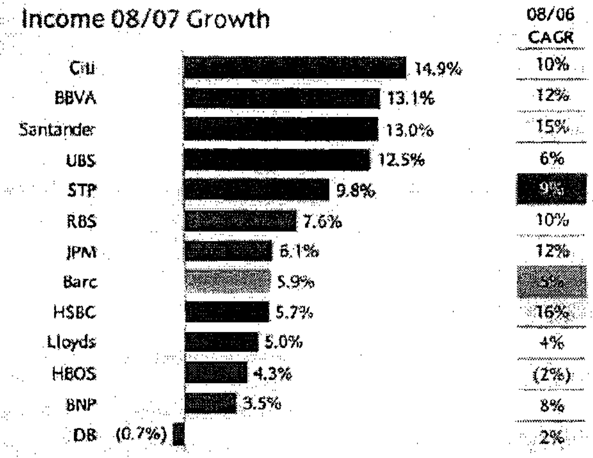
FY PBT vs Consensus[1] (£m)

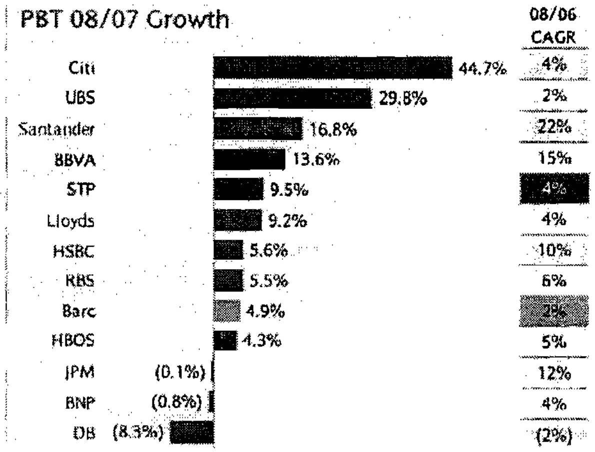


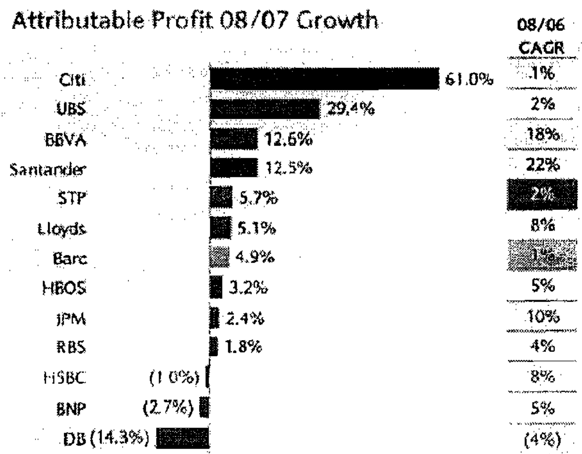
(£m)	UKRB	BCB	B'card [2]	GRCB Intl	Absa[3]	BarCap	BGI	Wealth	Other [4]	Group
2007 Var	4	(12)	3	(22)	18	24	(1)	(26)	(7)	(20)
Growth (%)										
STP08	6%	5%	10%	47%	13%	11%	14%	22%	(38%)	10%
Var to Cons	(1%)	0%	(3%)	34%	4%	11%	4%	4%	(11%)	5%

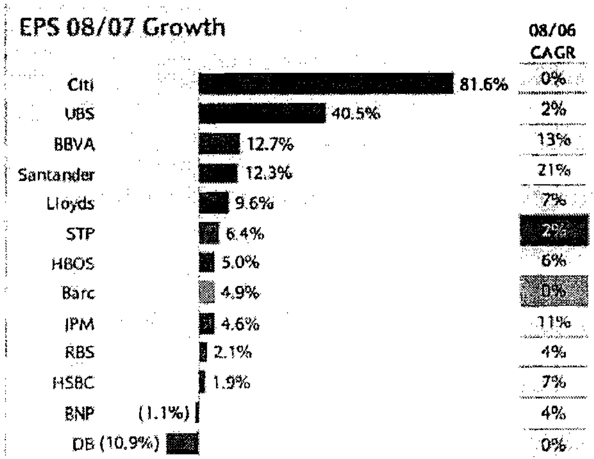
Notes: 1) Consensus consists of 15-18 analysts. 2) B'card MTP and Consensus excludes Absa Cards. 3) Absa MTP and Consensus consists of GRCB International and Barclaycard Absa. 4) Other includes adjustment to balance cluster to Group consensus

2008 STP compares well with consensus expectations of our peer group. Barclays is in 5th place in PBT terms









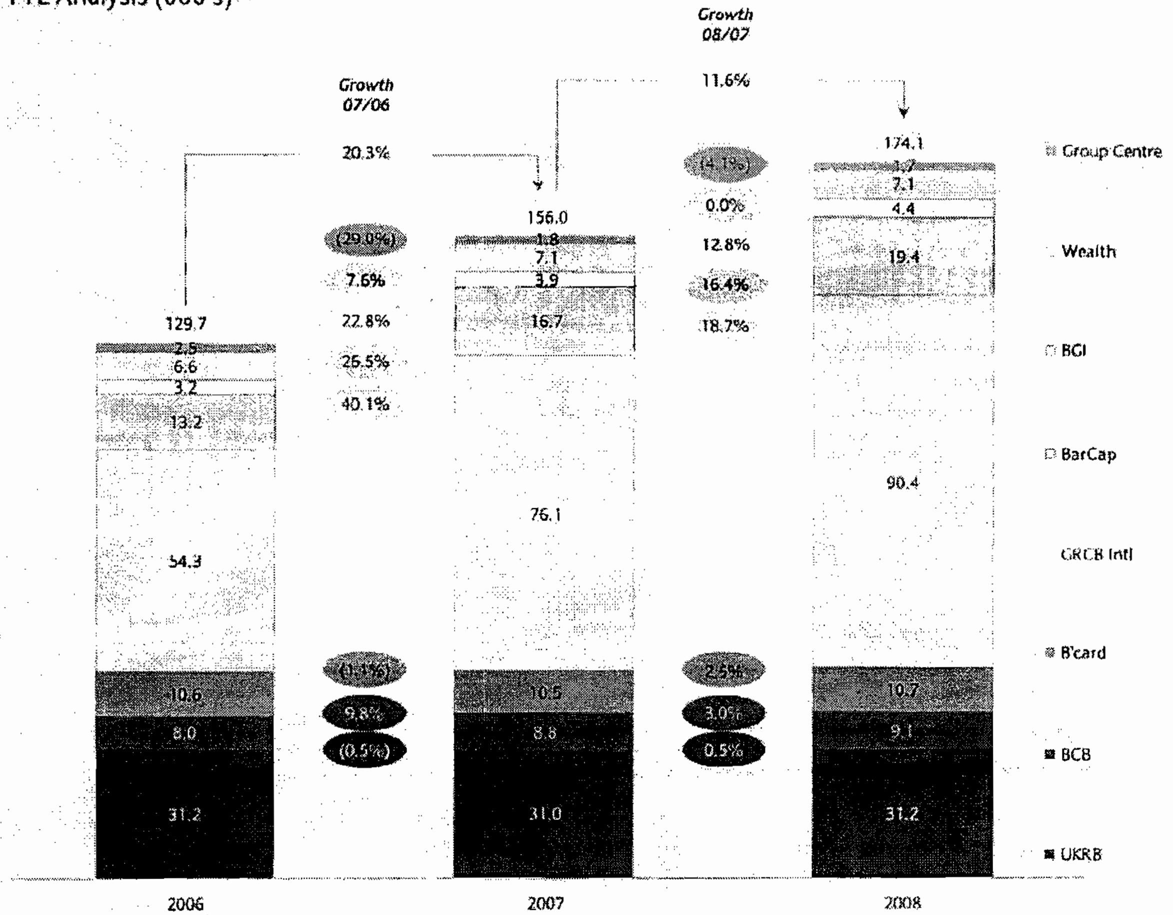
Commentary

- STP Income and PBT growth rates lie in the middle range of the peer group for both 08/06 and 08/07 periods
- STP rankings for Income and PBT growth are three and four places ahead of consensus respectively
- Citi has a significant lead over the peer group in terms of 08/07 growth in PBT, AP and EPS. UBS also performs strongly. In both cases, this is due to impairment charges causing a low 2007 baseline

Note: Peer consensus sourced from Thompson Financial

GRCB International is the main driver of FTE growth in the Group

FTE Analysis (000's)[1]



Note: 1) Direct sales agents FTE remains under review

Commentary

- GRCB Intl is the largest user of FTEs in 08, with 52% of the total. FTE numbers increase significantly in 07 & 08
  - Driven by growth in GRCB Emerging Markets. FTEs grew from 8k in 06 to 27k in 07 and are planned to increase to 35k in 08
  - GRCB Absa & Western Europe grow at more moderate rates (9% and 13% in 08). Absa increases by 3K to 40K in 08. WE increases by 1k to 8k in 08
  - GRCB Centre increases by 2k in 07 and a further 2k in 08 to 6.9k
- Other areas of marked change are in Barclays Capital and BGI whose growth rates reduce, but remain double digit in 08
- FTEs in UK Banking and Barclaycard grow at low rates in 08
- Decrease in Group Centre in 07 is due to the transfer of FTEs to GRCB Centre primarily from Central Support

Capital and Risk Analysis

The balance sheet grows by 8% with a slight increase in the equity to asset ratio

2008 Balance Sheet (£bn)

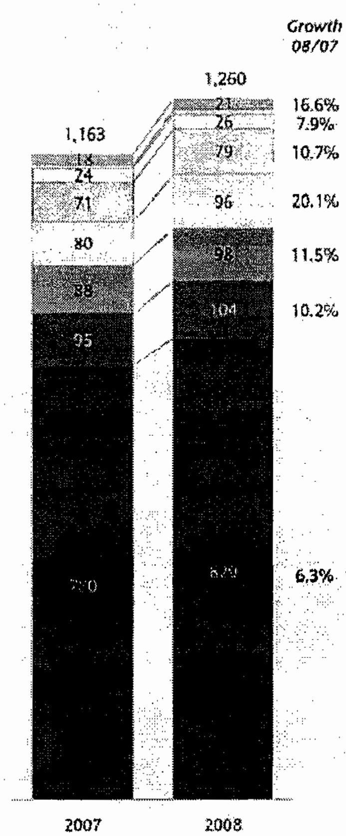
Assets	2007	2008	08/07
Trading Portfolio Assets	203	217	7%
Financial Assets Held at FV[1]	39	42	9%
Derivative Financial Instruments	168	184	10%
Loans & Advances to Banks	40	41	3%
Loans & Advances to Customers	334	385	15%
Available for Sale Fin' Invest'	45	46	4%
Other Customer Assets	23	7	(69%)
Total Customer Assets	852	924	8%
Other External Assets	311	336	8%
External Assets	1,163	1,260	8%

Liabilities	2007	2008	08/07
Deposits from Banks	86	100	16%
Customer Accounts	286	314	10%
Trading Portfolio Liabilities	81	90	11%
Financial Liabilities Held at FV	67	76	14%
Derivative Financial Instruments	171	178	4%
Debt Securities in Issue	126	134	6%
Other Liabilities	314	333	3%
Shareholders Equity & MI	31	34	10%
External Liabilities & Equity	1,163	1,260	8%

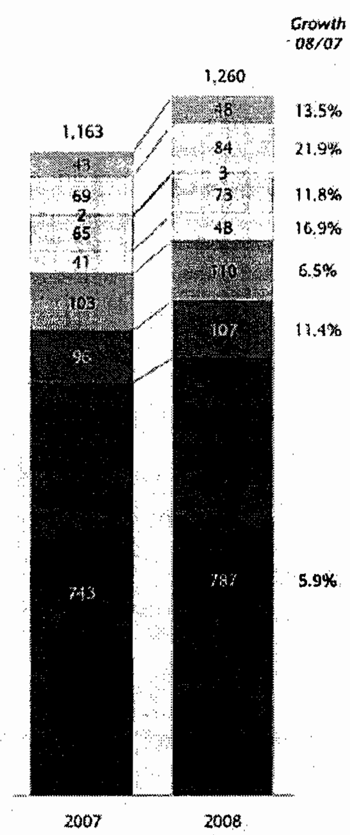
Equity:Asset Ratio	2.67%	2.71%

Note: 1) Held on Own Account

External Assets (£bn)



External Liabilities (£bn)



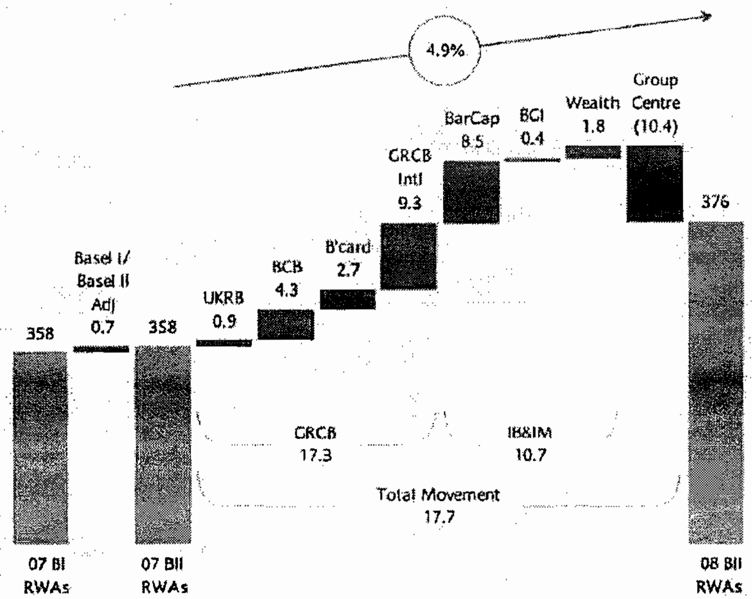
BarCap BGI UKRB GRCB Intl BCB B'card Other Wealth

Commentary

- GRCB accounts for £36bn of the increase in Group total assets, while IB&IM accounts for £62bn
- GRCB's £32bn growth in Loans & Advances is funded in part by a £23bn increase in Customer Accounts
- IB&IM's growth is broadly based across Trading Portfolio Assets, Derivatives, Loans & Advances to Customers and Other External Assets

RWA growth is driven by balance growth, although RWAs grow at 5%, which is lower than the 10% PBT growth

Net Published RWAs 2008 vs 2007 (£bn)

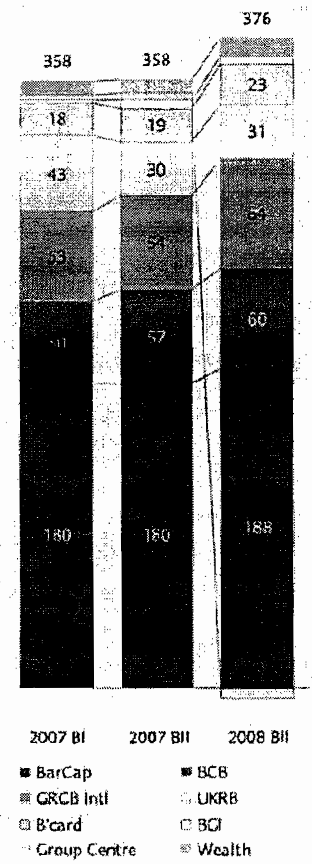


	07 BI RWAs	Basel I/ Basel II Adj	07 BII RWAs	UKRB	BCB	B'card	GRCB Intl	BarCap	BCI	Wealth	Group Centre	08 BII RWAs
Gross	399.7	(28.3)	371.4	0.9	5.2	2.3	9.5	8.5	0.4	1.9	(10.3)	389.8
Net Managed	357.6	0.7	358.3	0.9	3.3	3.5	9.5	8.5	0.4	1.9	(10.3)	376.0
Net Published	357.6	0.7	358.3	0.9	4.3	2.7	9.3	8.5	0.4	1.8	(10.4)	376.0

