EXHIBIT 131

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From: Rhodes, Michael: Barclays PLC [/O=BZW/OU=EUROPE/CN=BARCLAYSGROUP/CN=RETAIL.MICHAEL.RHODES]
Sent: Wednesday, April 02, 2008 2:36:37 PM
To: Fowden, Rupert: Barclays Treasury (LDN)
CC: Mann, Annette: Barclays PLC
Subject: Basel II Feb 08 management pack
Attachments: Basel II monthly pack - February 2008.doc

Rupert,

Please find attached a copy of the Basel II February management pack with amended head office numbers.

Basel II monthly pack - February...

The SAS automated solution for calculating non customer assets (NCAs) is calculated using a different SAP ledger, than we have previously used in calculating the numbers offline. We have experienced significant differences between the two ledgers when comparing the SAS automated NCA calculation to prior month calculations. As this is the first period the automated solution has been in place, we have aligned the group centre adjustment NCAs to the ledger we have previously used whilst the differences are being investigated further. This approach with group centre adjustments is consistent with the method we have advised clusters to report their NCAs for February reporting.

Kind regards,
Mike

Mike Rhodes
Capital Reporting
Barclays Financial Control
020 7116 7272

Barclays
Finance
Capital
Reporting

GROUP CAPITAL REPORTING

FEBRUARY 2008

BARCLAYS GROUP
BB PLC SOLO-CONSOLIDATED

BASEL II ANALYSIS

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Capital Reporting review – B PLC Group
February 2008

1. Summary

Barclays PLC Group £millions	Basel II Feb-08	Basel II Dec-07	Basel II monthly movement
RWAs	377,341	353,878	23,463
Capital			
Ordinary Shares	1,642	1,651	(9)
Share Premium Account	66	56	10
Retained Earnings	21,496	20,970	526
Other Shareholders' Equity	(66)	1,913	(1,979)
Minority Interests	10,432	10,551	(119)
Tier 1 Notes	897	899	(2)
Goodwill and other Intangible Assets	(8,018)	(8,191)	173
Tier 1 deductions	(1,190)	(1,106)	(85)
Total Tier 1	25,259	26,743	(1,484)
Asset revaluation reserve	26	26	-
Available for sale equity	295	295	
Collective impairment	579	440	139
Hybrid (debt/equity) instruments	4,206	3,191	1,015
Subordinated term debt after amortisation	12,309	10,905	1,404
Minority Interests (in Tier 2)	445	442	3
Amortisation on subordinated debt	(336)	(327)	(9)
Tier 2 deductions	(1,190)	(1,106)	(85)
Total Tier 2	16,334	13,866	2,467
Tier 3	-	-	
Total Capital Deductions	(778)	(827)	49
Net Capital	40,816	39,783	1,032
	-		
Tier 1 Ratio (Target 7.25%)	6.69%	7.56%	
RAR Ratio (Target 11.00%)	10.82%	11.24%	
Equity Ratio (Target 5.25%)	4.40%	5.09%	

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2. Risk Weighted Assets – current month to prior year comparison

	Feb-08				Dec-07	Variance	Variance
	Credit Risk £m	Op Risk £m	Market Risk £m	Total £m	Total £m	£m	%
UK Banking	**79,990**	**9,613**	-	**89,603**	**88,041**	**1,562**	**3**
UK Retail Banking	27,144	5,163	-	32,307	31,392	915	3
Barclays Commercial Banking	52,846	4,450	-	57,296	56,649	647	1
Barclaycard	**17,773**	**3,834**	-	**21,607**	**21,349**	**258**	**1**
Barclaycard excl Absa	16,638	3,725	-	20,413	20,188	225	1
Absa Card	1,085	109	-	1,194	1,16'	33	3
IRCB	**48,533**	**4,633**	-	**53,166**	**52,596**	**570**	**11**
Emerging Markets	9,077	2,450	-	11,527	10,414	1,113	11
Western Europe	24,549	938	-	25,487	23,999	1,488	6
GRCB Centre	483	-	-	483	43'	52	12
ABSA	14,424	1,245	-	15,669	17,752	(2,083)	(12)
Barclays Capital	**143,753**	**6,458**	**47,669**	**197,880**	**178,206**	**19,674**	**12**
Barclays Capital - excl Absa Capital	138,514	6,200	47,499	192,213	171,496	20,717	12
Absa Capital	5,239	258	170	5,667	6,710	(1,043)	(16)
Barclays Global Investors	**3,324**	**1,900**	-	**5,224**	**4,369**	**855**	**20**
Barclays Wealth	**6,817**	**1,588**	**135**	**8,540**	**8,216**	**324**	**4**
Head office functions and other operations	**958**	**363**	-	**1,321**	**1,101**	**220**	**20**
Group	301,148	28,389	47,804	377,341	353,878	23,463	7

In the period from December 2007 to February 2008, Basel II RWAs increased by 7% to £377.3bn, an increase of £23.5bn.

The increase is caused predominately by the increase in Barclays Capital excluding Absa of £20.7bn (12%) to £192.2bn. The increase is primarily attributable to increases in:

- Market risk which has increased by £12.3bn. This increase can in part be attributed to the introduction of ratings based PRAs £4bn. There is an additional £2bn that can be attributed to movements on existing transactions and new business. A further increase of £1.8bn is mainly attributed to an increase in Equities SMR largely relating to the roll-off of an i-shares hedge that was put on over Dec 07. A further £0.5bn can be attributed to down-grades on ABS transactions and an increase of £3.1bn in DVaR & Add-ons (General & Specific Market Risk). £1bn is due to Market risk for Agg plus entities.
- OTC derivative RWAs have increased by £4.5bn driven in the main by £3.7bn in Eagle generated RWA's; mainly attributable to small EAD movements across a large number of counterparties. MTM & Add-on method RWA's have increased by £0.8bn of which the largest driver was £0.5bn due to the increase in commodities price in Base Metals, UK Gas, US Power and Natural Gas
- SFT of £2.4bn driven by an increase of £1.7bn attributable to the identification of stock vs. stock transactions that are booked in HYMF Ltd. Repo RWAs have increased £0.2bn and SBL RWAs have increased by £0.6bn due mainly to new and increased trades following a return to normal business levels post year-end activity for balance sheet management.
- Banking Book as a whole has increased by £1.8bn due in the main to a new facility to BHP Billiton of £1.2bn and the difference being largely made up of increases due to a change in treatment for various securitisations.

Other significant movements are:

Emerging Markets increased by £1.1bn (11%) to £11.5bn due to:
- [awaiting Dec to Feb commentary]

Western Europe increased by £1.5bn (6%) to £25.5bn mainly due to balance sheet growth in the following areas:
- Portugal: Corporate exposures and retail mortgages (£528m)
- Italy: Corporate exposures and retail mortgages (£324m)
- Spain: Corporate and SME exposures (£567m)

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Absa - International decreased by £2.1bn (12%) to £15.7bn due to:
- [awaiting Dec to Feb commentary]

Absa Capital decreased by £1.0bn (16%) to £5.7bn due to:
- [awaiting Dec to Feb commentary]

Barclays Global Investors increased by £0.9bn (20%) to £5.2bn due to the transfer of certain cash funds onto BGI Corporate books.

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3. Capital – Year to date movements commentary

The year to date ratios as at February 2008 have decreased since December 2007. Tier 1 capital has deceased which resulted in the decrease in the tier 1 ratio. At the total capital level, there was an increase in tier 2 capital which more than offset the decrease in tier 1. The remaining positive increase, however, was less than the additional capital required to support the increase in RWAs, resulting in the risk asset ratio decrease.

Tier 1 capital decreased by £1,484m to £25,259m. This was driven by the following:

- Other shareholders' equity decreased by £1,979m and this was driven by the recognition, for regulatory purposes, of the final proposed dividend of £1,485m and the year to date adjustment for own credit of £556m. For regulatory purposes, dividends paid are recognised when "foreseeable" and not when paid. The interim dividend was foreseeable at the end of February as it was made public in the Result's to the market on 19th February;
- Retained earnings increased by £526m driven by the year to date profit of £698m; partially offset by share buy backs in January of £172m;
- Minority interests decreased by £119m driven by a decrease in ABSA equity MI due to the substantial fall in the rand during the first two months of 2008;
- Goodwill and intangibles decreased by £173m driven by a decrease in Absa due to the fall in the rand;
- Tier 1 deductions decreased increased by £85m driven by an increase in the excess of EL over impairment.

Tier 2 capital increased by £2,467m to £16,334m and this was driven by the following:

- Dated loan stock increased by £1,404m due to new issues in the first two months;
- Hybrid instruments increased by £1,015 driven by a new £1bn issue in February;
- Standardised collective impairment increased by £139m;
- Tier 2 deductions decreased increased by £85m driven by an increase in the excess of EL over impairment.

Total capital deductions have decreased by £49m to £778m driven by a decrease in the BGI guarantee deduction of £55m.

4. Expected Loss (EL) & Expected Loss Best Estimate (ELBE) – current month to prior year comparison

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	Feb-08 Expected Loss £m	ELBE £m	Total £m	Dec-07 Total £m	Variance £m	Variance %
UK Banking	**1,103**	**943**	**2,046**	**1,921**	**125**	**2**
UK Retail Banking	708	613	1,321	1,293	28	2
Barclays Commercial Banking	395	330	725	628	97	15
Barclaycard	**678**	**705**	**1,383**	**1,286**	**97**	**5**
Barclaycard excl Absa	588	663	1,251	1,195	56	5
Absa Card	90	42	132	91	41	45
IRCB	**317**	**143**	**460**	**513**	**(53)**	**(10)**
Emerging Markets	-	-	-	-	-	-
Western Europe	-	-	-	-	-	-
GRCB Centre	-	-	-	-	-	-
ABSA	317	143	460	513	(53)	(10)
Barclays Capital	**428**	**74**	**502**	**484**	**18**	**5**
Barclays Capital - excl Absa Capital	405	74	479	455	24	5
Absa Capital	23	-	23	29	(6)	(21)
Barclays Global Investors	-	-	-	-	-	-
Barclays Wealth	-	-	-	-	-	-
Head office functions and other operations	**1**	-	**1**	**1**	-	-
Group	2,527	1,865	4,392	4,205	187	4

The total EL and ELBE has increased by £187m in February 2008 compared to December 2007.

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5. Comparison of Expected Loss (EL) & Expected Loss Best Estimate (ELBE) against impairment

	December 2007 EL & ELBE £m	December 2007 Impairment £m	December 2007 Total £m
Barclaycard	1,195	845	(350)
BCB	628	350	(278)
UKRB	1,293	998	(295)
Barclays Capital	455	120	(335)
GRCBI	-	-	-
ABSA	633	406	(227)
Wealth	-	-	-
Treasury	1	-	(1)
	4,205	2,719	(1,486)
Tax @ 30% (Note 1)	(1,262)	(816)	446
	2,944	1,903	(1,040)

	February 2008 EL & ELBE £m	February 2008 Impairment £m	February 2008 Total £m
Barclaycard	1,383	889	(494)
BCB	725	343	(382)
UKRB	1,321	997	(324)
Barclays Capital	502	136	(366)
GRCBI	-	-	-
ABSA	460	327	(133)
Wealth	-	-	-
Treasury	1	-	(1)
	4,392	2,692	(1,700)
Tax @ 30% (Note 2)	(1,318)	(808)	510
	3,074	1,885	(1,190)

Note 1:

The Tax on EL is added back to core Tier 1 reserves but this tax must be eligible (ie there are sufficient taxable profits to off set against the loss if it crystallises). This is determined by the tax jurisdiction of where the amounts are generated. If UK based, then all of the tax at 30% is eligible. If overseas then different rules will apply. For Dec 07, it was determined from Group Tax that the £446m above was broken into the following:

	Gross	Implied Tax 30%	Eligible Tax
Excess eligible under UK tax rules @ 30%	(1,156)	(347)	(347)
ABSA amount eligible under local rules @ 29%	(227)	(68)	(66)
ineligible	(103)	(31)	-
Tax benefit taken to Tier 1 reserves (31/12/07)	(1,486)	(446)	**(413)**

Note 2:
February 2008 equivalent of eligible tax:

	Gross	Implied Tax 30%	Eligible Tax
Excess eligible under UK tax rules @ 30%	(1,464)	(439)	(439)
ABSA amount eligible under local rules @ 29%	(133)	(40)	(39)
ineligible	(103)	(31)	-
Tax benefit taken to Tier 1 reserves (29/02/08)	(1,700)	(510)	**(478)**

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6. Summary

Barclays Bank PLC Solo Consolidated Group £millions	Basel II Feb-08	Basel II Dec-07	Basel II monthly movement
Ordinary Shares	2,327	2,336	(9)
Perpetual non-cum prefs	44	46	(2)
Share Premium Account (incl. Prefs)	10,761	10,751	10
Statutory Retained Earnings	5,714	5,371	343
Reserves of solo consolidated subs	4,557	4,327	230
Other Eligible Shareholders' Equity	2,465	2,965	(500)
RCIs & TONs (gross)	4,843	4,807	36
Goodwill and Intangible Assets	(3,964)	(3,963)	(1)
Tier 1 deductions	(6,763)	(6,630)	(132)
Total Tier 1	19,984	20,010	(26)
Asset revaluation reserve	5	5	(0)
Available for sale equity	246	246	0
Collective impairment	304	306	(2)
Hybrid (debt/equity) instruments	4,098	3,086	1,011
Subordinated term debt	12,661	11,207	1,454
Minority Interests (in Tier 2)	445	442	3
Amortisation on subordinated debt	(336)	(327)	(9)
Tier 2 deductions	(6,763)	(6,631)	(131)
Total Tier 2	10,660	8,334	2,326
Other Capital Deductions	(787)	(849)	62
Net Capital	29,857	27,494	2,363
	-		
RWAs	305,084	274,547	30,537
Tier 1 Ratio (Target N/A)	6.55%	7.29%	
RAR Ratio (Target 9.75%)	9.79%	10.01%	

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7. Risk Weighted Assets – current month to prior year comparison

	Feb-08 Credit Risk £m	Op Risk £m	Market Risk £m	Total £m	Dec-07 Total £m	Variance £m	Variance %
UK Banking	**74,188**	**9,067**	-	**83,255**	**81,631**	**1,624**	**2**
UK Retail Banking	27,047	5,020	-	32,067	31,215	852	3
Barclays Commercial Banking	47,141	4,047	-	51,188	50,416	772	2
Barclaycard	**7,485**	**3,157**	-	**10,642**	**10,949**	**(307)**	**(3)**
Barclaycard excl Absa	7,485	3,157	-	10,642	10,949	(307)	(3)
Absa Card	-	-	-	-	-	-	-
IRCB	**15,399**	**488**	-	**15,887**	**13,287**	**2,600**	**20**
Emerging Markets	3,911	353	-	4,264	3,636	628	17
Western Europe	11,010	135	-	11,145	9,223	1,922	21
GRCB Centre	478	-	-	478	428	50	12
ABSA	-	-	-	-	-	-	-
Barclays Capital	**134,822**	**2,602**	**43,180**	**180,604**	**155,143**	**25,461**	**16**
Barclays Capital - excl Absa Capital exter	120,982	2,602	43,180	166,764	144,834	21,930	15
Barclays Capital - excl Absa Capital inter	13,840	-	-	13,840	10,309	3,531	34
Absa Capital	-	-	-	-	-	-	-
Barclays Global Investors	**34**	**7**	-	**41**	**38**	**3**	**8**
Barclays Wealth	**4,250**	**413**	-	**4,663**	**3,959**	**704**	**18**
Head Office functions	**9,629**	**363**	-	**9,992**	**9,834**	**158**	**2**
Head office functions - external	1,678	363	-	2,041	1,883	158	8
Head offiice functions - internal on b/s	7,069	-	-	7,069	7,069	-	-
Head offiice functions - internal off b/s	882	-	-	882	882	-	-
Total	**245,807**	**16,097**	**43,180**	**305,084**	**274,841**	**30,243**	**11**

In the period from December 2007 to February 2008, Basel II RWAs increased by 11% to £305.1bn, an increase of £30.2bn.

The increase is caused predominately by the increase in Barclays Capital excluding Absa of £25.5bn (16%) to £180.6bn. The increase is primarily attributable to increases in:

- Market risk which has increased by £11.7bn. This increase can in part be attributed to the introduction of ratings based PRAs £4bn. There is an additional £2bn that can be attributed to movements on existing transactions and new business. A further increase of £1.8bn is mainly attributed to an increase in Equities SMR largely relating to the roll-off of a hedge that was put on over Dec 07. A further £0.5bn can be attributed to down-grades on ABS transactions and an increase of £3.1bn in DVaR & Add-ons (General & Specific Market Risk).
- SFT RWAs have increased by £6.1bn. This has been driven in the main by an increase in SBL RWAs of £5.1bn due to BB plc placing a 90% guarantee over the trades of BCSL. There was an additional increase in Impact Repo RWA of £0.9bn due to an increase in intracompany trades.
- OTC derivative RWAs have increased by £4.6bn driven in the main by £3.8bn in Eagle (advanced method) generated RWA attributable to new and existing trades and an increase in intracompany balances. MTM & Add-on method RWA's have increased by £0.8bn of which the largest driver was £0.3bn due to a combination of new business, and an increase in commodity underlying prices in US Power and gas.

Other significant increases are:

Emerging Markets increased by £0.6bn (17%) to £4.3bn due to:

- [awaiting Dec to Feb commentary – Jan to Feb commentary received]

Western Europe increased by £1.9bn (21%) to £11.1bn due to balance sheet growth in Portugal, Italy and Spain.

Barclays Wealth increased by £0.7bn (18%) to £4.7bn due to

- [awaiting solo commentary]

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8. Capital – year to date movements commentary

The year to date ratios as at February 2008 have decreased since December 2007. Tier 1 capital has deceased which resulted in the decrease in the tier 1 ratio. At the total capital level, there was an increase in tier 2 capital which more than offset the decrease in tier 1. The remaining positive increase, however, was less than the additional capital required to support the increase in RWAs, resulting in the risk asset ratio decrease.

Tier 1 capital decreased by £26m to £19,984m. This was driven by the following:

- Other eligible shareholders' equity decreased by £500m driven by the year to date adjustment for own credit of £556m Dr, partially offset by a positive movement in the tax benefit on EL;
- Retained earnings increased by £343m driven by the year to date retained profit ;
- Reserves of solo consolidated subs increased by £230m driven by profits across the solo subs;
- RCIs and TONs increased by £36m driven by positive FX movements;
- Tier 1 deductions increased by £132m driven by increases in excess of EL over impairment £108m and material holdings £46m partially offset by a decrease in securitisation deductions £22m.

Tier 2 capital increased by £2,326m to £10,660m and this was driven by the following:

- Dated loan stock increased by £1,454m due to new issues in the first two months;
- Hybrid instruments increased by £1,011 driven by a new £1bn issue in February;
- Tier 2 deductions increased by £131m due to the same reasons per above.

Total capital deductions have decreased by £62m to £787m driven by a decrease in the BGI guarantee deduction of £70m.

9. Expected Loss (EL) & Expected Loss Best Estimate (ELBE) – current month to prior year comparison

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Capital Reporting review – BB PLC solo
February 2008

	Feb-08 Expected Loss £m	ELBE £m	Total £m	Dec-07 Total £m	Variance £m	Variance %
UK Banking	**1,103**	**943**	**2,046**	**1,921**	**125**	**7**
UK Retail Banking	708	613	1,321	1,293	28	2
Barclays Commercial Banking	395	330	725	628	97	15
Barclaycard	**439**	**511**	**950**	**951**	**(1)**	**(0)**
Barclaycard excl Absa	439	511	950	951	(1)	(0)
Absa Card	-	-	-	-	-	-
IRCB	**-**	**-**	**-**	**-**	**-**	**-**
Emerging Markets	-	-	-	-	-	-
Western Europe	-	-	-	-	-	-
GRCB Centre	-	-	-	-	-	-
ABSA	-	-	-	-	-	-
Barclays Capital	**395**	**73**	**468**	**446**	**22**	**5**
Barclays Capital - excl Absa Capital exter	395	73	468	446	22	5
Absa Capital	-	-	-	-	-	-
Barclays Global Investors	-	-	-	-	-	-
Barclays Wealth	-	-	-	-	-	-
Head Office functions	1	-	1	-	-	-
Total	**1,938**	**1,527**	**3,465**	**3,318**	**146**	**4**

The total EL and ELBE has increased by £146m in February 2008 compared to December 2007.

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10. Comparison of Expected Loss (EL) & Expected Loss Best Estimate (ELBE) against impairment

	December 2007 EL & ELBE £m	December 2007 Impairment £m	December 2007 Total £m
Barclaycard	951	656	(295)
BCB	628	350	(278)
UKRB	1,293	998	(295)
Barclays Capital	446	120	(326)
GRCBI	0	0	0
ABSA			0
Wealth		0	0
Treasury	0	38	38
	3,318	2,162	(1,156)
Tax @ 30%	(995)	(649)	347
	2,323	1,513	(809)

	February 2008 EL & ELBE £m	February 2008 Impairment £m	February 2008 Total £m
Barclaycard	950	633	(317)
BCB	725	343	(382)
UKRB	1,321	998	(323)
Barclays Capital	468	120	(348)
GRCBI	-	-	-
ABSA	-	-	-
Wealth	-	-	-
Treasury	1	-	(1)
	3,465	2,094	(1,371)
Tax @ 30%	(1,040)	(628)	411
	2,426	1,466	(960)

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Agenda item 5

Actual Group Capital Ratios as at end March 2008

£ million	Previous Year End	Previous Month End	Actual Month End	Forecast of Current Month end	Variance From Forecast	Impact On RAR	
	Dec-07	Feb-08	Mar-08	Mar-08			
Capital and Reserves	24,588	23,142	23,007	23,178	(171)	(0.05%)	1
Minority interest	1,608	1,454	1,416	1,452	(36)	(0.01%)	2
Goodwill & Intangibles	(8,190)	(8,018)	(8,001)	(8,001)	0	0.00%	
Total Tangible Equity	**17,593**	**16,578**	**16,422**	16,629	(207)		
Total Preference Shares	5,034	4,993	4,982	4,987	(5)	(0.00%)	3
Tier One Notes	899	897	898	892	6	0.00%	3
Reserve Capital Instruments	3,908	3,946	3,970	3,915	55	0.01%	3
50:50 Deductions from Tier 1 Capital	(1,104)	(1,190)	(1,043)	(1,199)	156	0.04%	5
Total Tier 1 Capital After Deductions	**26,743**	**25,224**	**25,229**	25,224	5		
Tier 2 Capital before Deductions	**14,975**	**17,525**	**17,439**	17,095	344	0.09%	4
50:50 Deductions from Tier 2 Capital	**(1,104)**	**(1,190)**	**(1,043)**	(1,199)	156	0.04%	5
Total Tier 3 capital	0	0	0	0	0		
Deductions from Total Capital	**(828)**	**(778)**	**(827)**	(826)	(1)	(0.00%)	
Net Capital Resources	**39,785**	**40,780**	**40,797**	**40,294**	**503**	**0.13%**	
Net Total RWAs	**353,878**	**377,862**	**378,778**	**383,952**	**(5,174)**	**0.15%**	6

Ratios						
Tangible Equity Ratio	5.09%	4.39%	4.34%	4.33%	0.00%	
Tier 1 Ratio (FSA Basis)	7.56%	6.68%	6.65%	6.57%	0.08%	
Tier 1 Ratio (US Fed Basis)	7.33%	6.38%	6.35%	6.29%	0.06%	
Risk Asset Ratio (FSA)	11.24%	10.79%	10.77%	10.49%	0.28%	0.28%

Targets	Floor	Floor	Target
Equity Ratio Target			5.25%
Tier 1 Ratio (FSA Basis)			7.25%
Tier 1 Ratio (US Fed Basis)	6.00%	6.00%	7.25%
Risk Asset Ratio	10.00%	10.00%	11.00%

Overview - Capital Ratios are ahead of forecast as RWAs at the end of March are below forecast. Profit was less than forecast.