08/07 Growth Rates

Gross	(8%)		(5%)	(3%)	(8%)	(10%)	(17%)	(5%)	(8%)	(24%)	250%	(5%)
Net Managed	(13%)		(5%)	(3%)	(6%)	(18%)	(17%)	(5%)	(8%)	(24%)	250%	(5%)
Net Published	(13%)		(5%)	(3%)	(7%)	(13%)	(17%)	(5%)	(8%)	(23%)	250%	(5%)

Net Managed RWAs by Business (£bn)

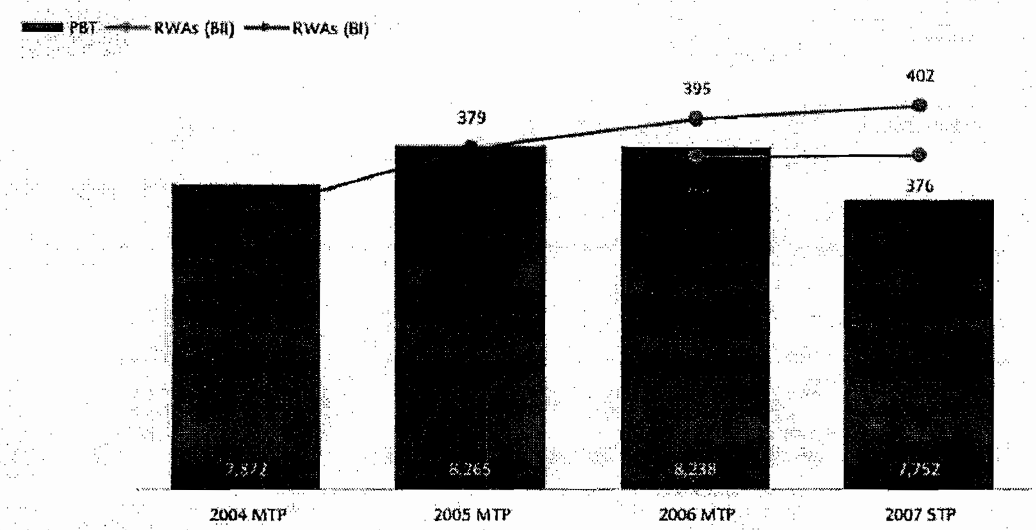


Commentary

- RWAs grow by £18.4bn in 2008 (2008 Basel II vs 2007 Basel I), which compares to growth of £13.7bn in the MTP, mainly due to the reduction of the central override
  - The MTP central override of £18bn has been reduced to £10bn
  - 2007 Basel I RWAs have increased by £1.2bn
  - GRCB has reduced its 2008 Basel II RWAs by £2.7bn
- Barclays Capital's RWA growth slows in 2008, following a 28% increase in 2007
- GRCB Intl's RWA growth is driven mainly by Western Europe (£6.5bn). Absa and Emerging Markets both increase by £2.2bn
- BCB's £4.3bn RWA growth in 2008 aligns with their significant increase in balance growth from 2% in 2007 to 10% in 2008

Compared to prior years MTPs, 2008 profit expectations have reduced slightly but RWA consumption increases marginally

2008 PBT (£m) & RWAs (£bn)



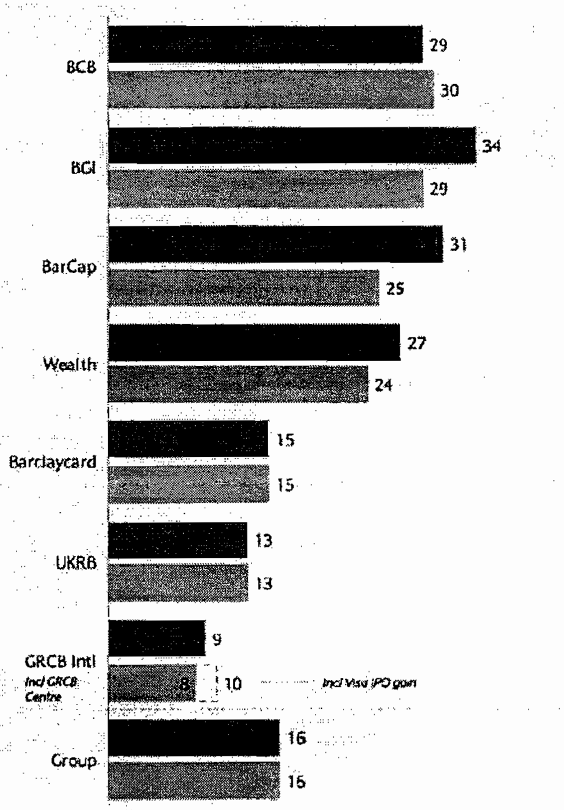
Variance	05/04 MTP	06/05 MTP	07/06 MTP
PBT	5.0%	(0.3%)	(5.9%)
RWAs	9.9%	(1.0%)	0.2%
Variance (£m)			
Attributable Profit	(285)	143	(318)
Dividend Paid	460	(82)	59
Other Reserve Movements	1,143	(321)	(575)
Equity to Support RWA Growth	(541)	71	1,334
Free Cash Flow	776	(188)	500

Commentary

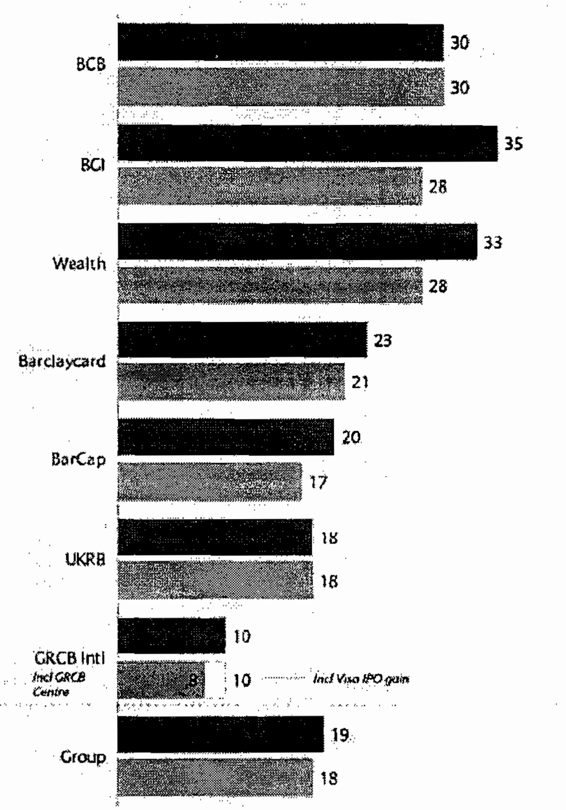
- 2008 profit expectations are down due to regulatory impacts and adverse market conditions. RWAs have remained flat in 2008
- The reduction in the 2007 baseline has led to current year STP being 5.9% behind prior year MTP
- STP free cash flow is ahead of prior year MTP despite the reduction in profit. A lower STP RWA growth rate of 4.9% compared to 12.4% in the prior year plan drives a reduced RWA capital demand of £1.334m. (£41bn RWA movement in the prior year compared to £18bn in the STP)

Group returns remain broadly stable over the STP

Return on Economic Capital (incl Goodwill) (07 - 08) (%)



Return on Regulatory Capital (incl Goodwill) (07 - 08) (%)(1)



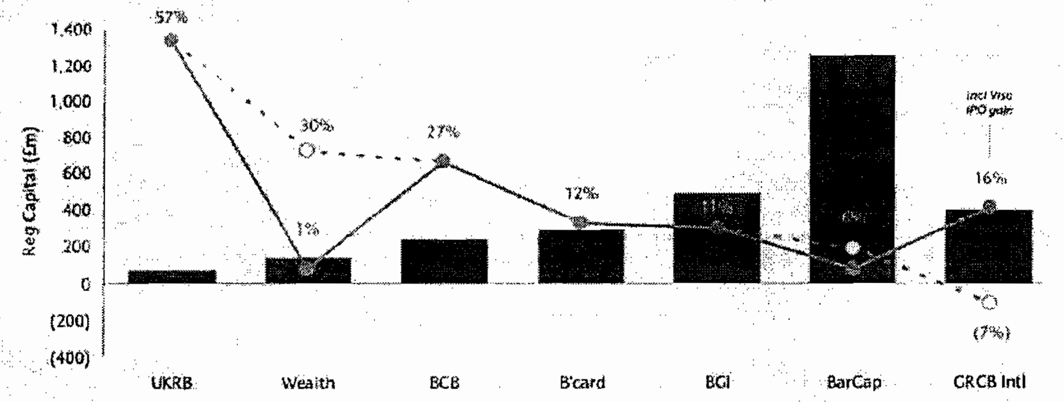
Commentary

- Group ROEC is maintained at 16%; RORC declines marginally to 18% in 2008
- BGI shows the largest decline in RORC from 2007 to 2008, but 2008 is still significantly above Group returns. Average goodwill increases by 40% (£424m) while AP increases by 14%. Goodwill growth is due to the EOP Scheme and the acquisition of IndExchange
- BarCap's RORC is driven by average RWA growth of 15% ahead of 4% AP growth
- GRCB Intl's low returns are mainly due to Western Europe – RORC falls to 7% and ROEC falls to 8% in 2008. This is due to high investment and growth in the international business
- The Visa IPO gain has a 2% impact on GRCB Intl returns

Note: 1) Based on consistent 5.25% equity ratio. RWAs are on a Basel II basis

At a point in time, lower marginal return businesses are planned to consume relatively more capital

Basel II Capital Consumption (incl Goodwill)



RORC (incl Goodwill)(2)

	2007 RORC	2008 Marginal	2008 RORC
UKRB	18%	57%	18%
Wealth	33%	1%	28%
BCB	30%	27%	30%
GRCB Intl	10%	16%	10%
B'card	23%	12%	21%
BGI	35%	11%	28%
BarCap	20%	1%	17%
GRCB	19%	20%	19%
IB&IM	23%	4%	20%
Group	19%	9%	18%

Notes: 1) Underlying RORC excludes IB&IM tax gains in 2007, and GRCB Visa IPO gain in 2008. 2) RWAs are on a Basel II basis

Commentary

- The plan shows high capital growth in businesses with relatively lower returns. In some cases this is due to investment in the businesses, in other cases it is due to market conditions
- The Group has traditionally used high returning businesses to fund growth in the portfolio
- The portfolio mix of growth is therefore a strong contributor to the diluting returns on capital (and the poor free cash-flow position)
- To improve the free cash flow position for the Group businesses marginal returns on capital need to improve or alternatively the mix of capital needs to be re-allocated to businesses that can realistically expect to deliver marginal returns on capital above the current group return
- Excluding the Visa IPO gain, GRCB Intl's AP growth is 2%, which compares to 17% RWA growth. This significantly negative capital jaws is the primary driver of the (7%) underlying RORC
- UKRB RWAs grow by 1% in 2007 and 3% in 2008. This low level of demand results in UKRB having the lowest marginal consumption in the Group in 2008

RWA utilisation plans deliver positive free cash flow with an increasing equity ratio

Barclays Application of Equity Capital

Current Plan (£m)	Basel I 2006	Basel I 2007	Basel II 2008[1]
Attributable Profit	4,571	4,471	4,724
Dividend Paid	(1,771)	(2,077)	(2,279)
Capital Generation	2,800	2,394	2,444
Equity to Support RWA Growth	(1,411)	(3,161)	(882)
Goodwill growth from acquisitions & BGI EOP	134	(955)	(383)
Net Operating Cash Flow	1,524	(1,721)	1,180
Other reserve movements	(434)	677	(510)
Free Cash Flow before Impact of switch to Basel II	1,090	(1,045)	670
Impact of switch to Basel II on 01.01.08			(34)
Net Free Cash Flow	1,090	(1,045)	635
Equity Ratio (%)	5.29	5.00	5.16
RWA Gap to 5.25% Target Ratio (£bn)		(17)	(6)
Breakdown of Group Net Free Cash Flow			
GRCB	1,229	788	235
IB&IM	(265)	(1,734)	165
Group Centre	126	(99)	270
Group	1,090	(1,045)	670

Commentary

- GRCB have agreed a £2.7bn reduction in their 2008 RWAs. Barclays Capital have committed to identify a £10bn RWA reduction from across the Group by December 2008. This has resulted in £635m positive free cash flow in 2008
- The RWA gap to the 5.25% equity ratio target is £6bn at the end of 2008
- 2007 RWAs would require a £17bn reduction to meet the 5.25% target
- The 2008 dividend is £500m higher than the 2006 dividend, but AP is only £150m higher. This is due to a number of factors:
  - The 2005 final dividend declared (paid in 2006) is based on the 2005 AP, which was significantly lower than 2006. The 06/05 AP growth rate was 33%
  - The 2006 dividend payout ratio was 43% compared to the 'normal' 50%, as the DPS was based on underlying AP

Note: 1) 2008 includes the effect of the switch from Basel I to Basel II on 01.01.08. Group: (£34m); GRCB: £164m; IB&IM: (£121m); Group Centre: (£77m)

Market conditions have led to an increase in economic capital demand, there is however, sufficient economic capital supply to meet the demand

Average Economic Capital Demand (£m)

	2007	2008	07/06	08/07
UKRB	3,414	3,580	5%	5%
BCB	3,194	3,404	18%	7%
UKB	6,608	6,985	11%	6%
GRCB Intl	2,487	3,245	32%	31%
B'card	2,113	2,323	5%	10%
GRCB	11,207	12,554	14%	12%
BarCap	5,150	6,600	36%	28%
BGI	186	299	8%	61%
Wealth	567	662	30%	17%
IB&IM	5,903	7,561	35%	28%
Group Centre	762	654	191%	(14%)
EC Over-ride	-	(300)	n/m	n/m
Economic Capital Requirement	17,872	20,468	23%	15%
Average Historic Goodwill and Intangible Assets	8,382	9,027	8%	8%
Total Economic Capital Requirements	26,254	29,496	18%	12%

Average Economic Capital Supply (£m)

	2007	2008	07/06	08/07
Shareholders Equity (excl MI and Goodwill)	14,117	15,072	24%	7%
Preference Shares	3,675	5,027	15%	37%
Capital Adjustments	1,261	1,066	(5%)	(16%)
Available Funds for EC (excl Goodwill)	19,053	21,164	20%	11%
Average Historic Goodwill and Intangible Assets	8,382	9,027	8%	8%
Available Funds for EC	27,435	30,192	16%	10%
Excess of Supply Over Demand	1,182	696	(18%)	(41%)
% Excess of Supply Over Demand	7%	3%	(3%)	(3%)

Commentary

- Supply and demand are closely aligned in 2008
- If we were to close the gap to the equity ratio in 2008 the excess of supply over demand would increase to 4%
- The EC over-ride relates to the estimated effect of the £10bn RWA reduction in the Group Centre
- The increase in AEC in 2008 is driven by Barclays Capital and GRCB Intl
  - Barclays Capital AEC is planned to increase by 36% in 2007 and 28% in 2008 due to increases in Market and Credit Risk and growth in equity investments
  - GRCB Intl high AEC growth is largely driven by rapid expansion in Emerging Markets

A turnaround in Barclays Capital free cash flow between 2007 and 2008 drives the £670m positive Group position

Free Cash Flow (£m)[1]

	2007 RAF	2008 STP	AP Growth 07/06	AP Growth 08/07	RWA Growth Basel I 07/06	RWA Growth Basel II 08/07
UKRB	767	81	3%	5%	1%	3%
BCB	346	271	(3%)	7%	5%	6%
B'card	74	(38)	16%	11%	16%	18%
GRCB Intl	(400)	(79)	(37%)	24%	27%	17%
BarCap	(1,257)	334	9%	4%	28%	5%
BGI	(350)	(65)	13%	14%	82%	8%
Wealth	(127)	(103)	63%	2%	26%	24%
Group Centre	(99)	270	(32%)	(19%)	23%	(250%)
Group	(1,045)	670	(2%)	6%	20%	5%

Commentary

- Barclays Capital's investment in RWAs slows significantly in 2008, with growth falling to 5%. This, combined with the £2.7bn saving from GRCB in 2008, results in £670m positive free cash flow
- In 2007 UKRB receives a £650m benefit to free cash from dividends received from non consolidated subsidiaries, and in 2008 it is impacted by a £225m charge relating to the £500m pension top-up
- Negative free cash flow in 2007 is driven by IB&IM and GRCB Intl
  - Barclays Capital's RWAs increase 28%, while AP increases by 9%
  - BGI's EOP goodwill effect reduces from £442m in 07 to £329m in 08. In addition 07 includes a £155m goodwill effect for the acquisition of IndExchange
  - GRCB Intl's performance is mainly due to Western Europe's investment in RWAs

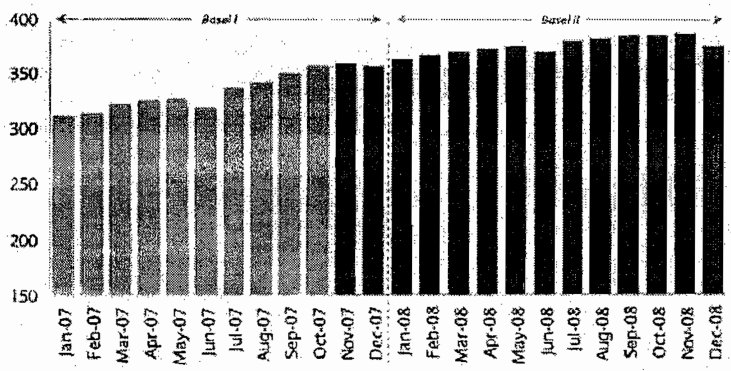
Note: 1) 2008 STP figures excludes the impact of the switch from Basel I to Basel II on 01.01.08

BARCLAYS

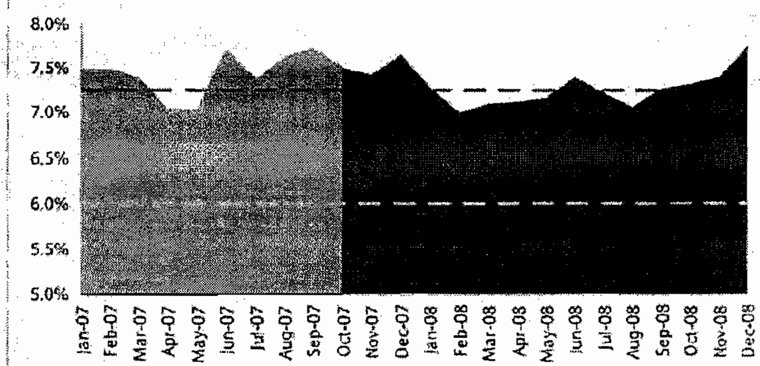
The equity ratio remains below target; capital utilisation will be the subject of further work

Actuals STP/RAF
Reg Floor Internal Target

Monthly Net RWAs (£bn)

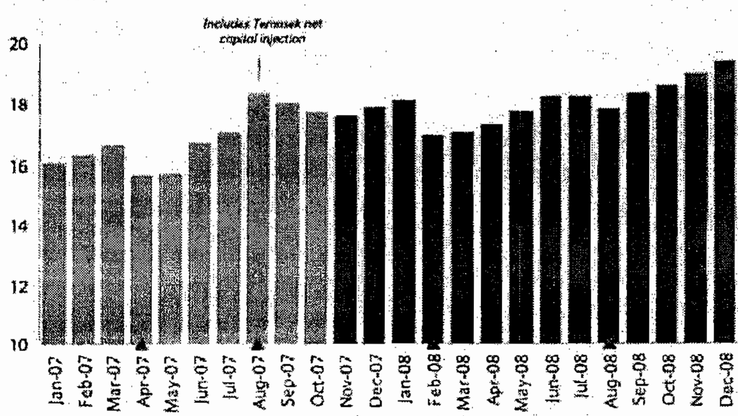


Tier 1 Ratio



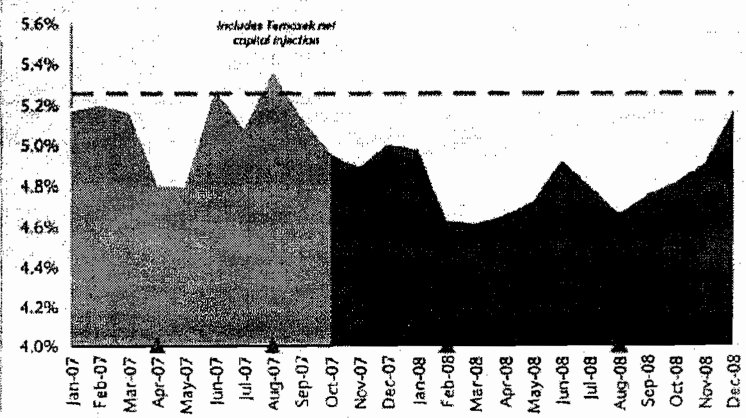
Adjusted Common Equity (£bn)

▲ Dividend Declared



Group Equity Ratio

▲ Dividend Declared



Note: Dividends are recognised on date declared for capital purposes (effective from interim 2007 dividend)

The 2008 STP08 substantially meets our Risk Appetite fulfilling our top-down requirements. RWA growth and capital ratios will need to be managed carefully

Commentary

- PBT is reduced in a one-in-seven and one-in-20 stress by increases in impairment, market, operational and business risk losses.
- The Short Term Plan for 2008 meets our Risk Appetite within acceptable model risk tolerance.
- RWA growth and capital levels are constraining factors. If the MTP RWA challenge is met, the MTP is within Risk Appetite in 2009 and 2010.
- The 1:7 and 1:20 scenarios are appropriately calibrated.

Our proposed top down view of the Group's Risk Appetite is shown below

	Impairment	Loan Loss Rate	Cash Dividend	Dividend Growth	Capital (ACE) Ratios	RWA Growth	Credit Ratings
MTP / Business as usual	25% of net income (approx. £2.6bn in 2008)	60 bps	Dividend paid (2.0x cover)	13% projected growth	5.25% target through the MTP	10%	Unchanged
One-in-seven stress	45%-50% of stressed net income (approx. £4bn in 2008)	In the region of 100 bps (constrained by 1:7 cap ratios)	Dividend paid from current year earnings (~1.4x cover)	Slightly lower growth (10%)	Mid-range ratio (4.8% - 5.0%)	Modest reduction in planned growth (7%)	Unchanged
One-in-20 stress	60%-65% of stressed net income (approx. £5bn in 2008)	In the region of 150 bps (constrained by 1:20 cap ratios)	Dividend paid from current year earnings (~1.1x cover)	Much lower growth (0% - 4%)	Minimum acceptable ratio maintaining AA rating (4.6% – 4.8%)	Substantial reduction in planned growth (3% - 5%)	Unchanged

PBT Requirements to Meet Risk Appetite in 2008, 1-in-7 and 1-in-20 Stress Scenarios

MTP PBT Actual vs Appetite

MTP PBT	Risk Appetite PBT	RAG
7,752	7,680	●

Expected PBT is sufficient to meet our impairment and capital ratio targets across the plan

One-in-Seven Stressed PBT vs Appetite

1-in-7 PBT	Risk Appetite PBT	RAG
4,805	4,821	●

One-in-seven PBT is sufficient to meet our dividend and capital ratio targets. In 2008, MTP net income of £10.4bn less stressed losses of £5.6bn leaves £4.8bn of stressed PBT, which is the level required to meet our objectives

One-in-20 stressed PBT vs Appetite

1-in-20 PBT	Risk Appetite PBT	RAG
3,416	3,628	●

One-in-20 PBT is sufficient to meet our dividend and capital ratio targets within acceptable model risk tolerance. In 2008, MTP net income of £10.4bn less stressed losses of £7.0bn leaves £3.4bn of stressed PBT. We would require £3.6bn of PBT to meet our objectives

2008 EC Supply vs Demand

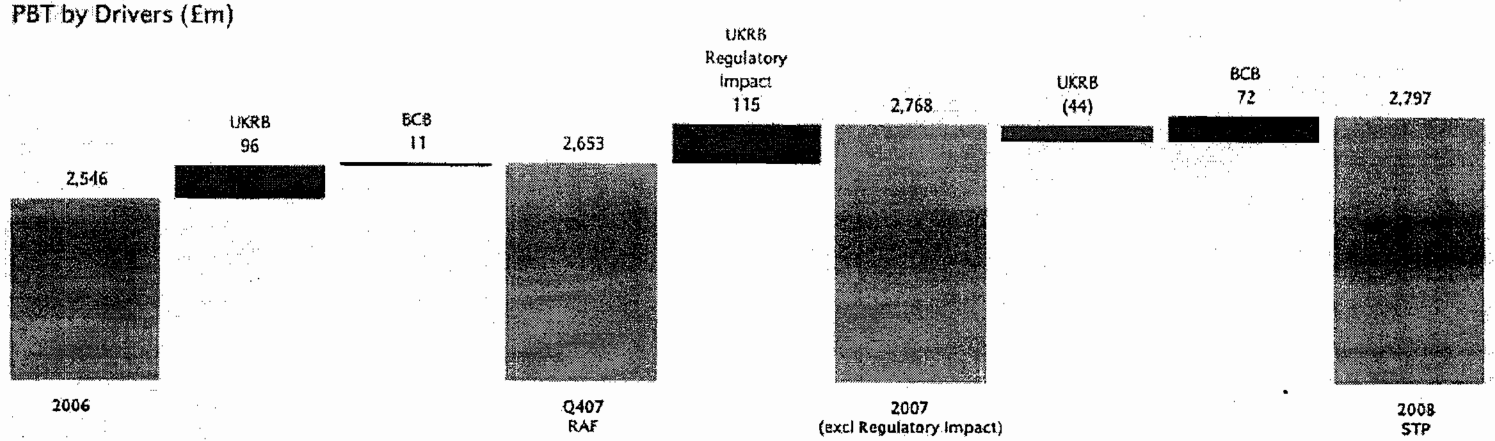
EC Demand	EC Supply	RAG
20,468	21,200	●

Economic capital supply exceeds demand across the plan.

Appendix – Detailed Business Assessments

UK Banking – Financial Overview

PBT by Drivers (£m)

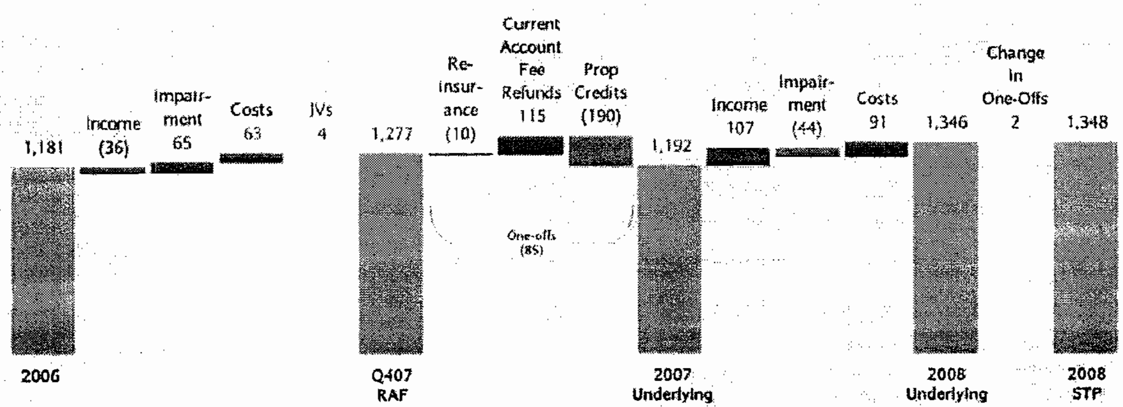


Core P&L (£m)

	2006	2007	2008	07/06	08/07
Income	6,740	6,862	7,302	1.8%	6.4%
Impairment	(887)	(855)	(916)	3.6%	(7.2%)
Operating Costs	(3,389)	(3,371)	(3,594)	0.5%	(6.6%)
PBT	2,546	2,653	2,797	4.2%	5.4%
Attributable Profit	1,993	1,986	2,110	(0.3%)	6.2%
EP	1,326	1,246	1,325	(6.0%)	6.3%
Ig-Cg Delta				2.3%	(0.2%)
CIR	50.3%	49.1%	49.2%	1.1%	(0.1%)
Avg Assets (£bn)	125.7	130.8	145.5	4.0%	11.2%
Avg Liabilities (£bn)	121.3	131.0	141.6	7.9%	8.1%
Net RWAs Basel I (£bn)	89.5	92.7	101.6	(3.5%)	(9.7%)
Net RWAs Basel II (£bn)	-	87.3	91.5	n/m	(4.8%)
AEC (£bn)	6.0	6.6	7.0	10.9%	5.7%
ROEC	32.0%	28.7%	28.8%	(3.4%)	0.1%
FTEs	39,730	39,875	40,294	(1.6%)	(1.1%)

UK Retail Banking – Financial Overview

PBT by Drivers (£m)



Core P&L (£m)

	2006	2007	2008	07/06	08/07
Income	4,346	4,310	4,522	(0.8%)	4.9%
Impairment	(635)	(570)	(614)	10.3%	(7.7%)
Operating Costs	(2,532)	(2,469)	(2,566)	2.5%	(3.9%)
PBT	1,181	1,277	1,348	8.2%	5.6%
Attributable Profit	953	979	1,027	2.7%	4.9%
EP	588	597	624	1.5%	4.6%

	2006	2007	2008	07/06	08/07
Ig-Cg Delta				1.7%	1.0%
CIR	58.3%	57.3%	56.7%	1.0%	0.5%
Avg Assets (£bn)	73.7	77.5	87.1	5.2%	12.4%
Avg Liabilities (£bn)	76.5	83.7	89.3	9.4%	6.7%
Net RWAs Basel I (£bn)	42.6	43.2	50.0	(1.3%)	(15.8%)
Net RWAs Basel II (£bn)	-	30.5	31.3	-	(2.9%)
AEC (£bn)	3.3	3.4	3.6	4.9%	4.9%
ROEC	27.9%	27.3%	27.3%	(0.6%)	(0.0%)
FTEs	31,194	31,048	31,206	0.5%	(0.5%)

Key Features

- 2007 PBT includes an Group allocation of £27m for pension and VAT credit. 2008 includes a smaller £14m pension credit
- 2008 Underlying income growth is reduced due the impact of revised overdraft strategy, reduced PPI income, reallocation of income to BCB and margin pressure in Home Finance despite solid balance growth
- Modest cost growth, improved Ig-Cg and continued year on year CIR reduction is supported by reduced SI spend down from £257m in 07 to £145m in 08
- On a net basis there is no reliance on one-off items within the plan. Property credits reduce £150m (which included £15m of Woolwich credits for 07) in 08 to £40m and the benefits of 06 & 07 Reinsurance transactions (£43m & £49m), unwind impacting 08 by (-£38m)