Significant variances to forecast January ratios

1) Capital and Reserves
- Movement in FX Translation reserve (+£132m) is due to the difference between actual and forecast FX rates used. The USD strengthened from 2.01 to 1.99. The EUR strengthened from 1.31 to 1.25 and the ZAR weakened from 15.87 to 16.16.
- The March attributable profits is less than forecast (-£119m)
- The credit to share based payments (IFRS2 charge) is less than forecast primarily in Barclays Capital (-£101m)

2) FX in Minority Interest is mainly due to the ZAR weakening from a forecast ZAR 15.87 to actual ZAR 16.16

3) Movement in other Tier 1 instruments is primarily due to FX movements. The USD and EUR strengthening from a forecast USD 2.01 to actual USD 1.99 and EUR strengthening from a forecast 1.31 to 1.25.

4) Movement in Tier 2 Capital is due primarily to the USD and EUR strengthening from a forecast USD 2.01 to actual USD 1.99 and EUR strengthening from a forecast 1.31 to 1.25.

5) Variance in 50:50 deductions is primarily due to;
- Post Nims deductions reducing due to further write offs (+£41m)
- Expected loss > collective impairment being less than forecast (+£273m) primarily in Barclays Capital.

6) RWAs are less than forecast (+£5.2bn).

March capital resources will be updated when the next version of the quarter end consolidation is complete.

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Forecast Group Capital Ratios at end March 2008

£ million	Year End Basel II Dec-07	Forecast Jun-08	Forecast Dec-08	Forecast Jun-09	Previous Forecast Jun-08	Variance previous forecast	Impact on RAR	
Total Tangible Equity	18,006	17,691	18,645	19,769	17,931	(240)	(0.06%)	1
Other Tier 1 Capital before 50:50 Deductions	9,841	11,238	11,543	12,463	11,310	(72)	(0.02%)	2
Tier 2 Capital before 50:50 Deductions	14,975	18,202	18,855	21,015	18,135	67	0.02%	
50:50 Deductions from Tier 1 and Tier 2 Capital	(2,208)	(2,024)	(2,130)	(2,032)	(2,352)	328	0.08%	3
Other Deductions from Total Capital	(828)	(756)	(736)	(736)	(742)	(14)	(0.00%)	
Net Capital Resources	**39,785**	**44,351**	**46,177**	**50,479**	**44,282**	**69**	0.02%	
Total capital to be issued between end March 2008 and forecast period end		2,534	3,434	6,434				
Net Total RWAs - Basel II	353,878	396,054	410,147	427,232	392,508	3,546	(0.10%)	4

Equity Ratio Sensitivity: £100m Capital = £1.9bn RWAs = 2.8 basis points move in the Equity Ratio

Ratios	Dec-07	Jun-08	Dec-08	Jun-09	Previous Forecast Jun-08	Variance previous forecast	Impact on RAR
Tangible Equity Ratio	5.09%	4.47%	4.55%	4.63%	4.57%	(0.10%)	
Tier 1 Ratio (US Fed Basis)	7.33%	6.89%	6.91%	7.10%	7.00%	(0.11%)	
Tier 1 Ratio (FSA Basis)	7.56%	7.05%	7.10%	7.31%	7.15%	(0.10%)	
Risk Asset Ratio (FSA)	11.24%	11.20%	11.26%	11.82%	11.28%	(0.08%)	(0.09%)

Overview - The reports are based on the latest RAF forecast. The June 08 forecast equity ratio is 4.47%, 10bps below the previous forecast due to a decrease in forecast profits of -£266m in H1 as per the RAF.

Significant changes in forecast June 2008 capital ratios

1) Variances to Tangible Equity include:
- Attributable profit for June forecast has been revised down (-£266m) during the RAF process.
- Movements in Share Based Payments (IFRS 2 charge) has been forecast down (-£122m) during the RAF process.
- Adjustment for own credit risk due to a revised forecast for June from BarCap (+£127m)
- Movement in the tax effect on EL over impairment adjustment (-£80m) is due a reforecast of the EL>impairment 50:50 deduction forecast comming in lower to previous forecast per the RAF process
- Movement in minority interest is due to a revised ABSA and BGI profits forecast (-£32m).
- Movement in goodwill and intangibles is due to the postponement of the BGI EOP share purchases scheme to July (+£150m).

2) Variance to other Tier 1 capital primarily reflects the April Preference Share issuance being less than forecast (-£72m).

3) Variance to forecast 50:50 deductions from total capital include:
- A reforecast of deductions for BarCap Post Nim deductions (+£41m)
- A reforecast of EL>Impairment through the RAF process (+£288m)with the difference in Barclays Capital (£140m) and GRCB (£50m).

4) RWAs are £3.5bn more than previous forecast due to a revised forecast through the RAF process.

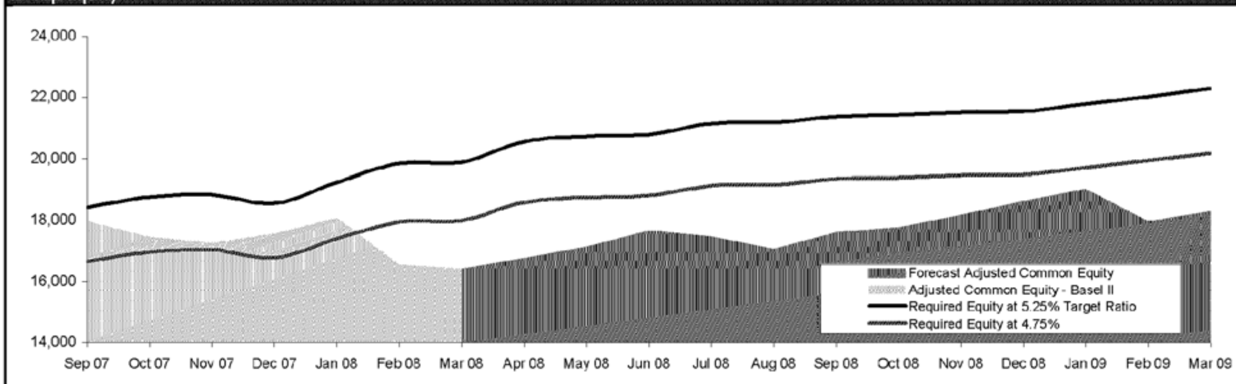
Capital Issuance

£2.5bn of capital has been issued since the end of March to date.

Agenda item 5

Forecast Group Capital Position at end March 2008

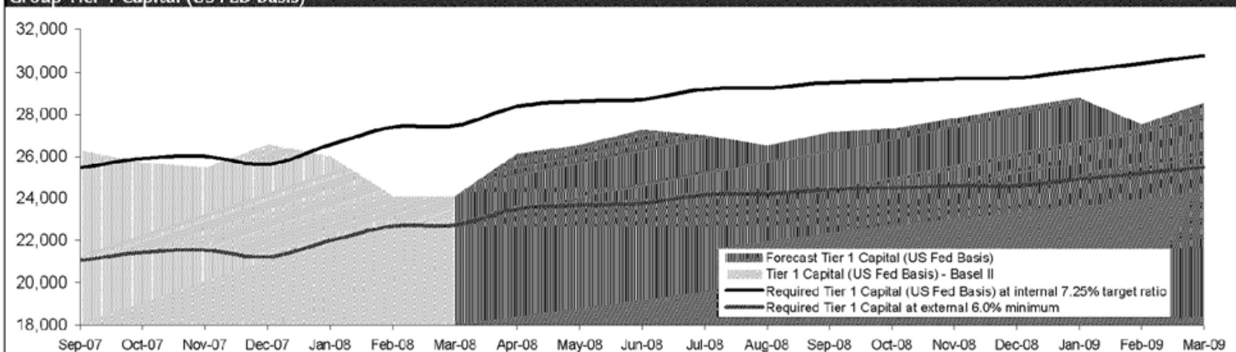
Group Equity



The graph shows actual and forecast equity compared to internal targets of 4.75% and 5.25% of RWAs. The equity ratio is forecast to be at its low point of 4.2% in August 2008 after the deduction for the 2008 interim dividend.

The sensitivity of the equity ratio to a £1bn movement in RWAs is 1.1bps.

Group Tier 1 Capital (US FED Basis)

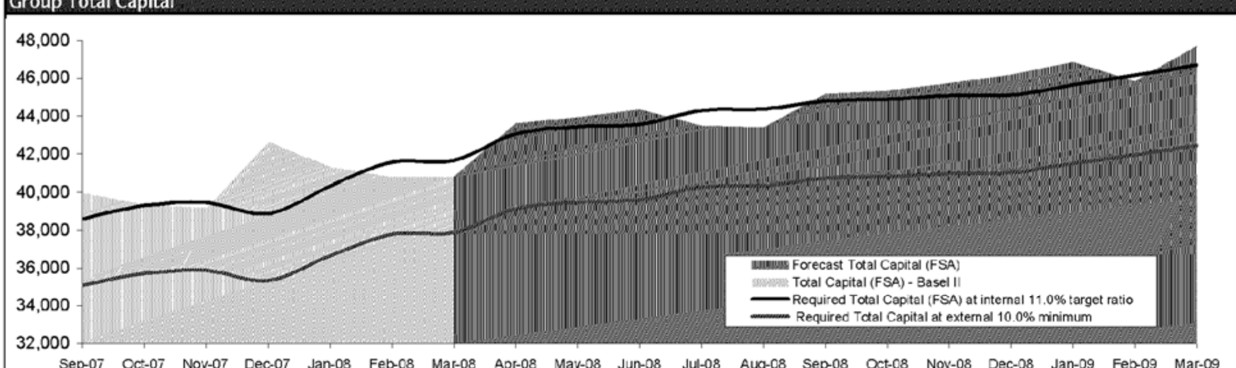


	Mar-08	Jun-08	Aug-08	Dec-08	Feb-09
RWA capacity over 6% floor (£bn)	**22.4**	58.5	38.8	61.9	39.5
Equity capacity over 6% floor (£bn)	**1.1**	3.0	2.0	3.2	2.0

The Group Tier 1 ratio (Fed basis) is forecast to be at its lowest of 6.3% in March 2008. The capacity above floor is £22.4bn RWAs or £1.1bn of equity.

The proportion of innovative instruments in Tier 1 capital under FSA rules is 15.11% at 31 March 2008.

Group Total Capital



	Mar-08	Jun-08	Aug-08	Dec-08	Feb-09
RWA capacity over 10% floor (£bn)	29.2	47.5	30.7	51.6	38.6
Equity capacity over 10% floor (£bn)	1.9	4.2	3.1	4.4	2.7

The Group Risk Asset Ratio is forecast to be at its lowest of 10.5% in March 2008. The capacity above the floor is £29.2bn RWAs or £1.9bn of equity.

EXHIBIT 133

FILED UNDER SEAL

From:	Masser, Derek: Financial Control (LDN) [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=MASSERD]
Sent:	Friday, June 27, 2008 10:30:35 AM
To:	Dolton, Matthew: Finance (LDN)
Subject:	FW: Group ExCo
Attachments:	Agenda Item 2 - Performance Management.pdf; GroupExcoBriefing_15 April_vf.doc

From:	Raby, James: Planning (LDN)
Sent:	27 June 2008 08:56
To:	Masser, Derek: Financial Control (LDN)
Cc:	Haworth, Richard: Wealth Management (LDN); Fernquest, John: Planning (LDN)
Subject:	Group ExCo

Hi Derek,

Attached is the paper:

Agenda Item 2 - Performance M...

Here is an example brief:

GroupExcoBriefing_15 April_vf.doc

As mentioned, definitely need to get to the bottom of the NGE calcs and whether they are pre- or post-dividend. Assuming they are post-dividend, need to calc what the IBIM pre-dividend number is. Also useful to understand what is happening with the Group NGE.

Understand PAC is out today and you'll probably need to run it past him. Could you send the final brief to Anthony, Richard Haworth, John and I when finalised. Anthony wants to send the brief to Bob over the weekend.

Thanks
James

James Raby
Barclays Capital
Strategy & Planning

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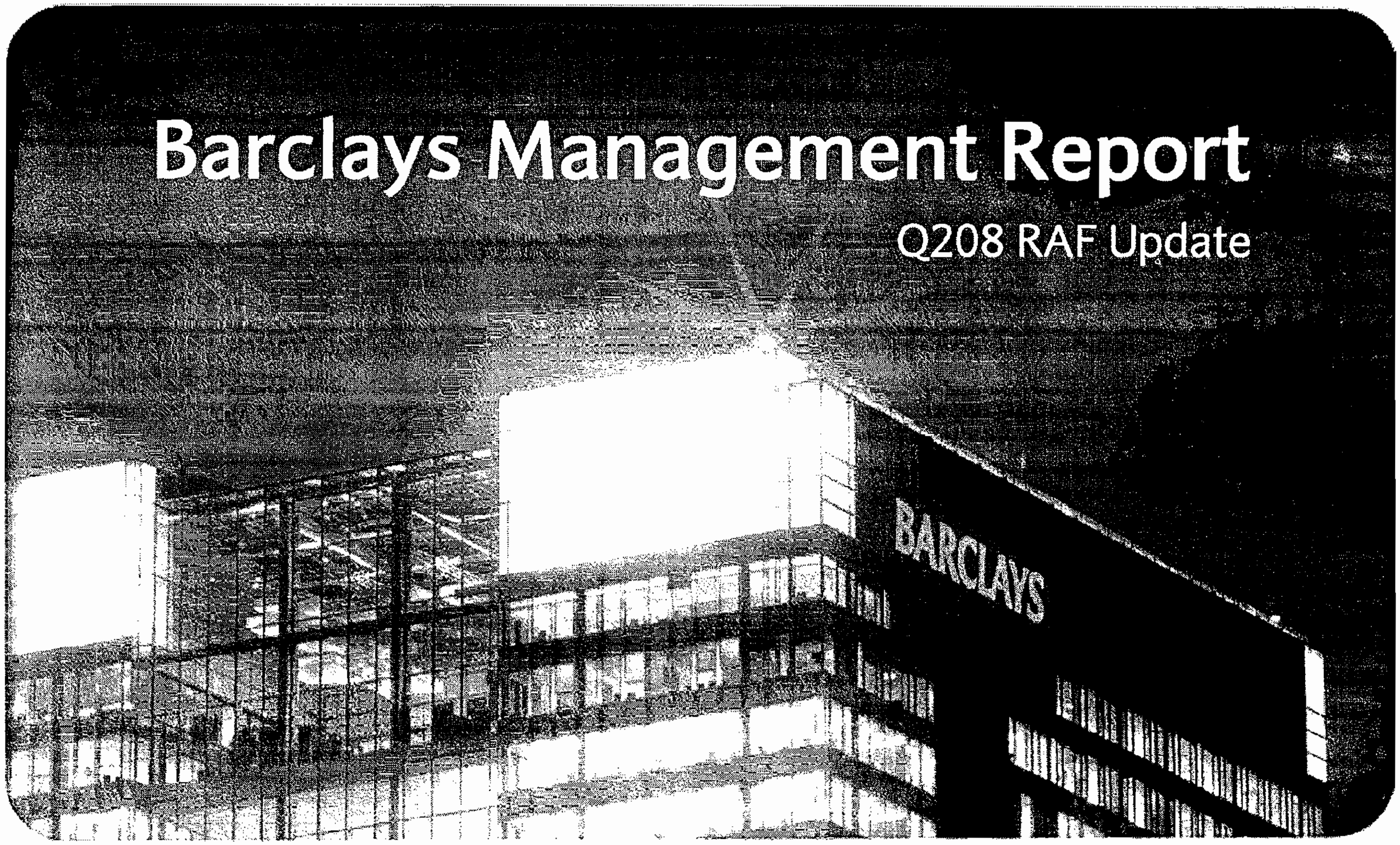
5 North Colonnade - Canary Wharf - London E14 4BB
james.raby@barcap.com



Barclays Management Report
Q208 RAF Update
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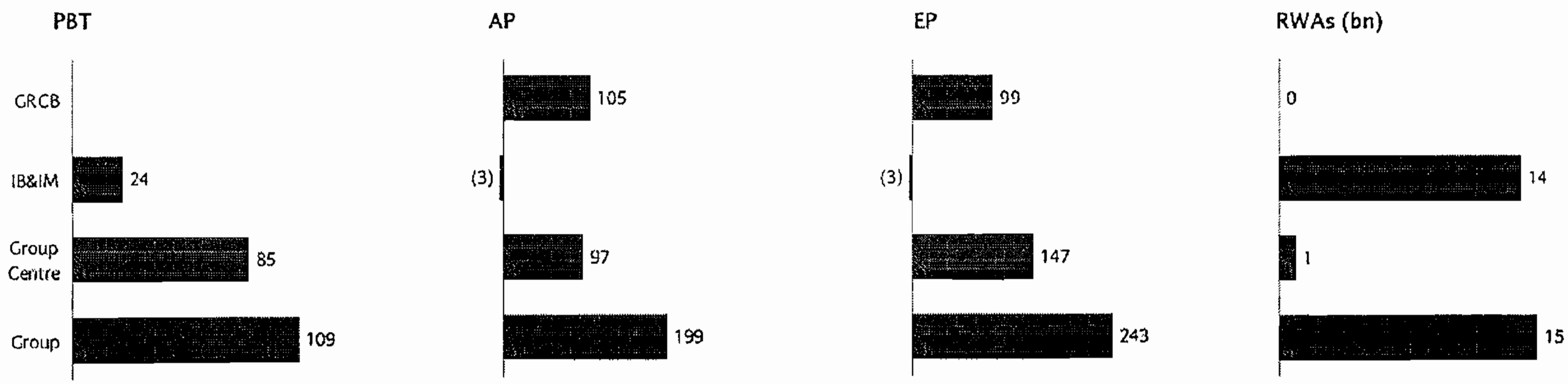
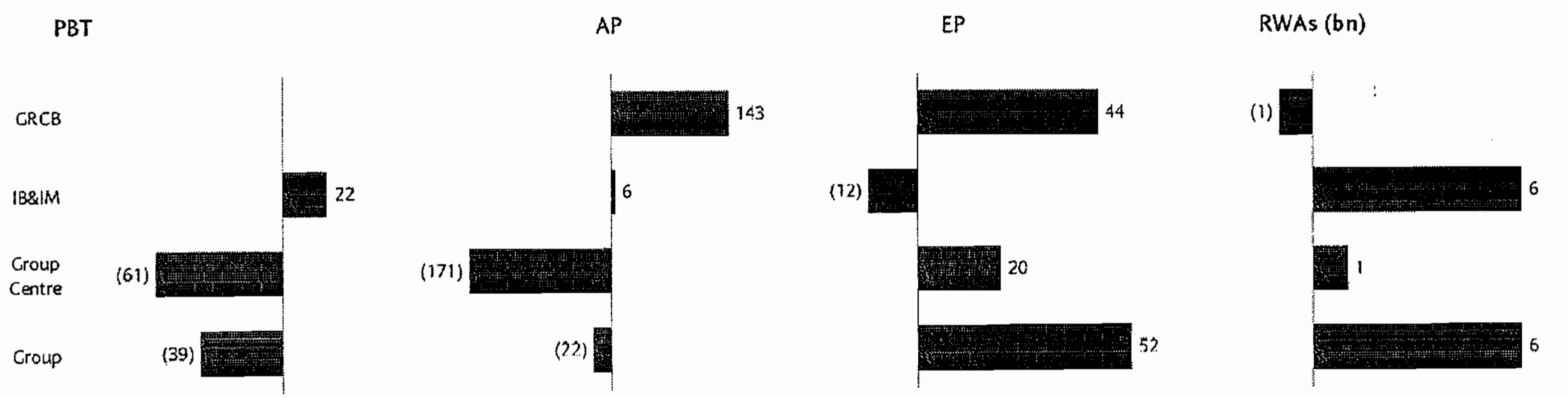
Forecast Variance to Q108 RAF

H108 – Q208 RAF vs to Q108 RAF (£m)



FY08 – Q208 RAF vs to Q108 RAF (£m)



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Executive Summary

Half Year

- The HY RAF position on profits and RWAs appears considerably improved from the previous RAF and if delivered will comfortably exceed consensus expectations. Income has increased and costs have reduced benefiting CIR by c.3%. However, this is tempered by:
  - The income and profit position is significantly assisted by a £95m one-off gain which does not benefit the Group's capital position
  - The RWA position is assisted by the reclassification of exposures in Barclays Capital which are instead treated as capital deductions; this benefits the equity ratio at the half year
  - GRCB improves its EP position ahead of Q1 RAF and STP but is assisted by the Zaragozano tax initiative (£138m).This initiative was previously incremental to the Q1 RAF in the capital analysis for the Project Heron presentation to the Board
  - To deliver the HY RAF and meet STP commitments, GRCB is required to deliver a £59m challenge. This will require delivery of the £48m Motability gain into H108

Full Year

- The FY position is slightly less positive:
  - PBT has reduced by £39m, in addition a further £95m does not benefit the Group's capital position
  - Within the Q2 RAF is £78m relating to Project Faraday. This initiative was previously an incremental capital initiative rather than one required to meet the existing RAF. Some of the Faraday gain is being re-invested in restructuring initiatives, and the remainder offsets increased impairment
  - GRCB profitability is line with Q1 RAF & STP, however it includes a full year challenge of £90m
  - The tax, and therefore EP position, is assisted by the Zaragozano tax initiative which was previously an incremental initiative
- Having said this, the current RAF significantly exceeds consensus expectation by £724m (11%) which comprises of higher performance in IB&IM (£957m) and GRCB (£301m) offset by lower profits in the Group Centre (£534m)
- IB&IM profitability is forecast to be slightly higher than Q1 RAF (£22m) due to FX gains in BGI. Own credit gains are now expected to be £250m at both HY08 and FY08; this is a reduction of £220m from the Q1 RAF
- Group Centre profits decreased by £61m from Q1 RAF primarily due to higher notional interest payments of £71m

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2008 Group Financial Highlights

Income Statement (£m)

	Actual Trend			Half Year				H2 RAF	Full Year				
	Apr	May	Implied June	HY RAF	Var to Q1 RAF	Var to STP	Var to PY	H208	FY RAF	Var to Q1 RAF	Var to STP	Var to PY	Var to Cons
Income	1,544	2,370	2,118	11,755	494	(786)	(1%)	13,187	24,942	866	(798)	8%	2,280
Impairment	(260)	(406)	(422)	(2,378)	(424)	(1,112)	(148%)	(1,765)	(4,143)	(670)	(1,476)	(48%)	(647)
Costs	(1,054)	(1,188)	(1,157)	(6,646)	46	668	3%	(7,876)	(14,522)	(200)	807	(10%)	(1,044)
JVs	(3)	0	39	44	(7)	38	>200%	152	196	(35)	186	180%	135
PBT	227	776	578	2,775	109	(1,192)	(32%)	3,698	6,473	(39)	(1,281)	(9%)	724
AP	126	495	488	1,768	199	(692)	(33%)	2,147	3,915	(22)	(810)	(11%)	529
EP	(80)	273	307	526	243	(668)	(67%)	851	1,377	52	(776)	(40%)	
EPS				27.8	3.2	(10.8)	(33%)	33.8	61.6	(0.4)	(12.7)	(11%)	9.2
Ig-Cg Delta				1.7%	4.8%	3.2%			(1.6%)	2.2%	2.6%		2.0%
CIR	68.3%	50.1%	54.6%	56.5%	2.9%	1.8%	1.0%	59.7%	58.2%	1.3%	1.3%	0.8%	1.3%
AEC (£bn)	20.9	21.2	21.4	21.4	(0.2)	(0.8)	(18%)	22.4	22.4	(0.3)	(1.3)	(17%)	
RWAs BII (£bn)	382.7	388.2	371.6	371.6	14.6	(0.8)	n/m	404.3	404.3	5.8	(28.0)	(14%)	(17.6)
RORWAs	nca	nca	nca	0.97%	(0.02%)	(0.38%)	(0.79%)	1.11%	1.04%	(0.03%)	(0.24%)	(0.42%)	0.17%
RORC	nca	nca	nca	19.4%	(0.5%)	(7.8%)	(16%)	21.9%	20.7%	(0.5%)	(5.0%)	(8.6%)	
ROEC	nca	nca	nca	16.5%	(1.0%)	(7.4%)	(12.6%)	19.2%	17.5%	(1.1%)	(4.9%)	(5.7%)	
NCE	nca	nca	nca	(265)	nca	(191)	(131.5%)	(541)	(807)	nca	(1,495)	26%	
Tier 1 Ratio	7.12%	7.08%	nca	7.49%	nca	0.22%	(0.20%)	nca	7.15%	nca	(0.54%)	(0.60%)	(0.37%)
Equity Ratio[1]	4.4%	4.4%	nca	4.91%	nca	0.08%	(0.35%)	nca	4.78%	nca	(0.35%)	(0.20%)	(0.75%)
Underlying													
PBT	155	605	554	2,574	14	(1,253)	(37%)	3,391	5,966	(212)	(1,558)	(14%)	
EP	(134)	150	291	359	177	(706)	(77%)	428	787	(231)	(1,147)	(64%)	
EPS				25.2	2.1	(11.3)	(38%)	27.1	52.3	(4.8)	(18.6)	(22%)	

Note: 1) Pre-Heron issuance and RWA challenges. Includes other capital initiatives.