Potential Risks to Plan 2008

- No provision is included from 08 onwards for Current Account Fee Refunds pending the outcome of the Jan 08 review. The future regulatory impact on the plan is potentially significant but difficult to estimate with certainty
- Further regulatory actions (e.g. Sanctions, PPI or BFP) will jeopardise plan delivery
- Regulatory & competitor pressure on overdraft strategy & pricing
- Large dependency on balance sheet driven income
- Market & competitor pressure on projected income growth
- Rising delinquencies levels & falling collections due to macro environment
- Oversubscription of GRCB / Group SI demand versus cap
- Set-up costs relating to in-house management of offshore operations

UK Retail Banking – Plan Drivers

Volume & Margin Analysis

Average Balances (£bn)	2006	2007	2008	07/06	08/07
Overdrafts	2.7	2.5	2.6	(4.8%)	1.0%
Loans	11.3	10.0	9.8	(11.3%)	(2.3%)
Mortgages	59.8	65.0	74.8	8.7%	15.1%
Total Customer Loans	73.7	77.5	87.1	5.2%	12.4%
Current Accounts	20.3	21.3	22.2	4.8%	4.3%
Savings	56.2	62.4	67.1	11.1%	7.6%
Total Customer Deposits	76.5	83.7	89.3	9.4%	6.7%

Net Interest Margin	2006	2007	2008	07/06	08/07
Overdrafts	4.37%	4.59%	3.37%	0.22%	(1.22%)
Loans	4.98%	4.93%	4.92%	(0.05%)	(0.01%)
Mortgages	0.49%	0.47%	0.42%	(0.02%)	(0.05%)
Average Customer Loans	1.32%	1.18%	1.01%	(0.14%)	(0.16%)
Current Accounts	4.17%	4.22%	4.50%	0.05%	0.28%
Savings	1.28%	1.33%	1.35%	0.05%	0.02%
Average Customer Deposits	2.05%	2.07%	2.14%	0.02%	0.07%
Total NII	2,765	2,848	3,019	3.0%	6.0%
Other Income	1,581	1,462	1,503	(7.5%)	2.8%
Total Income	4,346	4,310	4,522	(0.8%)	4.9%

Other Metrics

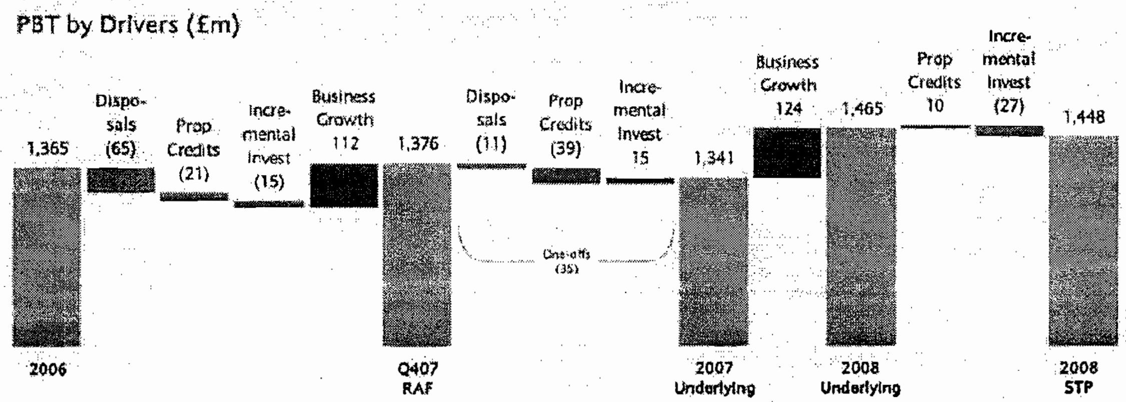
	2006	2007	2008
Number of current accounts (m)	11.5	11.8	12.1
Number of BFP Policy sales (000s)	106.3	113.4	153.5
Local Bus Start ups (000s)	78.0	86.2	92.5
Local Bus Switchers (000s)	23.2	27.2	27.3
Unsecured Barclay Loans (£m) All channels	3,491	3,098	3,113
PPI Penetration % - B'loan	47.0%	39.3%	40.0%
Insurance Household Sales (000s)	357	251	248
Mortgage Gross Market share (%)	5.4%	6.3%	7.5%
Mortgage Net Market share (%)	2.2%	7.0%	11.0%

Initiatives

- Business strategy over the period is to focus on driving benefits from investments to date through 2007/08, and then self-fund continued platform upgrades. Key priorities are
  - New propositions. Priorities for H108 are to launch the new strategic current account product in order to move us beyond current regulatory challenges, and drive the innovative new mass affluent Premier offering to support investment sales growth
  - Creating a retail oriented branch network. This encompasses culture change (via the Real Retail initiative launched Q307 and the new incentives scheme introduced Q107), skills enhancement (commenced Q107), and premises refresh (via the Branch of the Future programme)
  - Rebuild acquired business lines of Unsecured Loans and Barclays Financial Planning. Both businesses have significant medium term potential
  - Operational transformation. Significant change has already been effected in rationalising sites and processes, stabilising offshore operations, and commencing Lean Barclays programme. The customer service benefits must now be fully realised
  - Strategic Investment. In 2008, although Retail will continue essential investments (regulatory, commercial risk, infrastructure repair) there will be a much stronger emphasis on direct revenue generating initiatives

Barclays Commercial Bank – Financial Overview

PBT by Drivers (£m)



Core P&L (£m)

	2006	2007	2008	07/06	08/07
Income	2,394	2,552	2,779	6.6%	8.9%
Impairment	(252)	(285)	(302)	(13.2%)	(6.0%)
Operating Costs	(857)	(902)	(1,028)	(5.3%)	(13.9%)
PBT	1,365	1,376	1,448	0.8%	5.3%
Attributable Profit	1,039	1,007	1,082	(3.1%)	7.5%
EP	738	649	701	(12.0%)	7.9%
Ig-Cg Delta				1.3%	(5.0%)
IG-Cg Delta excl Property Credits				4.0%	(1.4%)
CIR	35.8%	35.4%	37.0%	0.4%	(1.6%)
Avg Assets (£bn)	52.0	53.3	58.4	2.4%	9.6%
Avg Liabilities (£bn)	44.8	47.3	52.3	5.4%	10.6%
Net RWAs Basel I (£bn)	46.9	49.5	51.7	(5.5%)	(4.4%)
Net RWAs Basel II (£bn)	-	56.9	60.2	n/m	(5.9%)
AEC (£bn)	2.7	3.2	3.4	18.1%	6.6%
ROEC	37.0%	30.1%	30.4%	(6.9%)	0.3%
FTEs[3]	8,036	8,827	9,089	(9.8%)	(3.0%)

Key Features

- 2008 PBT of £1,448m delivers underlying growth of 6%[1] when adjusting for disposal profits in 2007 (5% on a headline basis)
- Income growth of 9% in 2008 assumes strong debt and deposit growth in LB and MB&A and steady margins
- Impairment growth is 6% in 2008 (+£17m), broadly in line with PBT growth and 3% lower than income growth
- Cost growth is 14%[1] reflecting the need to invest in the business, one-off credits in 2007 and higher internal allocations. Investment is in increased geographic coverage, product development and brand, and supporting infrastructure to drive future income growth
- The underlying cost: income ratio increases by 0.5% after adjusting for property credits and business disposals (increase is 1.6% on a headline basis). The increase reflects higher investment in 2008
- RWA growth (6%) is 3% below income growth

Risks & Opportunities

- Ambitious balance sheet growth targets are substantially above 2007 RAF and 2008 market rates - planned average debt balance growth of 10% (v market assumption 6%); planned average deposit balance growth of 11% (v market assumption 7%)
- Ungrounded challenges in the 2008 plan: Income £27m; Costs £20m

Notes: 1) Adjusting for property credits, business disposals and increased internal allocations, underlying PBT growth is 10%, cost growth 8%, and the cost: income ratio falls by 0.4%. 3) 2006 excludes 923 of Global Payment FTEs

Barclays Commercial Bank – Plan Drivers

Volume & Margin Analysis

Average Balances	2006[1]	2007	2008	07/06	08/07
Larger Business	30,477	32,167	35,323	5.5%	9.8%
Medium Business	12,519	12,592	13,574	0.6%	7.8%
Asset & Sales Finance	7,936	8,499	9,676	7.1%	13.8%
Total Customer Loans	50,932	53,258	58,369	4.6%	9.6%
Larger Business	28,053	29,583	32,837	5.5%	11.0%
Medium Business	16,786	17,679	19,432	5.3%	9.9%
Asset & Sales Finance					
Total Customer Deposits	44,839	47,261	52,269	5.4%	10.6%
Net Interest Margin					
Larger Business	1.46%	1.38%	1.25%	(0.07%)	(0.13%)
Medium Business	2.66%	2.52%	2.46%	(0.14%)	(0.06%)
Asset & Sales Finance	2.18%	2.59%	2.61%	0.41%	0.03%
Average Customer Loans[2]	1.87%	1.84%	1.76%	(0.03%)	(0.09%)
Larger Business	1.24%	1.29%	1.28%	0.05%	(0.00%)
Medium Business	1.84%	1.88%	1.86%	0.04%	(0.02%)
Asset & Sales Finance					
Average Customer Deposits	1.46%	1.51%	1.50%	0.05%	(0.01%)
Total NII	1,675	1,754	1,875	4.7%	6.9%
Other Income	689	798	904	[illegible]	[illegible]
Total Income	2,364	2,552	2,779	8.0%	8.9%

Other Metrics

Customer Market Share (% by Vol)	2006	2007	2008
Larger Business	26.0%	26.0%	26.0%
Medium Business	26.0%	25.5%	26.2%
Asset & Sales Finance	10.0%	10.5%	11.7%
Total FTEs (excl Bus Centre & Global Payments)			
Larger Business	1,043	1,021	1,134
Medium Business	2,201	1,528	1,726
Asset & Sales Finance	1,061	988	1,179
No of Customers			
Larger Business	9,000	9,500	9,500
Medium Business	51,000	53,000	56,500
Asset & Sales Finance	29,385	32,985	37,559

Initiatives

Strategic Investment spend in 2008 reflects a balance between systems, product and efficiency initiatives, and increased geographic coverage

Systems

- Three large programmes will be run in relation to the on-line channel, comprising BIB remediation, development of the on-line portal, and the new corporate internet banking channel (Phoenix)

Product

- Initiatives are required to address gaps in the product set, improve margin management in deposits, and restore debt growth (by refreshing the product set, improving the pricing and reviewing the risk appetite)
- New product initiatives include the development of a cross border bulk payment and collection product (project Sunshine), an electronic payments solution for banks (FI European Gateway), and a global trade platform will be created and rolled out across the Commercial Bank

Efficiency

- The Lean Programme will be embedded throughout the business, to drive operational efficiency
- The debt growth initiatives will be supported by major Infrastructure projects to renew the lending platform in BCB (Strategic Lending Platform programme) and at BASF (replacement of the Sales Finance core systems)
- The control environment will continue to improve

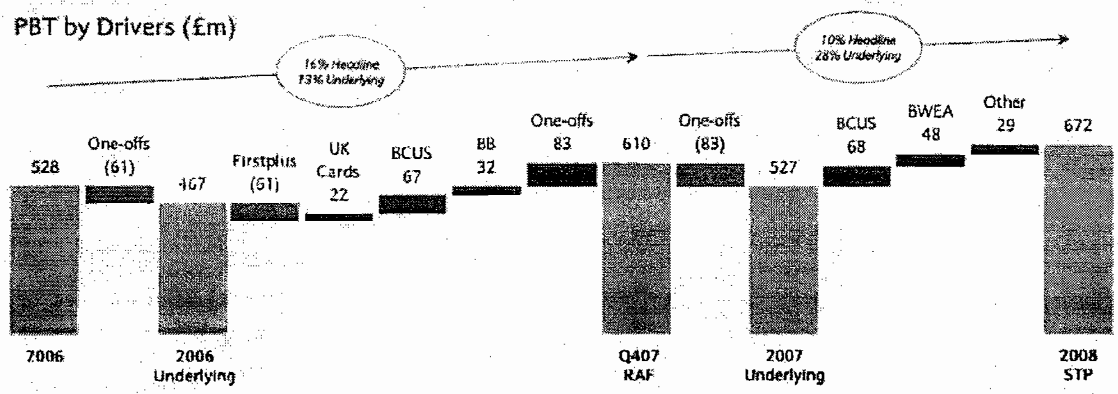
Geographic Coverage

- Sales coverage to be extended through investment in new sales sites and an increase in front-line staff. Initiatives include improving the sales force capability (training & tools), enhancing specialist (product) support coverage, and providing effective customer segmentation

Note: 1) 2006 excl Perendie and Appleyard. 2) Average Customer Loans margins are on an IFRS basis and include the impact of changes in accounting methodology. Underlying margins are broadly flat

Barclaycard – Financial Overview

PBT by Drivers (£m)



Core P&L (£m)

	2006	2007	2008	07/06	08/07
Income	2,685	2,698	2,987	0.5%	10.7%
Impairment	(1,081)	(885)	(1,039)	18.1%	(17.4%)
Operating Costs	(1,067)	(1,193)	(1,267)	(11.8%)	(6.2%)
PBT	528	610	672	15.5%	10.2%
Attributable Profit	379	440	486	16.0%	10.5%
EP	161	208	222	29.3%	7.2%
Jg-Cg Delta				(11.3%)	4.4%
CIR	39.8%	44.2%	42.4%	(4.5%)	1.8%
Avg Assets (£bn)	18.4	19.7	22.5	7.2%	14.0%
Avg Liabilities (£bn)	-	-	-	-	-
Net RWAs Basel I (£bn)	15.9	18.5	22.5	(16.3%)	(21.6%)
Net RWAs Basel II (£bn)	-	19.4	22.9	-	(18.0%)
AEC (£bn)	2.0	2.1	2.3	5.0%	10.0%
ROEC	17.5%	19.5%	19.5%	1.9%	(0.0%)
FTEs	10,601	10,482	10,744	1.1%	(2.5%)

Note: 2006 One-offs: £38m - Gain on property disposal, £15m - Gain on MasterCard IPO, £8m - RAI (Income - Impairment) on Monument trading £61m - Net benefit released to P&L. 2007 One-offs: £127m - Impairment methodology (though £15m crystallises within income), (£27m) - Monument loss on disposal, (£8m)- RAI on Monument trading (loss), (£12m) - Cost of exiting Peterloo House, £3m - Further release of property gain, £83m - Net benefit released to P&L

Key Features

- Delivery of the 2007 £610m PBT commitment is on track and exceeds the restated 07 STP target (£587m)
- 2008 PBT of £672m delivers 10% headline improvement in PBT vs 07
- The B'card US business remains on track to deliver the market commitment of $150m PBT in 08
- 2008 income growth is driven by the international businesses; BCUS income grows 45% with 30% growth in assets; BWE income grows 29% with 40% growth in assets and Absa income grows 18% with 45% growth in assets
- The CIR is expected to improve from 44.2% to 42.4% in 08 due to cost control initiatives

Risks & Opportunities

- The plan contains a number of Risks but also Opportunities. In particular:
  - Regulatory rulings on Interchange and Payment Protection Insurance constitute the largest risk to our Plan (BB and FirstPlus in particular)
  - the principal opportunity arises from inorganic opportunities being considered (BB in particular)