Summary of Group Highlights

Half Year RAF Outlook

- Income increases £494m over Q1 RAF. This is due to £350m of BarCap losses now expected to impact impairment, FX translation gains in Treasury of £95m and higher BGI securities lending income (£18m)
- The increase in impairment results from the reclassification of losses in BarCap and the effect of worsening market conditions on BCB, GRCB Western Europe and Absa
- The reduced H108 costs are driven by savings across GRCB of £66m
- PBT increases £109m versus Q1 RAF mainly due to reduced losses in Treasury (gain on FX translation) and higher BGI income. GRCB re-commits to their Q1 RAF PBT target and STP although offsetting significant challenges in BCB and Absa
- Attributable Profit benefits from a reduction in the effective tax rate from 27.0% in the Q1 RAF to 23.0%. This is due to the inclusion of £138m Zaragozano deferred tax adjustment
- A change in the treatment of exposures in BarCap helps to reduce the Group's RWA usage by £10bn, further BarCap initiatives deliver £3bn

Full Year RAF Outlook

- Income expectations have increased £866m since the Q1 RAF. This is driven by:
  - the reclassifications of both BarCap losses (£550m to impairment) and Visa IPO gains (£120m from JVs)
  - strong income growth in International markets
  - favourable FX movements on BGI (£51m)
  - FX translation gains in Treasury (£95m)
  - and the inclusion of Expobank (£43m)
- The £670m increase in impairment of is the result of the same drivers as the half year being the reclassification of losses in BarCap and worsening market conditions impacting BCB, GRCB Western Europe and Absa
- The cost increase of £200m includes higher strategic spend in BarCap (£50m), restructuring costs in GRCB WE (£39m), Expobank (£38m) and the effect of FX movements in Absa (£51m)and BGI (£29m)
- JV's includes the net gains on the disposal of the French insurance businesses of £78m
- Group RWAs reduce by £5bn due to the reclassification of 1,250% weighted RWAs in Barclays Capital to capital deductions

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2008 Cluster PBT Analysis

Cluster PBT (£m)

	Actual Trend			Half Year				H2 RAF	Full Year				
	Apr	May	Implied June	HY RAF	Var to Q1 RAF	Var to STP	Var to PY	H208	FY RAF	Var to Q1 RAF	Var to STP	Var to PY	Var to Consensus
UKRB	108	131	128	689	12	32	7%	672	1,361	(5)	12	7%	73
BCB	93	114	97	643	(25)	(86)	(9%)	714	1,357	(6)	(75)	0%	5
B'card (incl Absa)	98	61	43	385	25	71	29%	323	708	48	60	17%	nca
GRCB Intl (excl Absa)	18	39	79	194	3	6	18%	267	461	(53)	59	56%	nca
GRCB Absa	41	50	49	305	(15)	(23)	11%	340	645	16	(56)	8%	nca
GRCB	358	395	396	2,216	0	0	6%	2,316	4,532	0	0	10%	301
Barclays Capital	(171)	236	138	400	0	(1,002)	(76%)	1,350	1,750	0	(850)	(25%)	829
BGI	77	63	65	280	34	(138)	(28%)	473	753	22	(103)	3%	110
Wealth	20	30	37	180	(10)	(20)	4%	192	372	0	0	21%	18
IB&IM	(74)	329	240	860	24	(1,160)	(61%)	2,015	2,875	22	(953)	(15%)	957
Group Centre	(57)	52	(58)	(301)	85	(32)	(43%)	(633)	(934)	(61)	(328)	(117%)	(534)
Barclays Group	**227**	**776**	**578**	**2,775**	**109**	**(1,192)**	**(32%)**	**3,698**	**6,473**	**(39)**	**(1,281)**	**(9%)**	**724**

One-offs	Apr	May	Implied June	HY RAF	Var to Q1 RAF	Var to STP	Var to PY	H208	FY RAF	Var to Q1 RAF	Var to STP	Var to PY
Property[1]	8	26	34	111	-	6	(32)	-	111	-	6	(155)
Sales & Trans	47	134	89	239	95	204	234	151	390	95	265	353
Current Account Fees	-	-	-	-	-	-	87	-	-	-	-	116
BGI Liquidity Support	16	(12)	(4)	(173)	-	(173)	(173)	78	(95)	-	(95)	(95)
Other	-	23	-	23	-	23	60	-	23	-	23	102
Faraday				-	-	-	-	78	78	78	78	78
Total One-offs	**72**	**171**	**119**	**201**	**95**	**61**	**176**	**307**	**507**	**173**	**277**	**399**

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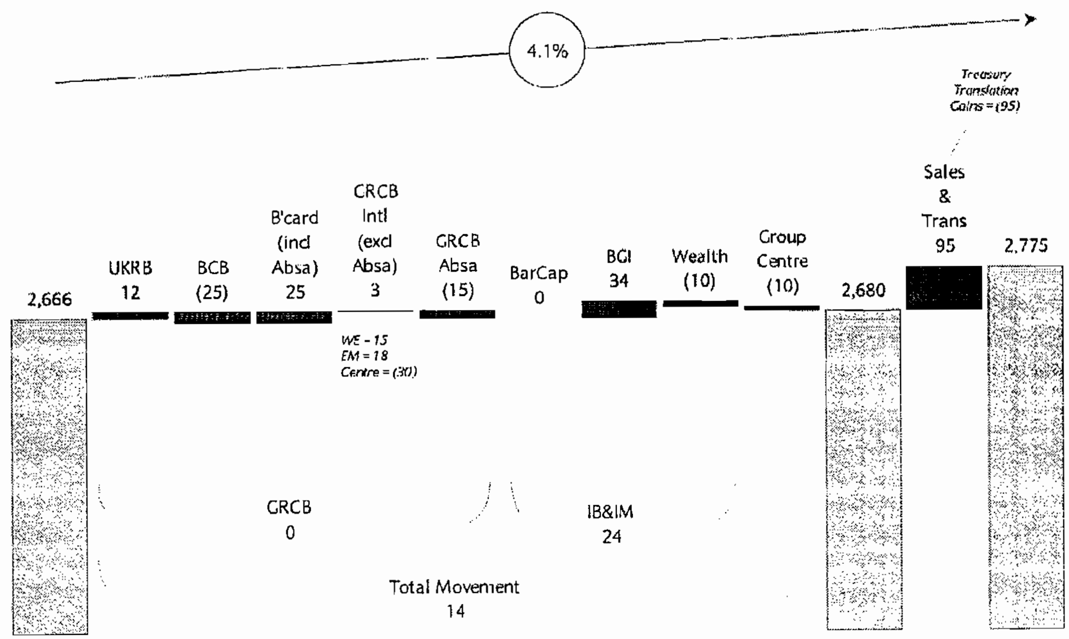
H108 RAF – Latest movements (Q2 vs Q1)

H108 RAF improves by £110m although this is largely driven by one-off transactions

PBT (£m)



	Q1 RAF H108 Reported	UKRB	BCB	B'card	CRCB Intl	GRCB Absa	BarCap	BGI	Wealth	Group Centre	Underlying	Sales & Trans	Q2 RAF H108 Reported
Income	11,261	(19)	(23)	13	62	(23)	350	30	3	6	11,660	95	11,755
Impair	(1,954)	(1)	(15)	(17)	(41)	4	(350)	-	(2)	(2)	(2,378)	-	(2,378)
Costs	(6,692)	33	13	29	(13)	4	1	4	(11)	(14)	(6,646)	-	(6,646)
PBT	2,666	12	(25)	25	3	(15)	-	34	(10)	(10)	2,680	95	2,775
AP	1,569	5	(45)	29	91	25	(8)	13	(8)	31	1,702	67	1,768
EP	283	(2)	(49)	51	70	29	(13)	17	(7)	81	460	67	526

- **UKRB** – PBT increase driven by cost savings and re-phasing and allocations from GRCB centre of pension credits and other ETAs. Offset by lower income from BFP sales and current account risk fees
- **BCB** – Lower deposit income and increasing impairment in Larger Bus
- **B'card** – PBT increase is driven by allocations from GRCB centre. Excluding allocations, the improvements is due to £11m of VAT credits brought forward from H208
- **GRCB EM** – RAF assisted by GRCB centre allocations with underlying performance forecast to improve by £10m
- **GRCB WE** – Includes a reduction of GRCB centre cost allocations, an increase in Spanish impairment (commercial real estate sector & retail banking) of £32m and a **£29m challenge**
- **GRCB Centre – Included in the Centre is a challenge of £30m**
- **GRCB Absa** – Decrease is driven by pressure on income of £30m offset by cost savings of £16m
- **BarCap** – £350m of expected losses are forecast to impact impairment rather than income. Gains on own credit increases £20m to £250m
- **BGI** – Increased revenue from securities lending, liquidity support charges remain unchanged
- **Barclays Wealth** - Continuation of the YTD cost run rate decreases PBT by £10m
- **Group Centre** - Treasury PBT increases by £111m due to gains on a translation recycling (£95m) and an increase in the fair value of preference shares (£36m). Central Support PBT is up £8m due to lower Project Spring costs of £16m offset by VAT provisions transferred to the clusters (£11m). The delaying of BGI EOP income (£20m) drivers the higher loss in Consolidated Adjustments of £31m

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Cluster Performance – Half Year

Sharply increased impairment holds back the H108 forecast versus prior year and plan. Cost control remains relatively strong as costs reduce faster than income

UKRB	HY08 RAF	Var to STP	Var to PY
Income	2,181	(28)	3%
Impairment	(289)	8	(4%)
Costs	(1,205)	54	(1%)
JVs & Assoc	2	(2)	100%
PBT	689	32	7%

BCB	HY08 RAF	Var to STP	Var to PY
Income	1,287	(67)	2%
Impairment	(147)	(15)	(19%)
Costs	(497)	(5)	(16%)
JVs & Assoc	-	1	n/m
PBT	643	(86)	(9%)

GRCB WE	HY08 RAF	Var to STP	Var to PY
Income	621	63	41%
Impairment	(109)	(51)	<(200%)
Costs	(406)	(15)	(32%)
JVs & Assoc	-	-	(100%)
PBT	106	(3)	1%

GRCB Centre	HY08 RAF	Var to STP	Var to PY
Income	(5)	(8)	n/m
Impairment	-	-	n/m
Costs	-	(3)	n/m
JVs & Assoc[2]	30	(1)	n/m
PBT	25	(12)	n/m

GRCB	HY08 RAF	Var to STP	Var to PY
Income	6,971	44	11%
Impairment	(1,211)	(85)	(29%)
Costs	(3,579)	39	(11%)
JVs & Assoc	35	2	>200%
PBT	2,216	-	6%

Barclaycard	HY08 RAF	Var to STP	Var to PY
Income	1,437	95	15%
Impairment	(499)	(19)	(15%)
Costs	(552)	(8)	(6%)
JVs & Assoc	(1)	3	50%
PBT	385	71	29%

GRCB EM	HY08 RAF	Var to STP	Var to PY
Income	411	70	85%
Impairment	(66)	(17)	<(200%)
Costs	(282)	(32)	(89%)
JVs & Assoc	-	-	100%
PBT	63	21	5%

GRCB ABSA	HY08 RAF	Var to STP	Var to PY
Income	1,039	(81)	8%
Impairment	(101)	9	(80%)
Costs	(637)	48	(1%)
JVs & Assoc	4	1	100%
PBT	305	(23)	11%

HO & Other[1]	HY08 RAF	Var to STP	Var to PY
Income	(69)	36	17%
Impairment	(8)	(8)	27%
Costs	(223)	(96)	(92%)
JVs & Assoc	(1)	36	n/m
PBT	(301)	(32)	(43%)