Barclaycard – Plan Drivers

Volume & Margin Analysis

Average Gross Customer Balances	2006	2007	2008	07/06	08/07
UK Cards	9,678	8,614	8,762	(11.0%)	1.7%
First Plus	3,355	4,305	4,749	28.3%	10.3%
Barclaycard US	1,664	2,432	3,166	46.2%	30.2%
Barclaycard Western Europe	1,406	1,526	2,079	8.5%	36.2%
Absa	506	685	981	35.4%	43.2%
Other[1]	1,812	2,186	2,779	20.6%	27.1%
Total Average Gross Customer Balances	18,421	19,748	22,516	7.2%	14.0%
Net Interest Margin					
UK Cards	9.1%	8.6%	8.0%	(0.5%)	(0.5%)
First Plus	1.9%	1.8%	2.1%	(0.1%)	0.3%
Barclaycard US	7.1%	7.3%	8.1%	0.2%	0.9%
Barclaycard Western Europe	10.5%	11.3%	10.7%	0.8%	(0.6%)
Absa	12.2%	11.2%	10.0%	(1.1%)	(1.1%)
Other[1]	9.9%	9.9%	8.9%	0.0%	(0.9%)
Total Net Interest Margin	7.9%	7.4%	7.2%	(0.5%)	(0.1%)
Total NII	1,447	1,456	1,630	0.6%	12.0%
Other Income	1,238	1,242	1,356	0.3%	9.2%
Total Income	2,685	2,698	2,987	0.5%	10.7%

Impairment as % of Gross Outstanding	2006	2007	2008
UK Cards	8.0%	5.4%	5.8%
First Plus	2.6%	3.3%	3.0%
Barclaycard US	4.3%	4.3%	5.1%
Barclaycard Western Europe	4.3%	4.6%	4.7%
Absa	2.7%	5.5%	3.9%
Active Accounts			
UK Cards	6,203	5,680	5,597
First Plus	97	118	133
Barclaycard US	1,447	2,414	3,302
Barclaycard Western Europe	858	905	1,153
Absa	1,321	1,551	1,624

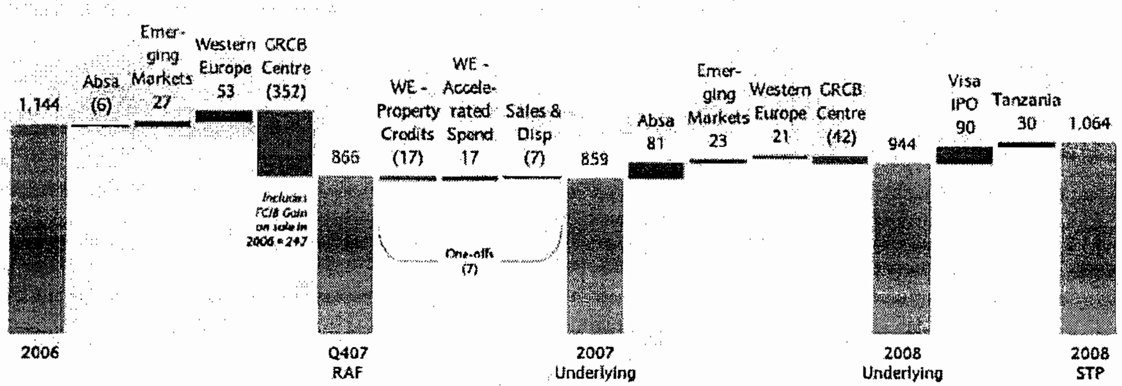
Initiatives

- UK Cards: Focus on customer segmentation and product innovation to deliver market share growth. Refocus on brand awareness in market place. Channel development through internet and branch. Key product initiatives include Dr/Cr, dual lending, contactless and branch franchise development
- FirstPlus: The business remains under significant pressure with tight management of underwriting policies and recent draw-back from highly profitable further-advance segment. Recent credit market events mean Pantheon is not built into plan
- BCUS: On target to breakeven in 2007 and deliver the $150m 2008 market commitment. Strategic focus remains on partnership development (medium and large) and development of the middle market open customer strategy
- BWE: Core focus remains on Western Europe, with support for Emerging Markets cards roll-out in central and Eastern Europe. We continue to work with GRCB Western Europe on development of the loans cross-sell proposition. Strategy will be delivered through mass-customisation of products and channels and dynamic approach to proposition roll-out
- Absa: Challenging environment with upward interest rate cycle and National Credit Act restricting ability to aggressively grow income line. In this context we will focus on customer retention strategies, increased utilisation of existing credit lines and leveraging the branch network to grow recruitment
- UK Partnerships: The business remains challenged by the macro-economic environment, the impact of poorer credit recruitment in early waves working through the P&L and a lack of scale. The business is aggressively managing down costs until income trajectory stabilises, at which point reinvestment can be made to scale up and come out of the 'j' curve
- Acquiring: Maintain and grow position as #6 Global Acquirer through focus on 5 key priorities: Internationalisation, Internet product & channel development, BCB synergy exploitation and other distribution optimisation, Product innovation including 'owning contactless', Operational excellence and cost reduction. Inorganic opportunities are outside of the plan but we continue to actively pursue
- Commercial Card: Product innovation includes plans for MasterCard and multi-currency (Euro/USD) issuance, multi-lingual servicing, in-country issuance in domestic markets. Interchange impacts assumed not to hit before Q109, and held as risk to plan

Notes: 1) Partnerships, Commercial Cards, CFS and Marine

GRCB Intl – Financial Overview

PBT by Drivers (£m)



Core P&L (£m)

	2006	2007	2008	07/06	08/07
Income	3,075	3,309	3,798	7.6%	14.8%
Impairment	(153)	(200)	(349)	(30.6%)	(74.6%)
Operating Costs	(2,073)	(2,255)	(2,511)	(8.8%)	(11.4%)
JVs	295	12	126	(95.9%)	>200%
PBT	1,144	866	1,064	(24.3%)	22.8%
Attributable Profit	671	423	522	(37.0%)	23.5%
EP	468	148	161	(68.3%)	8.3%
Ig-Cg Delta				(1.2%)	3.4%
CIR	67.4%	68.1%	66.1%	(0.7%)	2.0%
Avg Assets (£bn)	50.5	58.7	71.0	16.3%	20.9%
Avg Liabilities (£bn)	24.3	24.4	29.9	0.5%	22.6%
Net RWAs Basel I (£bn)	41.9	53.1	67.3	(26.7%)	(26.8%)
Net RWAs Basel II (£bn)	-	54.5	64.0	n/m	(17.4%)
AEC (£bn)	1.9	2.5	3.2	31.7%	30.5%
ROEC	34.3%	15.6%	14.6%	(18.7%)	(1.0%)
FTEs[1]	54,347	76,130	90,392	(40.1%)	(18.7%)

Note: 1) Direct sales agents FTE remains under review

Key Features

- Integral part of GRCB plan with increased focus on expansion of international businesses and reducing dependency on the UK
- Absa PBT growth of 13% in 08 is a key driver of growth (and includes a lower impact from the depreciation in the Rand in 08). Key initiatives include increasing cross-sell and cost saving initiatives
- Major branch expansion is planned across all international countries and is a driver of growth in Emerging Markets (08 PBT growth of 16%) and Western Europe (08 PBT growth of 6%). Fees & Commissions will be an area of focus in Western Europe, especially given the focus on expansion of premier branches in all four countries
- Strong impairment growth is driven by business expansion as well as tightening credit conditions in South Africa

Risks

- Timely implementation of IT systems in Emerging Markets including credit systems and core banking platform to support more sophisticated product offering
- Depreciation in the currencies
- Absa margin pressure and potential further tightening of the credit and regulatory environment (including competition commission outcome regarding the cost of banking services)

Opportunities

- Enter new geographies with a particular focus on Asia and Eastern Europe through organic growth and small acquisitions
- Explore opportunities to leverage China Development Bank relationship
- Further improve cross-sell ratios

GRCB Intl – Plan Drivers

Volume & Margin Analysis

Average Balances (£m)	2006	2007	2008	07/06	08/07
Absa	23,646	24,966	28,426	5.6%	13.9%
Emerging Markets	3,058	4,261	6,208	39.3%	45.7%
Western Europe	23,812	29,506	36,380	23.9%	23.3%
Total Customer Loans	50,517	58,737	71,014	16.3%	20.9%
Absa	13,833	11,699	13,070	(15.4%)	11.7%
Emerging Markets	4,098	5,359	7,374	30.8%	37.6%
Western Europe	6,365	7,348	9,466	15.4%	28.8%
Total Customer Deposits	24,296	24,406	29,910	0.5%	22.6%

Net Interest Margin	2006	2007	2008	07/06	08/07
Absa	2.6%	2.5%	2.7%	(0.1%)	0.3%
Emerging Markets	7.1%	6.8%	6.5%	(0.3%)	(0.3%)
Western Europe	0.9%	0.9%	1.0%	0.0%	0.1%
Average Customer Loans	2.1%	2.0%	2.2%	(0.1%)	0.2%
Absa	1.9%	3.1%	2.6%	1.2%	(0.5%)
Emerging Markets	0.4%	0.4%	0.7%	0.1%	0.3%
Western Europe	1.7%	1.6%	1.6%	(0.1%)	(0.0%)
Average Customer Deposits	1.6%	2.0%	1.8%	0.5%	(0.3%)
Total NII	1,585	1,735	2,143	9.5%	23.5%
Other Income	1,490	1,574	1,655	5.7%	5.1%
Total Income	3,075	3,309	3,798	7.6%	14.8%

Other Metrics

No of Branches	2006	2007	2008
Absa	830	1,008	1,301
Emerging Markets	214	530	761
Western Europe	650	795	1,034
Customer Numbers (£m)			
Absa	7.9	8.9	9.8
Emerging Markets	0.9	1.7	3.5
Western Europe	0.7	0.9	1.1
ATM's			
Absa	7,100	7,279	7,481
Emerging Markets	294	816	1,328
Western Europe	131	669	706

Initiatives

Absa Retail

- Deliver growth through focus on niche opportunities (black middle-market, micro loans & SME)
- Driving market penetration in below potential markets of cards & wealth management
- Improve home loan profitability through customer retention, business process management, strategic pricing & risk differentiated valuation models
- Focus on managing credit risk in a more demanding cycle
- Implement product efficiency programme through review of processes to drive sustainable customer service improvement and efficiencies
- Corporate – Diversifying income streams. Developing product capabilities and drive further industry specialisation
- Absa Financial Service – position Absa with a leading Bancassurance model, with a focus on driving cross-sell and boosting alternative revenue streams whilst maintaining superior returns

Emerging Markets

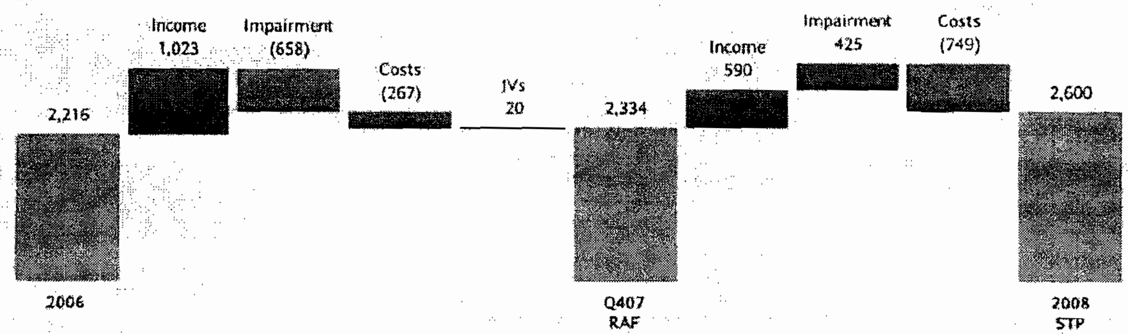
- Expansion through branch and ATM roll-out and differentiated proposition (product offer, speed of response, quality of service) with clearly targeted segments
- Common base proposition across Emerging Markets giving common customer experience and service
- Systems implementation to new group core banking platform, upgrading of talent and effective recruitment, enhanced control and governance framework

Western Europe

- Continued investment in distribution network – Branch, ATM and Relationship Manager growth as well as an increase in focus on Premier branches and offering
- Development of the product offering with focus on growth in unsecured lending and card expansion
- SME segment focus in Spain and Portugal
- Investment in cost optimisation projects

Barclays Capital

PBT by Drivers (£m)



Core P&L (£m)

	2006	2007	2008	07/06	08/07
Income	6,267	7,290	7,880	16.3%	8.1%
Impairment	(42)	(700)	(275)	<(200%)	60.7%
Operating Costs	(4,009)	(4,276)	(5,025)	(6.7%)	(17.5%)
PBT	2,216	2,334	2,600	5.3%	11.4%
Attributable Profit	1,605	1,744	1,821	8.7%	4.4%
EP	1,181	1,186	1,087	0.5%	(8.4%)
Rg-Cg delta				(0.8%)	(2.1%)
Ig-Cg Delta				9.7%	(9.4%)
Cost Net Revenue Ratio	64.0%	58.7%	63.8%	5.3%	(5.1%)
Net RWAs Basel I (£bn)	140.4	180.0	205.0	(28.2%)	(13.9%)
Net RWAs Basel II (£bn)	-	180.0	188.5	-	(4.7%)
AEC (£bn)	3.8	5.2	6.6	36.5%	28.2%
ROEC	41.1%	32.6%	26.2%	(8.6%)	(6.4%)
FTEs	13,200	16,700	19,400	(26.5%)	(16.2%)

Key Features

- 2007 PBT is forecast to be in line with the STP and 2008 PBT in line with the commitment made in 2006
- ROEC is forecast to be 33% in 2007 and 26% in 2008
- AEC is planned to increase by 37% in 2007 and 28% in 2008 due to increases in market and credit risk and growth in equity investments
- 2007 attributable profit benefited from a £0.1bn tax impact (Project Pilgrim) which will not recur in 2008. The tax charge will increase as the proportion of non-UK income increases

Risks & Opportunities

- Barclays Capital is not immune from the downside effects of prolonged turmoil in the credit markets in 2007 and 2008
- There is a risk the global economy could be impacted and the contagion of liquidity issue could spread to other asset classes
- There is evidence of a "flight to quality" which Barclays Capital is well placed to benefit from

Barclays Capital *(cont'd)*

Income by Asset Class (£m)

Income	2006	2007	2008	07/06	08/07
Credit Products	1,761	1,100	1,800	(38%)	64%
Interest Rate Products	1,018	1,760	1,580	73%	(10%)
Equity Financing & Derivatives	938	1,725	1,300	84%	(25%)
Commodities	741	900	1,200	21%	33%
Currency Products	526	900	700	71%	(22%)
Emerging Markets	494	665	750	35%	13%
RMBS, CMBS & ABS	323	(100)	250	(131%)	nm
Private Equity	466	340	300	(27%)	(12%)
Total	6,267	7,290	7,880	16%	8%

Other Metrics

	2006	2007	2008	07/06	08/07
Staff Cost : Net Income	52%	53%	53%	(1%)	(0%)
Comp Costs : Net Income	49%	49%	50%	(0%)	(1%)
Average DVaR	37	45	65	(21%)	(44%)
Income / Average DVaR	169	162	121	(4%)	(25%)
Net income/ Average FTE (£000)[1]	560	494	467	(12%)	(5%)

Initiatives

- 8% expected growth in 2008 driven by strong growth across commodities and the recovery of credit products and mortgages, despite the softer market, due to restructuring opportunities and the broader footprint in Asia
- There will be less reliance on contribution from the UK and other established markets as greater geographical diversification is achieved, with continuing growth in Asia and opportunities to gain market share in the US
- Barclays Capital will continue to differentiate itself through technology, talent and culture
- Barclays Capital continues to consider both organic and inorganic means of achieving strategy

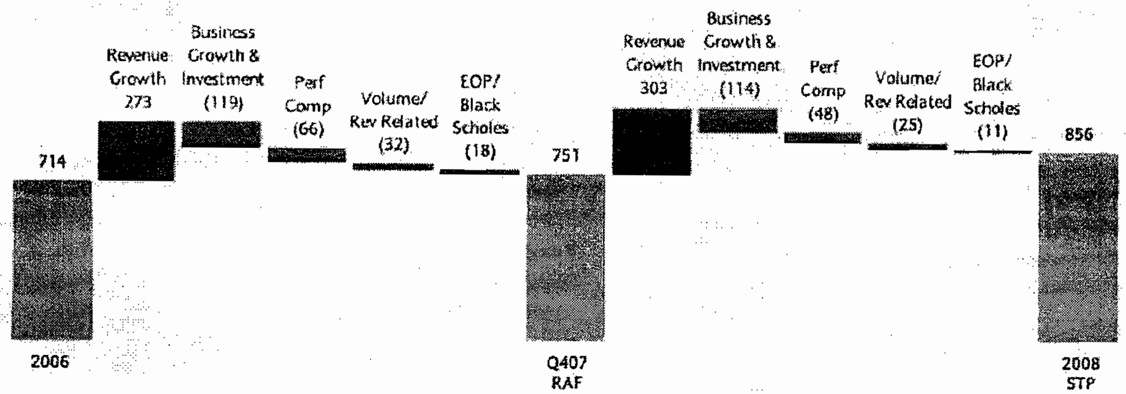
KPIs

- Staff cost and compensation costs ratios are expected to remain broadly flat
- Average DVaR will increase due to strategic interest rate positioning, business growth and a reduced diversification benefit

Note: 1) Excludes data from HomEq and EquiFirst

BGI

PBT by Drivers (£m)



Core P&L (£m)

	2006	2007	2008	07/06	08/07
Income	1,665	1,937	2,240	16.4%	15.6%
Cost	(951)	(1,186)	(1,384)	(24.7%)	(16.7%)
PBT	714	751	856	5.2%	14.0%
Attributable Profit	395	448	511	13.4%	14.0%
EP	376	425	473	13.0%	11.5%
Ig-Cg Delta				(8.4%)	(1.0%)
CIR	57.1%	61.2%	61.8%	(4.1%)	(0.6%)
AUM (bn)	927.0	991.0	1,079.0	6.9%	8.8%
Net RWAs Basel I (£bn)	1.4	2.5	3.1	(81.8%)	(24.0%)
Net RWAs Basel II (£bn)	-	4.8	5.2	-	(8.3%)
AEC (£bn)	0.2	0.2	0.3	8.0%	61.2%
ROEC	228.5%	239.9%	169.0%	11.4%	(70.9%)
FTEs	3,177	3,900	4,400	(22.8%)	(12.8%)

Key Features

- 2008 PBT increases £105m, or 14%, over 2007 RAF driven by net new business, impact of positive market move in 2007 and investment in revenue-generating initiatives
- Income growth of £303m, or 16%, in 2008 is attributable to full year impact of 2007 net new business as well as broad-based net new revenue in 2008 across products, distribution channels and geographies
  - We are assuming investment performance is equivalent to 75% of target alpha for the remainder of 2007 and for full year 2008
  - In particular, the iShares and active businesses are driving income growth
- Costs are anticipated to increase £198m, or 17%, in 2008 due to business growth and investment, performance compensation, volume and EOP (Black-Scholes charge)
  - Business investment in 2008 is driven by aggressive investment in iShares, talent acquisition for other key initiatives, as well as ongoing spend on infrastructure and operating platforms as a result of continued growth

BGI *(cont'd)*

Revenue and AUM Analysis

Income (£m)	2006	2007	2008	07/06	08/07
Management Fees	1,286	1,463	1,671	13.7%	14.3%
Performance Fees	186	270	311	45.2%	15.0%
Value Chain & Other Income	244	286	352	17.0%	23.1%
Contra Revenue	(62)	(72)	(76)	16.3%	5.0%
Net Interest Income	10	(9)	(18)	(190.5%)	94.3%
Total Income	1,665	1,937	2,240	16.4%	15.6%
Period End AUM (£bn)					
Index (excl ETFs)	566	577	617	1.9%	6.9%
ETFs	147	187	226	27.1%	21.0%
Active	214	227	236	6.1%	3.8%
Total AUM	927	991	1,079	6.9%	8.8%
Net New Assets (£bn)					
Index (excl ETFs)	(5)	25	31	589.4%	24.4%
ETFs	31	29	36	(8.2%)	26.3%
Active	11	(4)	5	(133.3%)	243.6%
Total Net New Assets	37	50	73	34.7%	45.2%
Total Revenue Yield (BPs)	18.0	20.2	21.6	12.4%	7.0%

Other Metrics[1]

	2006	2007	2008
Income per FTE (£'000s)	580	548	540
Cost per FTE (£'000s)	(331)	(335)	(334)

Plan Overview

Plan is in alignment with key market trends and is focused on product expansion, channel expansion & operating platform alignment

- Product expansion: iShares, Active Equity, and Alternatives
  - Maintain iShares' leadership position (US & Europe) through brand differentiation & product innovation
  - New product development and distribution (Alternatives & Active)
  - Continue partnering with Barclays Wealth in relation to iShares, Cash and Elite Portfolios
- Channel expansion
  - Continental Europe: expand distribution opportunities
  - Japan: focus on core asset management
  - US Defined Contributions: provide institutional-quality solutions
- Operating Platform
  - Focus on talent development at all levels and align technology with business needs

Risks

- ETF competition & pricing pressure increasing
- Investment performance does not recover
- Capacity issues resulting in product expansion constraints
- Holdings thresholds impact equity positions
- Strong institutional penetration limits growth opportunities
- Attraction and retention of top industry talent

Note: 1) Other Metrics are calculated using managed FTEs rather than reported

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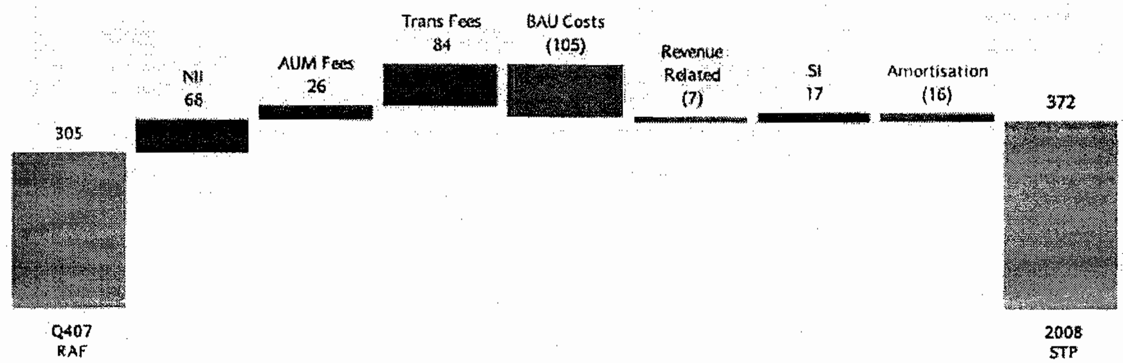
Barclays Wealth

PBT by Drivers (£m)



Core P&L (£m)

	2006	2007	2008	07/06	08/07
Income	1,160	1,273	1,451	9.7%	14.0%
Impairment	(2)	(4)	(5)	(80.8%)	(35.0%)
Operating Costs	(913)	(964)	(1,074)	(5.6%)	(11.4%)
PBT	245	305	372	24.2%	21.9%
Attributable Profit	180	292	297	62.6%	1.7%
EP	131	227	221	73.6%	(2.6%)
Ig-Cg Delta				4.1%	2.6%
CIR	78.7%	75.7%	74.0%	2.9%	1.7%
Avg Assets (£bn)	5.5	7.5	9.6	35.2%	28.0%
Avg Liabilities (£bn)	27.7	30.5	34.7	10.0%	13.8%
Net RWAs Basel I (£bn)	6.5	8.2	10.6	(26.1%)	(29.2%)
Net RWAs Basel II (£bn)	-	8.2	10.1	-	(23.6%)
AEC (£bn)	0.4	0.6	0.7	30.3%	16.7%
ROEC	39.9%	50.0%	43.4%	10.1%	(6.6%)
FTEs	6,600	7,100	7,100	(7.6%)	(0.0%)

Key Features

- Strong PBT growth driven by revenue growth and supported by increased front office hiring, improved product and more effectively leveraging Group synergies through referral of clients from GRCB and utilisation of Barclays Capital & BGI capability
- Net Interest Income increases through the period driven principally by balance growth
- Higher transactional volume income and increased AUM fees consistent with expected increase of Client Assets over plan period
- Cost growth reflects the investment in people, product and infrastructure required to support continued business growth

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Barclays Wealth *(cont'd)*

Volume & Margin Analysis

Average Balances (£bn)	2006	2007	2008	07/06	08/07
Deposits	28	31	35	10.0%	13.8%
Lending	6	7	10	35.2%	28.0%
Net Interest Margin					
Deposits	1.11%	1.06%	1.03%	(5) bps	(3) bps
Lending	1.06%	1.09%	1.04%	3 bps	(5) bps
Balances					
Total Client Assets (£bn)	116	133	152	14.3%	14.6%
Total NII	392	425	492	8.3%	15.7%
Other Income	768	848	959	10.4%	13.1%
Total Income	1,160	1,273	1,451	9.7%	14.0%

Other Metrics

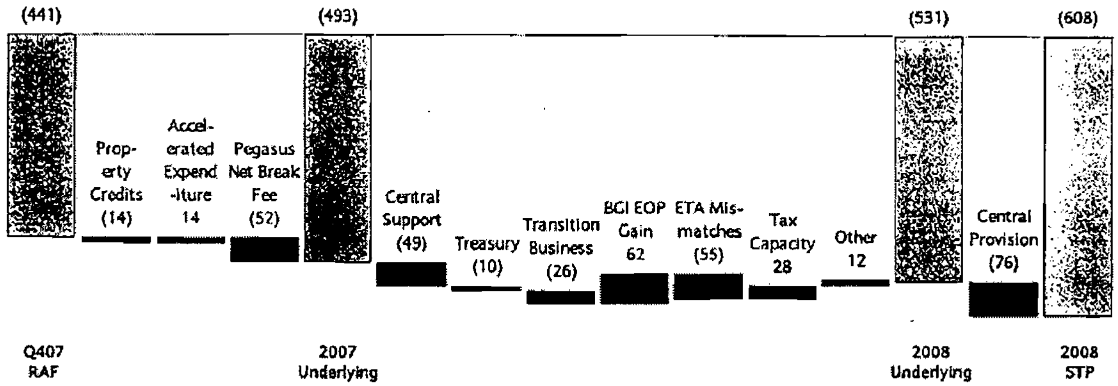
KPIs	2006	2007	2008
Total Deposits (£bn)	28.4	34.4	36.7
Total Loans (£bn)	6.1	8.3	10.5
Total Client Assets (£bn)	116.1	132.8	152.1
Total Revenue Producers	871	1,230	1,450
Revenue per Banker (IHNW)	na	1.1	1.0
Revenue per Banker (UK HNW)	na	1.6	1.3
Revenue per Banker (UK Affluent)	na	0.7	0.7
Avg Daily Deal Volume (Direct)	7,250	7,633	10,500

Initiatives

- Growth continues to be largely organic and strategy is based on a 7 step plan
  1) Best team on the Field
  2) Focus on Client,
  3) World Class Product
  4) World Class Platform
  5) Culture of Excellence
  6) Leveraging the 'Family Silver', and
  7) Wealth Brand
- Main growth engines will be
  - Balance growth: strong deposits, AUMs and loans growth supported by higher transactional volumes and fees & commissions
  - Increased front office hiring and productivity
  - Continued strong growth in UK and geographical expansion in Western Europe, Middle East and Asia
  - Leveraging Group synergies (Barclays Capital, BGI & GRCB)
  - Tight cost control: positive jaws over plan
- Referral of clients from GRCB (High Net Worth from France & Spain), utilisation of Barclays Capital through sale of structured products (key area of growth) and launch of BGI Elite fund for Wealth
- Robust growth in UK and International Private Banking and Wealth Intermediaries

Group Centre

PBT by Drivers (£m)



PBT (£m)

	2006	2007	2008	07/06	08/07
Central Support	(193)	(237)	(287)	(23%)	(21%)
Pegasus Break Fee		52	0	n/m	(100%)
Treasury	62	(49)	(59)	(179%)	(21%)
Transition Business	40	24	(2)	(39%)	(107%)
Grossed Up Tax Savings	(87)	(174)	(175)	(100%)	(1%)
Central Asymmetry	(60)	(42)	(21)	30%	50%
BCI EOP Exercise Gain	18	23	85	24%	>200%
ETA Mismatches	10	0	(55)	(100%)	n/m
Tax Capacity	(27)	(28)	0	(4%)	100%
Pension Adjustment	(3)	1	0	119%	(100%)
Central Provison			(76)	n/m	n/m
Other	(20)	(10)	(18)	47%	(71%)
Group Centre inc Absa	(259)	(441)	(608)	(70%)	(38%)

Key Features

- The underlying performance is broadly in line with 2007. Loss before tax growth in 2008 is largely driven by:
  - Central Provision of £76m in 2008
  - One-off £52m Pegasus break fee in 2007, net of associated integration costs held in Central Support
- Inflation and staff related increases within Central Support have been absorbed by greater efficiency savings
- Consolidation adjustments include ETA mismatch provision in 2008 of £55m which is partly offset by BCI EOP exercise gain. This gain results from higher exercise prices as fewer number of unexercised options remain in earlier tranches which have a lower exercise price

EXHIBIT 130

FILED UNDER SEAL

From:	Stone, Jonathan: Barclays Treasury (LDN) [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=STONEJ]
Sent:	Tuesday, March 11, 2008 6:02:43 PM
To:	Varley, John: Barclays PLC; Diamond, Bob: Barclays Capital; Seegers, Frits: Barclays PLC; Idzik, Paul: Barclays Group; Lucas, Chris: Barclays PLC
CC:	Britton, Jonathan: Barclays PLC
Subject:	ExCo Capital Management Presentation
Attachments:	ExCo Away Day Mar 08 Presentation v7.ppt

Please find attached the latest version of the Capital Plan for discussion at the Group Exco on Thursday.

Regards,

Jon

ExCo Away Day
Mar 08 Present...

Document Produced in Native Format

2008 Capital Plan Update

March 2008

The original STP capital plan assumed a minimum RWA capacity of GBP21bn in March and an 4.89% equity ratio with flexibility to bring forward or raise further subordinated capital.