Group	HY08 RAF	Var to STP	Var to PY
Income	11,755	(786)	(1%)
Impairment	(2,378)	(1,112)	(148%)
Costs	(6,646)	668	3%
JVs & Assoc	44	38	>200%
PBT	2,775	(1,192)	(32%)

IB&IM	HY08 RAF	Var to STP	Var to PY
Income	4,853	(866)	(15%)
Impairment	(1,159)	(1,019)	<(200%)
Costs	(2,844)	725	19%
JVs & Assoc	10	-	n/m
PBT	860	(1,160)	(61%)

BarCap[1]	HY08 RAF	Var to STP	Var to PY
Income	3,200	(739)	(23%)
Impairment	(1,150)	(1,013)	<(200%)
Costs	(1,660)	750	33%
JVs & Assoc	10	-	n/m
PBT	400	(1,002)	(76%)

BGI	HY08 RAF	Var to STP	Var to PY
Income	981	(87)	4%
Impairment	-	-	n/m
Costs	(701)	(51)	(26%)
JVs & Assoc	-	-	n/m
PBT	280	(138)	(28%)

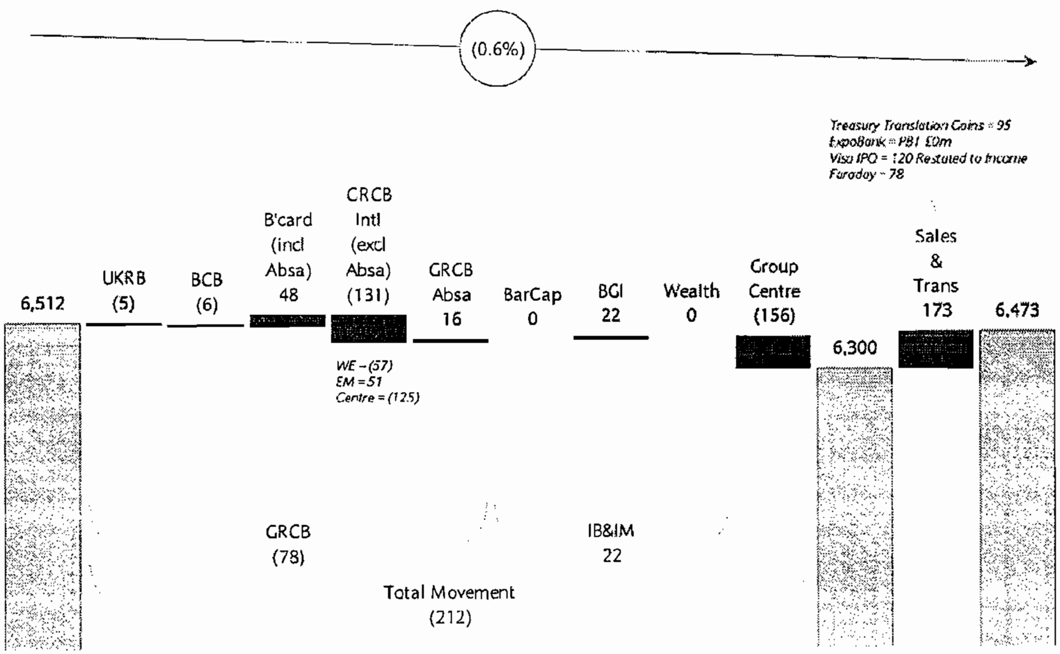
Wealth	HY08 RAF	Var to STP	Var to PY
Income	672	(40)	6%
Impairment	(9)	(6)	<(200%)
Costs	(483)	26	(5%)
JVs & Assoc	-	-	n/m
PBT	180	(20)	4%

Notes: 1) Includes relevant share of Absa. 2) Includes unallocated central challenge

FY08 RAF – Latest Movements (Q2 vs Q1)

The Q2 RAF is £39m down on Q1 RAF, although this includes £78m of new disposal gains and £95m of recycling gains which do not benefit capital. The RAF also includes significant challenges in GRCB and a forecast turnaround in BCB and Absa performances

PBT (£m)



	Q1 RAF FY08 Reported	UKRB	BCB	B'card	CRCB Intl	GRCB Absa	BarCap	BGI	Wealth	Group Centre	Underlying	Sales & Trans	Q2 RAF FY08 Reported
Income	24,076	(8)	(29)	(46)	87	104	600	51	3	(154)	24,684	258	24,942
Impair	(3,473)	-	-	6	(65)	(53)	(550)	-	(3)	-	(4,138)	(5)	(4,143)
Costs	(14,322)	5	23	48	(122)	(35)	(50)	(29)	-	(2)	(14,484)	(38)	(14,522)
PBT	6,512	(5)	(6)	48	(131)	16	-	22	-	(156)	6,300	173	6,473
AP	3,937	(7)	(14)	52	(157)	53	9	(3)	-	(238)	3,633	283	3,915
EP	1,325	(27)	(23)	38	(200)	40	(21)	5	4	(47)	1,095	283	1,377

- **UKRB** – The lower PBT is primarily due to allocations from GRCB Centre. Underlying performance increases £3m with higher volumes in Home Finance offsetting income pressure in BFP and lower Current Account fees
- **BCB** – The RAF decreases £6m as the H1 income and impairment trends start to reverse. The RAF currently includes Motability of £48m in July although it is targeted for H1 to cover central challenges
- **B'card** – Increase driven by GRCB Centre allocations of Visa IPO and MasterCard performance improvements of £10m are offset by a decrease in secured lending
- **GRCB EM** – Income improvements offset by increasing costs. FY RAF includes ExpoBank with nil PBT
- **GRCB WE – PBT includes £78m from Faraday (disposal of France Insurance business) and £20m challenge.** Higher Spanish impairment (£40m) continues. Costs include higher restructuring charges and branch expansion
- **GRCB Centre – Included in the centre is a challenge of £90m.** The negative variance to Q1 RAF represents gains allocated to the businesses
- **GRCB Absa** – PBT increase is driven by cost savings (£45m) and favourable FX impacts (£37m) less £40m increase in impairment. **The downward income pressure in H108 is a risk to delivery of the H2 RAF**
- **BarCap** – PBT is expected to be in line with Q1 RAF. £550m of expected losses are now forecast to impact impairment rather than income. The forecast does not include any gains on own credit in H2; a decrease of £220m from Q1 RAF
- **BGI** – US$ PBT remains unchanged from Q108 RAF; FX movement increases PBT by £22m. Current RAF includes a recovery in liquidity support of £78m in H2
- **Barclays Wealth** – PBT expectation remains in line with Q1 RAF
- **Group Centre** – Treasury's loss increases by £29m due to higher NI payments (£71m) and market dislocation (£44m) offset by translation recycling gains (£95m). £2m increase in Central Support PBT due to lower Project Spring costs (£19m) offset by VAT provisions transferred to the clusters (£12m). Consolidation Adjustments includes £25m of Project Heron fees

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Cluster Performance – Full Year

At a Group level cost growth outstrips income growth with strongly increased impairment driving PBT lower

UKRB	FY08 RAF	Var to STP	Var to PY
Income	4,502	(20)	5%
Impairment	(598)	16	(7%)
Costs	(2,547)	18	(3%)
JVs & Assoc	4	(2)	(43%)
PBT	1,361	12	7%

BCB	FY08 RAF	Var to STP	Var to PY
Income	2,733	(59)	7%
Impairment	(304)	-	(4%)
Costs	(1,071)	(16)	(15%)
JVs & Assoc	(1)	-	(107%)
PBT	1,357	(75)	-

GRCB WE	FY08 RAF	Var to STP	Var to PY
Income	1,343	144	43%
Impairment	(207)	(83)	(172%)
Costs	(986)	(128)	(47%)
JVs & Assoc	78	78	>200%
PBT	228	11	16%

GRCB Centre	FY08 RAF	Var to STP	Var to PY
Income	(12)	(12)	n/m
Impairment	-	1	n/m
Costs	3	3	n/m
JVs & Assoc[2]	89	25	n/m
PBT	80	17	n/m

GRCB	FY08 RAF	Var to STP	Var to PY
Income	14,795	402	15%
Impairment	(2,574)	(186)	(33%)
Costs	(7,865)	(325)	(15%)
JVs & Assoc	176	109	>200%
PBT	4,532	-	10%

Barclaycard	FY08 RAF	Var to STP	Var to PY
Income	3,056	242	21%
Impairment	(1,043)	(40)	(26%)
Costs	(1,304)	(149)	(19%)
JVs & Assoc	(1)	7	86%
PBT	708	60	17%

GRCB EM	FY08 RAF	Var to STP	Var to PY
Income	967	199	81%
Impairment	(163)	(43)	<(200%)
Costs	(651)	(125)	(65%)
JVs & Assoc	-	-	(100%)
PBT	153	31	53%

GRCB ABSA	FY08 RAF	Var to STP	Var to PY
Income	2,206	(92)	10%
Impairment	(259)	(37)	(77%)
Costs	(1,309)	72	(3%)
JVs & Assoc	7	1	(36%)
PBT	645	(56)	8%

HO & Other[1]	FY08 RAF	Var to STP	Var to PY
Income	(422)	(198)	(118%)
Impairment	(7)	(8)	(133%)
Costs	(505)	(199)	(116%)
JVs & Assoc	-	77	(100%)
PBT	(934)	(328)	(117%)

Group	FY08 RAF	Var to STP	Var to PY
Income	24,942	(798)	8%
Impairment	(4,143)	(1,476)	(48%)
Costs	(14,522)	807	(10%)
JVs & Assoc	196	186	180%
PBT	6,473	(1,281)	(9%)

IBIM	FY08 RAF	Var to STP	Var to PY
Income	10,569	(1,002)	2%
Impairment	(1,562)	(1,282)	(83%)
Costs	(6,152)	1,331	(0%)
JVs & Assoc	20	-	(43%)
PBT	2,875	(953)	(15%)

BarCap[1]	FY08 RAF	Var to STP	Var to PY
Income	7,150	(730)	0%
Impairment	(1,550)	(1,275)	(83%)
Costs	(3,870)	1,155	3%
JVs & Assoc	20	-	(43%)
PBT	1,750	(850)	(25%)

BGI	FY08 RAF	Var to STP	Var to PY
Income	2,036	(204)	6%
Impairment	-	-	n/m
Costs	(1,283)	101	(8%)
JVs & Assoc	-	-	n/m
PBT	753	(103)	3%

Wealth	FY08 RAF	Var to STP	Var to PY
Income	1,383	(68)	7%
Impairment	(12)	(7)	(71%)
Costs	(999)	75	(3%)
JVs & Assoc	-	-	n/m
PBT	372	-	21%

Notes: 1) Includes relevant share of Absa. 2) Includes unallocated central challenge

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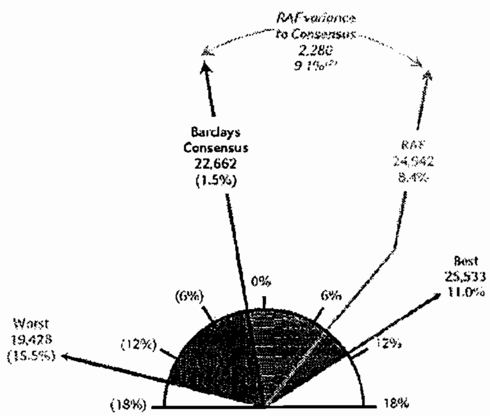
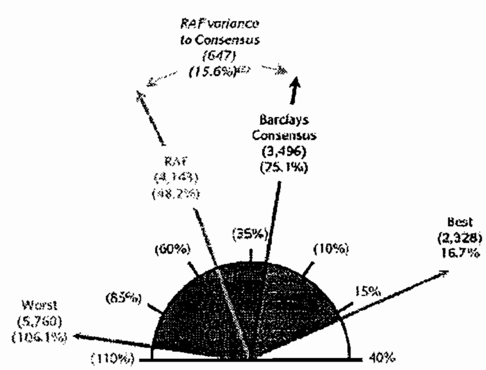
RAF versus 2008 Consensus