Capital Plan			Dec 07	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Dec 08
			Forecast							
UK Retail Banking			30.5	30.5	30.6	30.7	30.8	30.9	30.9	31.3
Barclays Commercial Bank			56.9	57.5	58.2	58.8	59.5	60.2	60.8	60.2
Barclaycard (incl. ABSA Cards)			19.4	19.7	20.1	20.5	20.9	21.3	22.5	22.9
ABSA			21.1	21.4	21.6	21.8	21.8	22.0	22.2	23.4
Western Europe			23.5	24.0	24.6	25.2	25.8	26.4	27.0	30.0
Emerging Markets			9.6	9.6	9.6	9.6	9.6	9.6	9.6	11.7
GRCB Centre & Inorganic			0.3	0.2	0.1	(0.1)	(0.2)	(0.3)	0.3	(1.1)
GRCB Total RWAs (£bn)			161.2	162.9	164.7	166.6	168.2	170.0	173.4	178.4
Barclays Capital (incl. ABSA Capital)			180.0	190.0	190.0	190.0	190.0	190.0	184.40	188.8
Barclays Global Investors			4.8	4.9	4.9	5.0	5.1	5.1	5.2	5.2
Wealth			8.2	8.3	8.5	8.6	8.8	8.9	9.0	10.1
IBIM Total RWAs (£bn)			193.0	203.2	203.4	203.6	203.8	204.0	198.6	204.1
Group Centre RWAs (Incl central override)			4.1	4.0	3.8	3.6	3.4	3.3	(0.8)	(6.0)
Total Group RWAs (STP)			358.3	370.1	371.9	373.8	375.5	377.4	371.2	376.5
Capital Issuance & Redemptions						Monthly Movement				Half 2
Capital Redemptions (£m)			(985)			(445)				(600)
Capital Issuance (£m)			5,809	1,000		1,500		1,000		1,500
Ratios	**Floor**	**Target**								
Equity Ratio		5.25%	4.94%	4.90%	4.58%	4.53%	4.58%	4.66%	4.89%	5.14%
Tier 1 Ratio – (Fed)	6.0%		7.12%	7.04%	6.66%	6.76%	6.80%	6.90%	7.18%	7.61%
Tier 1 Ratio – (FSA)		7.25%	7.30%	7.19%	6.93%	7.01%	7.04%	7.12%	7.39%	7.74%
Risk Asset Ratio	10%	11.0%	10.9%	10.9%	10.6%	11.0%	11.0%	11.2%	11.6%	12.0%
Minimum RWA capacity over Fed floors			30.3	31.6	21.5	35.7	37.3	46.7	58.5	73.3

Capital Plan (STP)

- GRCB RWAs increase by £12.2bn (7.5%) to June
- IBIM RWAs increase £4.2bn (2.7%) to June
- Equity ratio falls to 4.89% (after central over-ride of £4.4bn RWAs)
- Final dividend of £1.5bn deducted from reserves in Feb '08 results in 40bp reduction of the Group Equity ratio
- Solus RWA buffer remains well ahead of the Group capacity.
- Action to improve equity ratio for Dec '07 with knock on benefit for Jun and Dec '08 was put in place, for example £135m accelerated dividends from insurance companies paid during December.

The short term capital plan reflects the revised flight path for Barclays Capital which reduces the Group's RWA buffer to the Fed floor to £16bn and June equity ratio to 4.5%

Capital Plan			Dec 07	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08
			Actual	Actual	Flash	Forecast			
UK Retail Banking			31.4	31.9	31.6	31.5	31.4	31.2	31.1
Barclays Commercial Bank			56.7	56.4	58.0	58.8	59.6	60.4	61.3
Barclaycard (incl. ABSA Cards)			21.3	20.9	20.7	20.8	20.7	20.6	21.3
ABSA			17.8	16.7	17.8	18.3	18.9	19.5	20.1
Western Europe			24.0	24.9	25.9	26.5	27.0	27.5	28.1
Emerging Markets			10.4	11.3	10.7	10.5	10.2	10.0	9.7
GRCB Centre & Inorganic			0.4	0.5	0.1	0.6	2.9	3.4	4.6
GRCB Total RWAs (£bn)			162.0	162.5	164.9	167.0	170.7	172.6	176.1
Barclays Capital (incl. ABSA Capital)			178.2	190.5	197.5	200.7	205.4	207.0	205.8
Barclays Global Investors			4.4	4.1	6.7	6.8	6.9	6.9	7.0
Wealth			8.2	8.4	8.5	8.6	8.8	8.9	9.0
IBIM Total RWAs (£bn)			190.8	203.0	212.7	216.1	221.0	222.8	221.8
Group Centre RWAs			1.0	2.5	2.5	2.5	2.5	2.4	2.4
Total Group RWAs (STP)			353.8	368.0	380.1	385.7	394.2	397.8	400.3
Capital Issuance & Redemptions			FY	← Monthly Movements →					
Capital Redemptions (£m)			(985)			(445)			
Capital Issuance (£m)			5,809*	1,377	1,000	350	650	850	
Ratios	**Floor**	**Target**							
Equity Ratio		5.25%	5.09%	4.94%	4.40%	4.38%	4.37%	4.44%	4.53%
Tier 1 Ratio – (Fed)	6.0%		7.35%	7.10%	6.39%	6.35%	6.50%	6.58%	6.67%
Tier 1 Ratio – (FSA)		7.25%	7.56%	7.33%	6.67%	6.59%	6.70%	6.75%	6.82%
Risk Asset Ratio	10%	11.0%	11.24%	11.28%	10.65%	10.40%	10.43%	10.65%	10.73%
Minimum RWA capacity over Fed floors			44.0	46.9	24.8	15.5	17.1	25.9	29.1
Max reduction in core equity to Fed floors			4.0	3.4	1.2	1.1	1.7	1.9	2.3

Capital movements since the STP

Favourable Capital Movements

(£0.7bn Equity & Total Capital)

- £0.4bn Tax on Expected Loss, taken in reserves
- Hedge Strategy for ESAS changed to include tax generating £0.3bn

Adverse Capital Movements

(£0.8bn Equity and £3.5bn Total capital)

- Barclays Capital own credit deduction from equity increased by £0.6bn (PAT) compared to plan for 2008, and cumulatively £1bn. The forecast assumes no further gains for own credit that do not qualify for regulatory equity.
- Barclays Capital RWA flight path increased by £25bn to June '08 with savings to deliver
- £0.1bn of equity issuance in H1 for Batho Bonke delayed to 2009
- BGI fund guarantees resulting in deductions from total capital of £0.2bn
- Project Equator (ABSA) will complete in June, £0.5bn RWAs (£42m goodwill).
- Project Telescope (Barclaycard) will be completed in April, £1.7bn RWAs (Negative £60m goodwill)

Capital Issuance Plan

- £1.1bn issuance accelerated to H108 (net of deceleration in ABSA)

* Includes £3.2bn for Basel 2

Plan revised to raise a further £1.4bn of capital in March which would improve the Group RWA buffer to £29bn in March and raises the June equity ratio by 20bps to 4.71%

Capital Plan

			Dec 07	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08
			Actual	Actual	Flash	Forecast			
UK Retail Banking			31.4	31.9	31.6	31.5	31.4	31.2	31.1
Barclays Commercial Bank			56.7	56.4	58.0	58.8	59.6	60.4	61.3
Barclaycard (incl. ABSA Cards)			21.3	20.9	20.7	20.8	20.7	20.6	21.3
ABSA			17.8	16.7	17.8	18.3	18.9	19.5	20.1
Western Europe			24.0	24.9	25.9	26.5	27.0	27.5	28.1
Emerging Markets			10.4	11.3	10.7	10.5	10.2	10.0	9.7
GRCB Centre & Inorganic			0.4	0.5	0.1	0.6	2.9	3.4	4.6
GRCB Total RWAs (£bn)			162.0	162.5	164.9	167.0	170.7	172.6	176.1
Barclays Capital (incl. ABSA Capital)			178.2	190.5	197.5	200.7	205.4	207.0	205.8
Barclays Global Investors			4.4	4.1	6.7	6.8	6.9	6.9	7.0
Wealth			8.2	8.4	8.5	8.6	8.8	8.9	9.0
IBIM Total RWAs (£bn)			190.8	203.0	212.7	216.1	221.0	222.8	221.8
Group Centre RWAs			1.0	2.5	2.5	2.5	2.5	2.4	2.4
Total Group RWAs (STP)			353.8	368.0	380.1	385.7	394.2	397.8	400.3
Capital Issuance & Redemptions			FY	← Monthly Movements →					
Capital Redemptions (£m)			(985)			(445)			
Capital Issuance (£m)			5,809	1,377	1,000	1,750	1,000		
Ratios	**Floor**	**Target**							
Equity Ratio		5.25%	5.09%	4.94%	4.40%	4.58%	4.56%	4.63%	4.71%
Tier 1 Ratio – (Fed)	6.0%		7.35%	7.10%	6.39%	6.58%	6.83%	6.90%	6.99%
Tier 1 Ratio – (FSA)		7.25%	7.56%	7.33%	6.67%	6.78%	6.98%	7.02%	7.10%
Risk Asset Ratio	10%	11.0%	11.24%	11.28%	10.65%	10.76%	10.88%	10.88%	10.95%
Minimum RWA capacity over Fed floors			44.0	46.9	24.8	29.5	34.6	34.9	38.1
Max reduction in core equity Fed floors			4.0	3.4	1.2	1.9	2.8	3.0	3.4

Proposed changes to the capital plan

Further subordinated capital issuance in March

- Raise £650m of Upper Tier 2 (UT2) from the US market at spreads of c370bp above mid swaps (bringing forward the £850m May issue).
- The previous Sterling UT2 in Feb '08 was issued at mid-swaps +300bp. UK investors will be concerned at raising in USD UT2 at higher levels

Further Equity Capital release in March

- Release £750m equity by hedging the ESAS award through derivative replacing current equity hedging

Further preference share capital issuance in April

- Upsize the US Retail preference share issue in April to $2bn.

Through the market disruption the Group has raised £8.9bn of subordinated capital, however the continued volatility and investor appetite makes further proposed issuance difficult

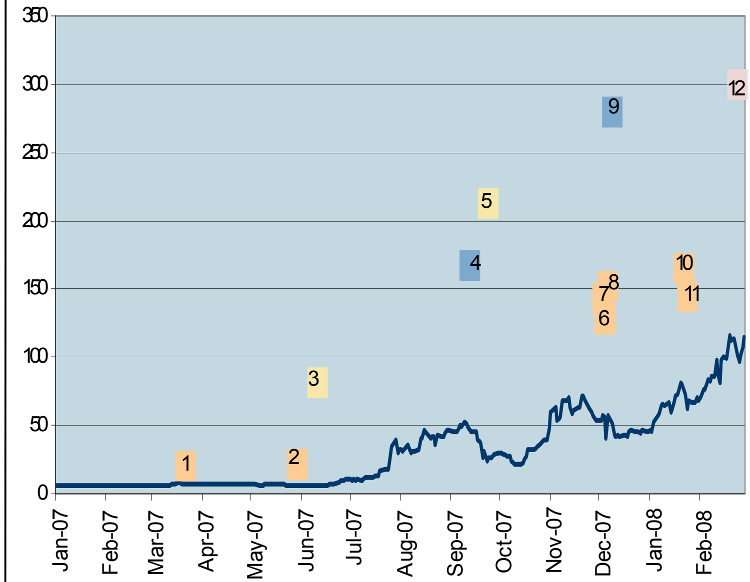
Institutional Preference Shares and Upper Tier 2 – March '08

- The sterling preference share market closed following the nationalisation of Northern Rock and the Governments subsequent legislation that included preference shares with ordinary shares. Given this UK investors were not prepared to buy preference shares until the subsequent compensation agreement to preference shareholders has been announced.
- Some US investors are aware of the concerns of UK investors and indicated their lack of interest in the same instrument. Nevertheless, market sentiment has weakened as investors take the view that senior and lower tier 2 issues are offering comparatively better yields than subordinated issues.
- As a consequence of the lack of preference share interest we switched our planned issuance to a sterling upper tier 2 instrument and closed a £1bn issue at mid swaps + 300bps.
- The preference share market remains closed and therefore we have reverted to a US$ upper tier 2 issue in March. Spreads have widened significantly and current pricing would suggest a $2bn issue would be in the region of mid swaps +370bps.
- We are concerned how UK investors in the previous £ upper tier 2 issue will react to a US$ transaction pricing at the wider spread.

US Retail Preference Share – April '08

- We are booked in the US Retail preference share calendar to launch an issue on 7th April. The issue will follow an issue rumoured to be HSBC which will be a jumbo $2bn transaction.
- Having spoken to the book runner (Citi) and Merrill Lynch they are confident that we will be able to close a $2bn transaction after HSBC and this should not significantly impact the pricing. Current guidance is a coupon of 7 5/8% - 7.75% this equates to mid swaps + 271bps - 283bps which is slightly tighter than level we issued at in November 2007 which was 7.75% or mid swaps +279pbs.
- The incremental issuance will increase the Groups exposure to subordinated credit spreads to approx. $4m CS01.

Barclays 5 year Senior CDS and subordinated capital issuance levels



Ref	Issue	CCY	Amount (£m)	Pricing Over LIBOR (bps)	Pricing Over CDS (bps)
1	LT2	US$	743	20	13
2	LT2	€	1,050	22	16
3	RCI	£	500	81	75
4	Pref	US$	681	167	121
5	RCI	US$	620	213	187
6	LT2	US$	483	128	72
7	LT2	US$	603	143	86
8	LT2	£	500	152	95
9	Pref	US$	556	279	222
10	LT2	€	1,225	165	90
11	LT2	€	70	145	83
12	UT2	£	1,000	300	198

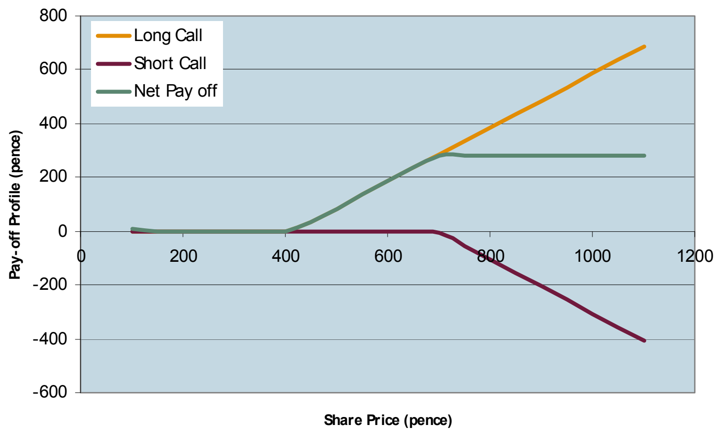
The proposed restructuring of the ESAS stock hedge to a derivative may release up to £750m of equity although with this will be earnings dilutive approx. 1.5p and the Group would have residual risk should the stock price rise over approx. 586p

- The ESAS award is currently hedged through holding stock which is cancelled on consolidation against the Groups equity capital at the historic price.
- It is proposed that the physical stock holding would be replaced with a derivative hedge with a third-party which does not lead to an equity deduction from Group reserves.