RAF is ahead of consensus across all metrics except cost growth and impairment

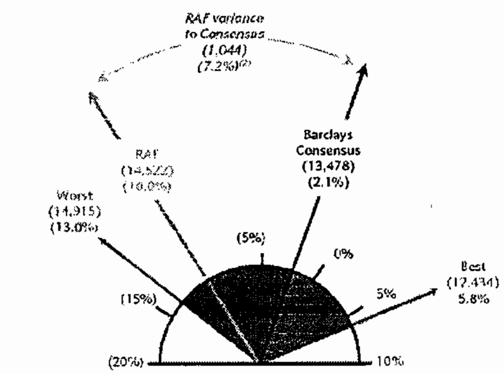
Income Growth (£m)



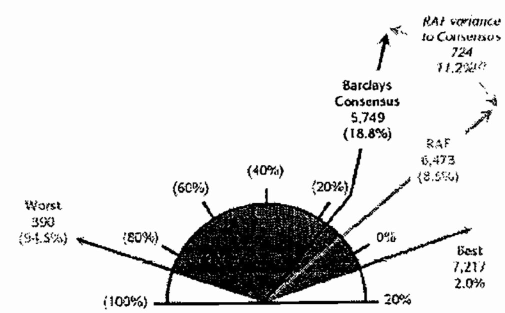
Impairment Growth (£m)



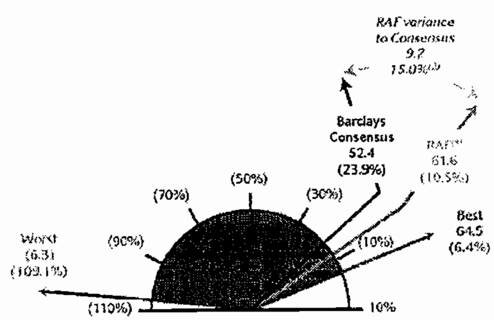
Costs Growth (£m)



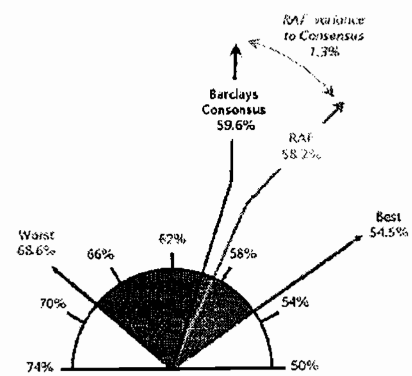
PBT Growth (£m)



EPS Growth (p)



CIR (%)



Notes: Group consensus is derived from 23 analysts as at 10th June 2008. 2) RAF variance to Consensus (percent) is based on absolute variance over RAF

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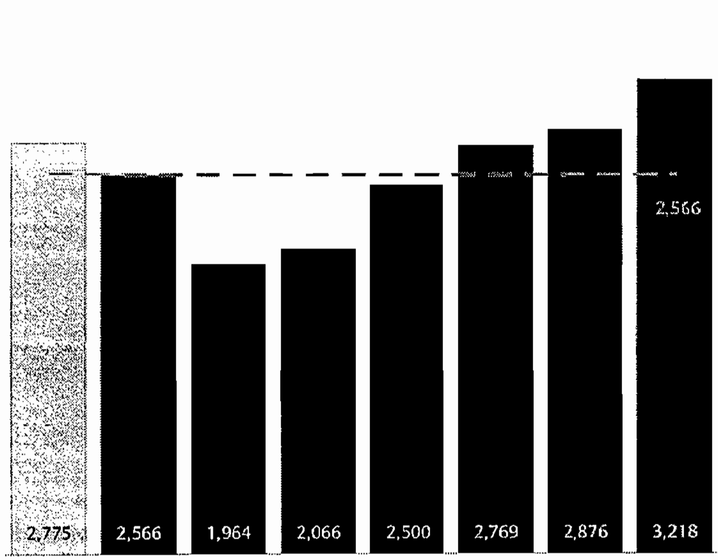
H108 Consensus

Current outlook indicates Barclays will strongly outperform H108 consensus although those analysts submitting H108 consensus have a slightly lower expectation of full year performance than the full analysts group

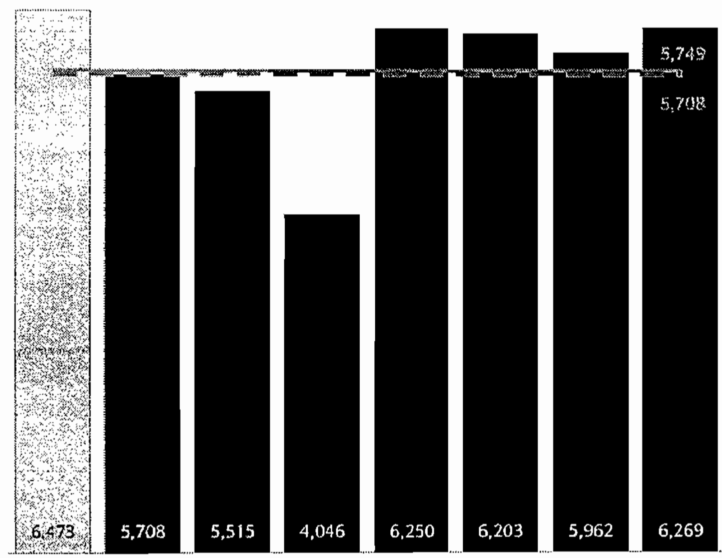
H108 PBT Cluster Consensus (£m)

Consensus[1]
Consensus of H1 Analysts[2]

H108



FY08



	H108 RAF	Avg Cons'	DrKW	Panmure	S&P	Cazenove	ML	CS
Income	11,755	11,097	11,721	11,334	10,470	10,913	10,821	11,320
Impairment	(2,378)	(1,923)	(3,128)	(2,092)	(1,350)	(1,808)	(1,678)	(1,480)
Costs	(6,646)	(6,632)	(6,717)	(7,218)	(6,620)	(6,337)	(6,270)	(6,628)
JVs	44	23	88	42	0	1	3	6
PBT	2,775	2,566	1,964	2,066	2,500	2,769	2,876	3,218

	FY08 RAF	Avg Cons'	DrKW	Panmure	S&P	Cazenove	ML	CS
Income	24,942	22,976	23,824	23,264	22,820	22,867	22,314	22,767
Impairment	(4,143)	(3,552)	(4,494)	(4,387)	(2,710)	(3,317)	(3,265)	(3,136)
Costs	(14,522)	(13,758)	(13,944)	(14,915)	(13,860)	(13,358)	(13,094)	(13,375)
JVs	196	41	129	84	0	11	7	13
PBT	6,473	5,708	5,515	4,046	6,250	6,203	5,962	6,269

Notes: 1) Consensus of 23 Analysts on 10/06/08; 2) HY and FY Consensus of five analysts on 29/05/08

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Global Retail & Commercial Banking

GRCB maintains RAF commitments at half year and full year. Although this is supported by new disposal gains of £78m in FY08

GRCB Total (£m)

	Actual Trend			Half Year				H2 RAF	Full Year				
	Apr	May	Implied June	H108 RAF	Var to Q1 RAF	Var to STP	Var to PY	H208	FY08 RAF	Var to Q1 RAF	Var to STP	Var to PY	Var to Consensus
Income	1,151	1,236	1,178	6,971	10	44	11.5%	7,824	14,795	271	402	15.0%	908
Impairment	(215)	(222)	(235)	(1,211)	(70)	(85)	(29.4%)	(1,363)	(2,574)	(117)	(186)	(32.7%)	(245)
Costs	(577)	(620)	(580)	(3,579)	66	39	(10.7%)	(4,286)	(7,865)	(119)	(325)	(15.2%)	(519)
JVs	(1)	1	33	35	(6)	2	>200%	141	176	(35)	109	>200%	176
PBT	358	395	396	2,216	0	0	6.0%	2,316	4,532	0	0	9.7%	301
AP	248	251	436	1,660	105	112	14.8%	1,638	3,298	143	175	15.6%	
EP	110	128	322	937	99	81	11.0%	782	1,719	44	8	6.8%	
Metrics													
Ig-Cg Δ				0.8%	2.2%	1.9%			(0.2%)	0.4%	(1.6%)		(0.5%)
CIR	50.1%	50.2%	49.2%	51.3%	1.0%	0.9%	0.4%	54.8%	53.2%	0.2%	(0.8%)	(0.1%)	(0.3%)
AEC (£bn)	12.9	12.9	12.7	12.7	(0.1)	(0.5)	(16.9%)	13.9	13.9	(0.8)	(1.4)	(24.0%)	
RWAs BII (bn)	178.1	180.3	179.8	179.8	(0.1)	(0.9)	n/m	194.0	194.0	(1.4)	(10.0)	(15.8%)	
RoRWAs	nca	nca	nca	1.91%	0.12%	0.31%	(0.08%)	1.75%	1.83%	0.07%	0.07%	(0.10%)	
RORC	nca	nca	nca	33%	2%	2%	(2%)	29%	31%	1%	1%	(2%)	
ROEC	nca	nca	nca	25%	1%	1%	(1%)	22%	22%	(0%)	(1%)	(2%)	
NGE	nca	nca	nca	161	nca	142	(82%)	(290)	(129)	nca	(380)	(126.4%)	
Underlying													
PBT	298	307	368	1,939	0	(137)	(5.8%)	2,087	4,027	(78)	(275)	1.2%	
EP	66	70	303	741	99	(4)	(9.3%)	411	1,151	(172)	(359)	(22.9%)	
Cluster													
UKRB	108	131	128	689	12	32	6.7%	672	1,361	(5)	12	6.7%	
BCB	93	114	97	643	(25)	(86)	(8.9%)	714	1,357	(6)	(75)	-	
Barclaycard	98	61	43	385	25	71	28.8%	323	708	48	60	17.4%	
GRCB WE	17	23	39	106	15	(3)	1.0%	122	228	21	11	16.3%	
GRCB EM	6	16	15	63	18	21	5.0%	90	153	51	31	53.0%	
GRCB Absa	41	50	49	305	(15)	(23)	11.3%	340	645	16	(56)	7.7%	
GRCB Centre	0	0	25	25	(30)	(12)	n/m	55	80	(125)	17	n/m	

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Investment Banking & Investment Management

IB&IM exceeds Q108 RAF commitments for the half year and full year. Small improvements in H108 RAF due to higher expected fees in BGI, offset by higher costs in Barclays Wealth. In FY08 the FX impact on BGI drives the improved result

IB&IM Total (£m)

	Actual Trend			Half Year				H2 RAF	Full Year				
	Apr	May	Implied June	H108 RAF	Var to Q1 RAF	Var to STP	Var to PY	H208	FY08 RAF	Var to Q1 RAF	Var to STP	Var to PY	Var to Consensus
Income	418	1,031	965	4,853	383	(866)	(15.3%)	5,716	10,569	654	(1,002)	2.3%	1,709
Impairment	(48)	(182)	(184)	(1,159)	(352)	(1,019)	<(200%)	(403)	(1,562)	(553)	(1,282)	(83.1%)	(337)
Costs	(441)	(520)	(547)	(2,844)	(6)	725	18.7%	(3,308)	(6,152)	(79)	1,331	(0.2%)	(425)
JVs	(3)	0	6	10	(1)	0	n/m	10	20	0	0	(42.9%)	10
PBT	(74)	329	240	860	24	(1,160)	(61.3%)	2,015	2,875	22	(953)	(14.8%)	957
AP	(52)	226	159	600	(3)	(787)	(61.9%)	1,421	2,021	6	(608)	(19.1%)	
EP	(152)	144	63	91	(3)	(918)	(93.0%)	859	950	(12)	(830)	(48.2%)	
Metrics													
Ig-Cg Δ				3.4%	6.5%	5.6%			2.1%	5.0%	12.0%		9.6%
CIR	105.5%	50.4%	56.7%	58.6%	4.9%	3.8%	2.4%	57.9%	58.2%	3.0%	6.5%	1.2%	6.4%
AEC (£bn)	8.7	8.7	9.1	9.1	0.1	(2.3)	(80.3%)	9.4	9.4	0.2	(1.8)	(59.3%)	
RWAs BII (bn)	203.6	206.6	191.7	191.7	13.8	1.6	n/m	210.3	210.3	6.5	(11.7)	(13.5%)	
RoRWAs	nca	nca	nca	0.64%	(0.30%)	(0.83%)	(1.46%)	1.41%	1.04%	(0.08%)	(0.33%)	(0.61%)	
RORC	nca	nca	nca	11%	(7%)	(18%)	(32%)	27%	20%	(2%)	(7%)	(14%)	
ROEC	nca	nca	nca	12%	(9%)	(28%)	(49%)	29%	20%	(4%)	(13%)	(21%)	
NGE	nca	nca	nca	(578)	nca	(438)	(6%)	(268)	(846)	nca	(939)	(52%)	
Cluster													
BarCap	(171)	236	138	400	0	(1,002)	(75.9%)	1,350	1,750	0	(850)	(25.1%)	829
BGI	77	63	65	280	34	(138)	(27.8%)	473	753	22	(103)	2.6%	110
Wealth	20	30	37	180	(10)	(20)	4.0%	192	372	0	0	21.2%	18