Issues and risks considerations

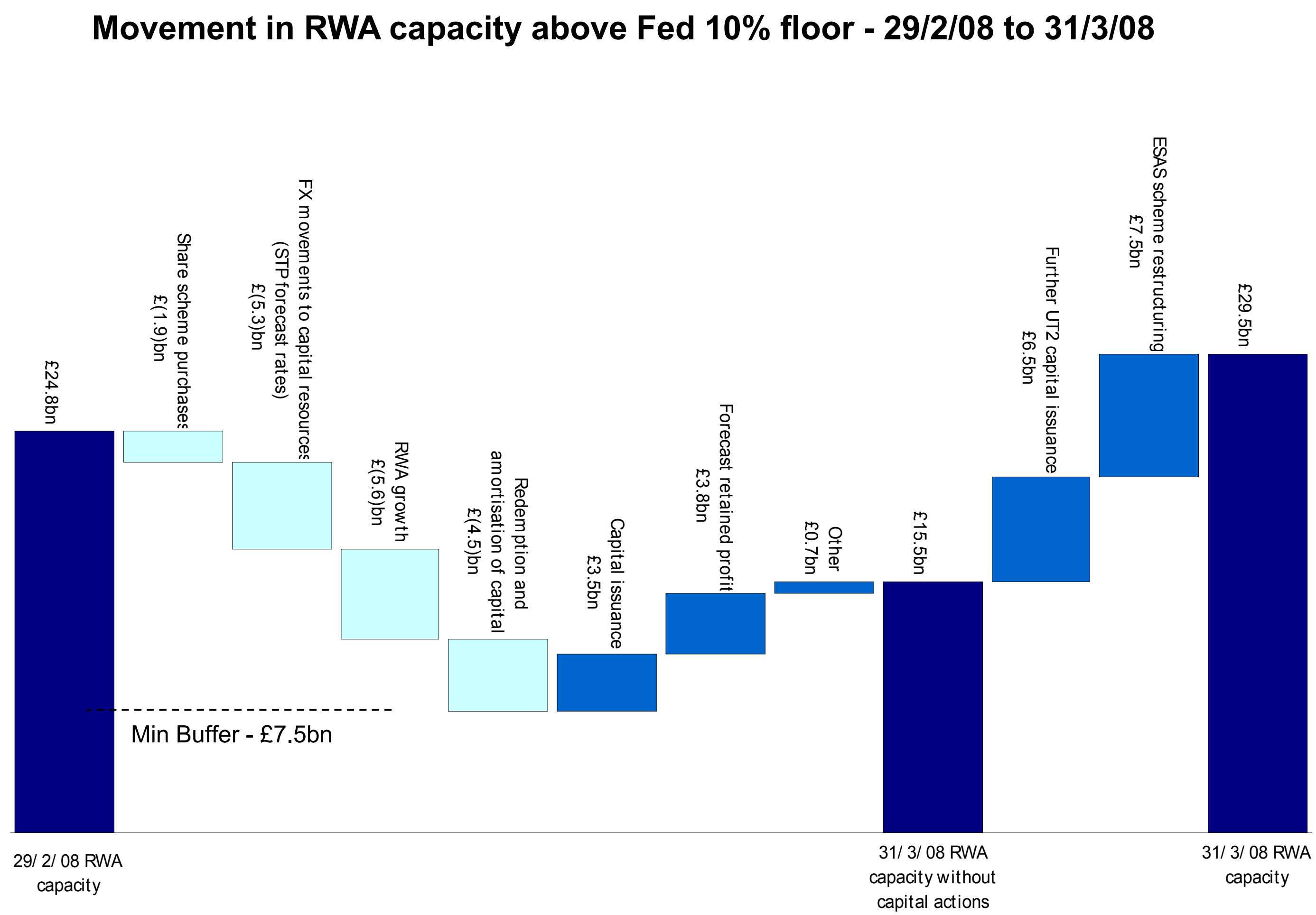
- The equity relief achieved is determined by the market price on sale of the stock net of the premium paid for the option hedge. Therefore as the stock price rises the greater the equity relief achieved. The current stock price should be a consideration in determining the optimum timing of restructuring the hedge.
- The long call / short call structure proposed reduces the premium of an outright call option. However this introduces a new risk that if the stock rises over the strike price of the short call option the Group would be required to buy stock to hedge the short call above the short call strike price. Any purchase would be a deduction from equity.
- The pricing of the structure has not been give to a third-party and therefore final equity relief an cost may vary.
- In order to unwind the physical hedge the Group would have to sell some of the stock to the hedge provider some of which will be used for the hedge and the balance would be sold into the market. The Group may need to make an RNS announcement of the stock sale.
- Confirm with the trustees of the scheme that they are happy with the propose hedging arrangements.
- Before execution we will need to complete accounting (including PwC sign off), tax, legal and HR due diligence currently in progress.

Pay off Profile of Long Call / Short Call Hedge



Insert scenario analysis of the premium v's short call strike

The Group RWA capacity through March remains tight until further capital raising is complete and profit generated.



RWA Capacity above Fed 10%

- Share acquisition for ESAS awards.
- Forecast RWA capacity assumes no further reductions for own credit gains (which do not qualify for regulatory equity).
- FX movement reflects the plan forecast exchange rates for USD and EUR. If rates stay at current levels the RWA buffer will improve by £5.3bn at the end of March. Specifically the €/£ exchange rate in the forecast is 1.4 while the current rate is 1.31.
- Notice to call outstanding upper tier 2 capital instrument due to be released around 23rd March.
- £350m of lower tier 2 in the plan, EUR70m delivered to date.

To target an Equity ratio of 5.0% for June '08 after the proposed capital raising, the Group needs to reduce RWA's by £23bn or increase Equity by £1.2bn

Capital Plan			Dec 07 Actual	Jan 08 Actual	Feb 08 Flash	Jun 08 Forecast	Jun 08 Revised
UK Retail Banking			31.4	31.9	31.6	31.1	31.1
Barclays Commercial Bank			56.7	56.4	58.0	61.3	61.3
Barclaycard (incl. ABSA Cards)			21.3	20.9	20.7	21.3	21.3
ABSA			17.8	16.7	17.8	20.1	20.1
Western Europe			24.0	24.9	25.9	28.1	28.1
Emerging Markets			10.4	11.3	10.7	9.7	9.7
GRCB Centre & Inorganic			0.4	0.5	0.1	4.6	4.6
GRCB Total RWAs (£bn)			162.0	162.5	164.9	176.1	176.1
Barclays Capital (incl. ABSA Capital)			178.2	190.5	197.5	205.8	205.8
Barclays Global Investors			4.4	4.1	6.7	7.0	7.0
Wealth			8.2	8.4	8.5	9.0	9.0
IBIM Total RWAs (£bn)			190.8	203.0	212.7	221.8	221.8
Group Centre RWAs			1.0	2.5	2.5	2.4	2.4
Total Group RWAs (STP)			353.8	368.0	380.1	400.3	400.3
Capital Issuance							
Capital Issuance (£m)			5,809	1,377	1,000	0	1,200
Ratios	**Floor**	**Target**					
Equity Ratio		5.25%	5.09%	4.94%	4.40%	4.71%	5.01%
Tier 1 Ratio – (Fed)	6.0%		7.35%	7.10%	6.39%	6.99%	7.35%
Tier 1 Ratio – (FSA)		7.25%	7.56%	7.33%	6.67%	7.10%	7.40%
Risk Asset Ratio	10%	11.0%	11.24%	11.28%	10.65%	10.95%	11.25%
Minimum RWA capacity over Fed floors			44.0	46.9	24.7	38.1	50.1
Max reduction in core equity to Fed floors			4.0	3.4	1.2	3.4	4.6

Changes required to deliver 5.0% equity ratio

- Reduce RWAs by £23bn
- Issue equity of £1.2bn
- The increase in the Group equity ratio will also lift the Group Tier 1 to 7.4% in line with the Groups stated target of 7.25%

Group Equity Ratio Sensitivity

BP	RWAs Saving	Capital Generation	PBT Gain
15	£11bn	£0.6bn	£0.8
30	£21bn	£1.2bn	£1.7
50	£35bn	£1.9bn	£2.6

To achieve a 50bp improvement in equity ratio requires a £36bn reduction in RWAs or £1.9bn increase to equity.

Options	Description	Opportunity (RWA equivalent)	Cost (PBT) / £1bn RWA	Timescale	Comment
Restrict new business growth	Limit RWA growth accepting reduced P&L	TBC	TBC	H1 2008	Set challenge to the businesses to reduce current RWA growth. In addition, Barclays Capital to provide scenario analysis to reduce RWAs by £5bn, £10bn, £15bn at one week's notice.
Reduce existing customer RWAs	Reduce existing customer asset, accepting reduced P&L	TBC	TBC	H1 2008	
Securitisation	Increase UK Card and bring forward US Card issuance plan	£1bn	£2.6m	Dec 08	Market remains difficult given US sub prime and Northern Rock.
Business Disposals	Dispose of selective non-core business assets	TBC	TBC	H2 2008 - 2009	Need to review options
BGI EOP	Third party to purchase shares in BGI off staff, backed by TRS with Barclays	Up to £6bn	TBC	Split H1 and H2 2008	Detailed analysis needs to be completed. Provides equity capital relief but creates third party minority holding in BGI
SCRIP dividend	Offer a SCRIP dividend instead of the DRIP option for the 2009 interim dividend.	£3.5bn	(£2.6m)	H2 2009	Opportunity assumes 20% of interim dividend is taken as scrip. Requires AGM approval to introduce new scheme, 2008 AGM already planned. Could do EGM
Issue equity	Up to £1.5bn of equity can be issued for cash without shareholder approval.	£29bn	(£2.6m)	H1 2008	Pre-emption rules limit issuance to 5% of share capital, renewed at the April AGM.

While the proposed capital plan re-builds the Group RWA capacity for June 2008 the buffers in July and August remain low. Proposed solution is to accelerate issuance in the second half

Capital Plan

			Jun 08 Forecast	Jul 08 Forecast	Aug 08 Forecast	Dec 08 Forecast
UK Retail Banking			31.1	31.1	31.2	31.3
Barclays Commercial Bank			61.3	61.5	61.7	60.8
Barclaycard (incl. ABSA Cards)			21.3	20.9	21.1	22.5
ABSA			20.1	20.2	20.3	20.7
Western Europe			28.1	28.4	28.7	30.0
Emerging Markets			9.7	10.0	10.3	11.5
Other RWAs			4.6	3.0	1.0	(2.0)
GRCB Total RWAs (Incl. GRCB Centre) (£bn)			176.1	175.1	174.2	174.7
Barclays Capital (incl. ABSA Capital)			205.8	210.1	208.6	204.9
Barclays Global Investors			7.0	7.0	7.0	7.0
Wealth			9.0	9.2	9.4	10.1
IBIM Total RWAs (£bn)			221.8	226.3	225.0	222.0
Group Centre RWAs			2.4	2.4	2.4	2.5
Total Group RWAs (STP)			400.3	403.8	401.6	399.2
Capital Issuance & Redemptions				Monthly		Period
Capital Redemptions (£m)			(445)	(645)		(645)
Capital Issuance (£m, including ABSA)					333	1,900
Ratios	**Floor**	**Target**				
Equity Ratio		5.25%	4.71%	4.58%	4.51%	4.91%
Tier 1 Ratio – (Fed)	6.0%		6.99%	6.83%	6.75%	7.37%
Tier 1 Ratio – (FSA)		7.25%	7.10%	6.95%	6.88%	7.49%
Risk Asset Ratio	10%	11.0%	10.95%	10.60%	10.64%	11.44%
Minimum RWA capacity over Fed floors			38.1	24.2	25.6	57.3
Maximum reduction in core equity			3.4	2.4	2.5	4.7

Proposed changes

- H2 issuance is brought forward.
  - Preference share, either upsize the April issuance to £1bn, or issue further preference share in June
  - Issue Tier 2 capital in July during closed period

Assumptions

- 2008 Attributable profit is £4.7bn (in line with STP) assuming no further increase or reduction in Barclays Capital own credit losses from Feb '08
- Basel II expected loss / impairment deduction remains in line with STP (£1.5bn)
- The triennial actuarial review results in no more than £500m equity capital deduction in H2 for increased pension contributions
- Tier 2 accelerated to March and £750m equity raised via ESAS
- The impact of Sirius, Equator, Telescope on RWAs and capital resources have been absorbed within existing RWA forecasts

Delivery of the Capital Plan relies upon accurate business forecasts which will inevitably be subject to variance for external market factors and changing business plans.

Risk	Description	Potential Impact (RWA equivalent)		Comment
		Upside	Downside	
P&L Out-turn	Risk that actual P&L will be below RAF	£0bn	£1.0bn	Capital plan assumes £380m attributable profit per month. £200m reduced PBT is roughly equivalent to £1.0bn RWAs
RWA Growth	Risk that RWA growth is faster than plan	£0bn	£5.0bn	Capital plan assumes that GRCB will absorb the impact of Sirius. Barclays Capital assume £16bn and £36bn of RWA savings in Half 1 and Half 2 2008 respectively
Expected Loss	Deduction for Expected Loss greater than Collective Impairment	£0.5bn	£4.0bn	Barclays Capital RWAs are forecast to be c£25bn ahead of flight path. EL forecast has yet to be updated but likely to increase by up to £400m. Some benefit may derive from refinement of models and processes, although this may already be factored into business plans.
FX Sensitivity	Revaluation of capital and RWAs for FX movements	£5.0bn	£1.0	Capital plan assumes US, EUR and ZAR FX rates are 2.04, 1.40 and 14.6 respectively. Strengthening EUR and USD benefits the capital ratios. If FX rates remain at end Feb levels (USD1.99, EUR1.34), the capital plan will show c£5bn benefit to RWA buffer. Weakening ZAR benefits the capital ratios. If FX rate stays at c16 then capital ratios will show c£1bn benefit to RWA buffer
Unexpected One Off Loss	Potential for unbudgeted large loss	£0.0bn	£2.5bn	Group Risk calculated the risk of a one off loss in Credit, Market and Operational risk to 1 in 20 year confidence. Allowing for correlation across risk types, this produced up to £640m post tax loss
Basel 2 Rule Waivers	IMM Repo waiver may be further delayed	£0.0bn	£4bn	IMM Repo waiver is expected to deliver £4bn of RWA relief from May 08. However there is a risk that the FSA decline or defer the waiver beyond June
Pillar 1 Pension Risk	Deduction required to support the pension scheme	£0.0bn	£5bn	Capital plan assumes the pension scheme will be in deficit and that Group will agree in July to raise annual contributions to c£400m, an extra £50m pa in excess of the IFRS service cost, leading to a deduction of £50m * 10 years = £500m. Risk is that higher contributions are agreed.
Committed Facilities	Drawdown of corporate facilities and liquidity lines	£0.0bn	£10.0bn	Est. provided by BarCap to reflect risk of drawdown on committed liquidity lines.
Change to Risk Models	Under Basel 2, changes to model inputs for PD and LGD will directly impact Pillar 1 RWAs	£4.0bn	£4.0bn	Upside may come from refinement of models and data, although this may already factored into business plans. Also BCB are reviewing discount rates in LGD calculations. Downside reflects changing macro economic environment that could particularly impact RWAs measured on point in time basis.
Failure to Issuance	Issuance plans may not be fully delivered	£0.0bn	£6.0bn	Barclays has issued capital every month since October 07. Other European banks have been much less prevalent. CDS on Barclays continues to risk. Investors may question why Barclays needs to issue capital to such an extent.

Appendix

The annual impact of the increase in cost of capital since June 2007 is £22m on PBT, and £48m on attributable profit.

Change in cost of capital issuance

WACC	Jun-07 Amount outstanding £m	Jun-07 Pre-tax Margin	Jun-07 Post tax Margin	Jan-08 Amount outstanding £m	Jan-08 Pre-tax Margin	Jan-08 Post tax Margin	% change	Incremental Change Amount issued £m	Incremental Change Pre-tax Margin	Incremental Change Post tax Margin	Incremental Cost Impact on PBT £m	Incremental Cost Impact on Attributable Profit £m
Prefs	3,389	3.58%	2.51%	4,633	4.58%	3.21%	21.9%	1,244	7.31%	5.12%	-	32.52
TONs	900	1.38%	0.97%	905	1.38%	0.97%	0.1%	-	-	-	-	-
RCIs	3,249	1.28%	0.89%	3,948	1.42%	0.99%	9.8%	699	2.06%	1.44%	9.75	6.82
Upper Tier 2	3,469	0.93%	0.65%	3,491	0.93%	0.65%	-0.1%	-	-	-	-	-
Lower Tier 2	8,595	0.41%	0.29%	12,004	0.69%	0.48%	40.5%	3,409	1.39%	0.97%	12.17	8.52
Blended non equity capital	19,602	1.24%	0.87%	24,982	1.58%	1.11%		5,352	2.86%	2.00%	21.92	47.86

Notes
Movements in TONs and Upper Tier 2 are purely due to FX revaluations over the six months
Blended pre-tax Lower tier 2 incremental increase (without FX movements included) is 151bps
Blended pre-tax RCI incremental increase (without FX movements included) is 208bps

- Higher absolute pricing levels for all tiers of capital issuance has resulted in an increase in the blended cost of non-equity capital, with the post tax margin cost increasing from 0.87% in June 2007 to 1.11% in January 2008
- The impact on the P&L from the higher cost of issuance has been greatest for preference shares. This is due to:
  - the volume of preference share issuance since June 2007 relative to other capital instruments; and
  - the margin increase over the period June 2007 – January 2008 being greatest preference shares (investors have required additional margin in order to hold more subordinated instruments)