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Group Centre

A treasury translation recycling event (£95m) drives H108 RAF higher. For the FY08 this is offset by notional interest payments to the businesses

Group Centre Total (£m)

	Actual Trend			Half Year				H2 RAF	Full Year				
	Apr	May	Implied June	H108 RAF	Var to Q1 RAF	Var to STP	Var to PY	H208	FY08 RAF	Var to Q1 RAF	Var to STP	Var to PY	Var to Consensus
Income	(25)	103	(25)	(69)	101	36	16.9%	(353)	(422)	(59)	(198)	(117.5%)	(337)
Impairment	3	(2)	(3)	(8)	(2)	(8)	27.3%	1	(7)	0	(8)	(133.3%)	(65)
Costs	(36)	(48)	(30)	(223)	(14)	(96)	(92.2%)	(282)	(505)	(2)	(199)	(115.8%)	(100)
JVs	1	(1)	0	(1)	0	36	n/m	1	0	0	77	(100.0%)	(50)
PBT	(57)	52	(58)	(301)	85	(32)	(43.3%)	(633)	(934)	(61)	(328)	(117.2%)	(534)
AP	(70)	18	(107)	(492)	97	(17)	(27.1%)	(912)	(1,404)	(171)	(377)	(50.3%)	
EP	(38)	1	(78)	(502)	147	169	4.9%	(790)	(1,292)	20	46	(12.0%)	
Metrics													
AEC (£bn)	(0.7)	(0.5)	(0.4)	(0.4)	0.2	(2.0)	119.1%	(0.9)	(0.9)	(0.4)	(2.0)	144.3%	
RWAs BII (bn)	0.9	1.3	0.2	0.2	(0.9)	1.5	n/m	0.0	0.0	(0.8)	6.2	98.2%	
NGE	nca	nca	nca	152	nca	105	137%	169	169	nca	(175)	2%	
Underlying													
PBT	(53)	(43)	(58)	(398)	(10)	(129)	(95.7%)	(633)	(1,031)	(156)	(425)	(123.5%)	
EP	(38)	(72)	(78)	(588)	81	101	(6.1%)	(790)	(1,378)	(47)	(22)	(12.9%)	
Cluster													
Treasury	(77)	90	(21)	(67)	111	(47)	<(200%)	(253)	(320)	(29)	(262)	<(200%)	
Central Support	(31)	(43)	(30)	(173)	8	(34)	(69.6%)	(188)	(361)	2	(75)	(152.4%)	
Consolidated Adj	47	9	(5)	(55)	(31)	55	46.6%	(200)	(255)	(37)	5	(18.6%)	
Trans Bus	4	(4)	(2)	(6)	(3)	(6)	(50.0%)	8	2	3	4	(86.7%)	

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Group ExCo Briefing Note

For meeting on 15th April 2008

Agenda Item		Comments
1.	Review of actions and minutes	• No new RED Actions

2.	Corporate Sustainability – next steps
	
	[Sponsor: PTI]
	
	[Attendee: GAH]
		• Paper outlines the next steps on Corporate Sustainability, following from direction provided by Group ExCo in September last year
		• Paper is not finalised, nor has it been validated with the relevant businesses. It may make sense to have the recommendations reviewed and vetted by OpCo and/or relevant businesses before returning to Group ExCo.
		• If Group ExCo still wants to review in this meeting, following are the key issues/questions:
		  o Pg 5: Recommendations on changes to governance framework seem OK, but without detail on current arrangement it is hard to tell
		  o Pg 7/14: The only specific IBIM issue raised in the paper relates to validating Wealth's product development processes against Treating Customer Fairly (TCF) criteria – details on this issue not explained so impossible to determine if valid
		  o Pg 9/17: Q1 09 carbon neutral targets set for all businesses – who is setting/ managing this, what impact does this have on the business?
		  o Pg 9/17: Assess carbon footprint of supply chain and set targets – what does supply chain cover? If extends to clients, could adversely impact business
		  o Pg 9: Why would we want a "lead the pack" position? Why would we not want "middle of the pack" status?
		  o Pg 10: Need to be careful regarding "responsible lending and investment" to ensure it does not adversely impact business
		  o Pg 14:TCF Forum to promote use of customer research cross all businesses to guide product development and process improvements and review colleague compensation – what is the comp point, should it be linked to annual objectives instead?
		  o Pg 15: Incentivise country managers to develop innovative ways to serve new customer segments, esp. SMEs and unbanked retail – is this beyond the scope of "country managers" remit?
		  o Pg 18: Do we want Brand and Reputation Committee to develop policy positions? Its primary function is to manage potential brand and reputation issues relating to specific aspects of business
		  o Pg 18: All businesses review commercial opportunities on green product offerings and report to Environ Sustainability Steering Group in May – need to consider business impact

3.	Legal & Compliance Update (Spring) [Sponsor: JSV] [Attending: Harding]	• No Papers
4.	Capital Management (pre-April Board) [Sponsor: CGL]	• [PAC to provide comments]

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5.	Performance Management	**March MTD performance (page 5)** • Group PBT in the month of £191m is £466m under budget. • Contributors to negative variance: £407m BarCap, £92m Head Office, £35m BGI and £21m BCB • Head Office adverse variance driven by GUTS and Treasury losses MTM of embedded call options on pref shares. There is also a £26m central cost provision which was not in the plan (no details given). These were offset by £18m of one-off tax provision releases (VAT, corporate and PAYE) • GRCB was £56m ahead of budget. Strong performance by IRCB and UKRB partially offset by BCB. Some of the outperformance by GRCB can be explained by early receipt of property credits of £9m by UKB and Visa IPO contributions to Absa of £46m • Headcount at IRCB continues to motor ahead with 8,000 heads added in March alone (three quarters of these are agency staff) - **page 9** **Q1 performance (page 6)** • Overall Group PBT is £464m behind budget and 34% down on prior year • GRCB £97m ahead of budget and 3% up on prior year. Ex property credits and Visa IPO, only £10m ahead of budget • Head Office £75m behind budget (GUTS and Treasury losses in March) • IBIM £486m behind budget (BarCap £364m, BGI £126m)
6.	Matters arising from ExCo Sub-Comms	
	(i) Group Operating Comm (26 March) [Sponsor: PTI]	• Nothing of concern
	(ii) Group Treasury Comm (18 March) [Sponsor: CGL]	• Nothing of concern • Balance sheet grew by £252bn in Jan., with most movement in BarCap (reverse repo and derivative balances) • RWAs grew by £12.5bn in Jan, primarily in BarCap

	(iii) Group Risk Oversight Comm (29 Feb)
	
	[Sponsor: CGL]
		• Nothing of concern
		• Retail Credit: Overall impairment performance remains within plan
		  ○ 4 key watch areas are the US economy, ABSA, UK economy, and India (ability to manage rapid growth). Spain is also an area of focus
		• Wholesale Credit: General environment stable although watchlist balances are at recent highs. Barclays commercial property portfolio has decreased 5-10%
		• Market Risk:
		  ○ BarCap DVaR was up to £55-60m (from £45m in 2007) and the limit has been raised to £70m due to increased flow and volatility (this is in line with increases at competitors)
		  ○ Now measuring Investment Risk within BGI where we have invested ~£300m in two funds

	(iv) Brand & Rep Comm (13 Feb) [Sponsor: RED]	• Nothing of concern

7.	AOB
	
	IBIM Investor
		• Bob, you may want to raise:
		  ○ Gay Huey-Evans starting today
		  ○ Archie announcement going out early next week (has Frits told AJ)

	Seminar	

EXHIBIT 134

FILED UNDER SEAL

From: Diamond, Bob: Barclays Capital [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=DIAMONDB]
Sent: Wednesday, November 21, 2007 1:03:03 PM
To: del Missier, Jerry: Barclays Capital (LDN); Ricci, Rich: Barclays Capital
Subject: FW: Lower Tier 2 Issue

fyi

-----Original Message-----
From: Seegers, Frits: Barclays PLC
Sent: 21 November 2007 13:00
To: Diamond, Bob: Barclays Capital; Lucas, Chris: Barclays PLC; Varley, John: Barclays PLC; Idzik, Paul: Barclays Group
Cc: Stone, Jonathan: Barclays Treasury (LDN)
Subject: Re: Lower Tier 2 Issue

Gentlemen

1) Agree that subordinated spreads seem high, but,

2) With current market conditions I worry that spreads may get still higher-and will remain high next year.

3) What happens if another big bank jumps in, could spreads jump wider?

4) With securitisation markets shut, GRCB has virtually no way to reduce its WRA's by year-end (or early next for that matter)

My strong preference is not to wait. Best frits

Sent from my BlackBerry Wireless Handheld

-----Original Message-----
From: Diamond, Bob : Barclays Capital
To: Lucas, Chris : Group Exec; Varley, John : Group Exec; Seegers, Frits : Group Exec; Idzik, Paul : Barclays Group
CC: Stone, Jonathan: Barclays Treasury (LDN) <jonathan.stone@barclaysgt.com>
Sent: Wed Nov 21 09:35:55 2007
Subject: Re: Lower Tier 2 Issue

Gents

Worry very much about reputational risk here, being back in the papers as desperate, etc. Met wit Jon, Jerry, Boath, Rich and we all agree to hold and not issue today at these levels, and we need to

1 begin looking at private Xactions to shed rwa

2 begin group wide reduction as much as possible b4 year end

3 plan to execute if market better up to a £bill 11/27 and also early Jan

We will have working group on this all the way. Hugely important.

----- Original Message -----
From: Lucas, Chris: Barclays PLC
To: Varley, John: Barclays PLC; Diamond, Bob: Barclays Capital; frits.seegers@barclays.com

EXHIBIT NO. 483
DATE: 11/13/15
Reporter - Laurie A. Collins

<frits.seegers@barclays.com>; Idzik, Paul:
Barclays Group
Cc: jonathan.britton@barclays.com <jonathan.britton@barclays.com>; Stone, Jonathan: Barclays Treasury (LDN)
Sent: Wed Nov 21 08:24:51 2007
Subject: Fw: Lower Tier 2 Issue

Please see the note from Jon , while it seems expensive , I feel getting a sizable tier 2 issue away this side of the trading statement is important .
If we complete this successfully , we would have the option of delaying futher issuance into next year .

We also believe there are many issuers waiting for conditions to improve with some possibility that they do not in the short term . This could to excess supply of paper with an impact on pricing .

-----Original Message-----
From: Stone, Jonathan: Barclays Treasury (LDN) <jonathan.stone@barclaysgt.com>
To: Lucas, Chris : Group Exec; Britton, Jonathan : Group Central Functions
CC: Aucutt, Ross: Barclays Treasury (LDN) <Ross.Aucutt@barclaysgt.com>
Sent: Wed Nov 21 08:15:23 2007
Subject: Lower Tier 2 Issue

As you will be aware we have a need in our current capital plan to raise in the region £2.3bn of lower tier 2 capital in advance of the year end. Given the current market conditions and the broad negative sentiment on financials with regard to credit concerns, credit spreads have widened considerably and remain at the highs for this year.

As a consequence indicative spreads for a sterling lower tier 2 for a bench mark transaction (£750m) are Libor plus 150 -160bps. By contrast we issued lower tier 2 issues in March and May of this year at approx Libor plus 20bps. While these spread levels are the historic lows we have not been more than Libor plus 45bps for at least 6years.

Nevertheless we are proposing with the Barclays Capital syndicate desk that we launch an issue this morning at these levels given that there is only a further three weeks before the market will close for this year and it remains uncertain that the market will improve further from this point. We will seek to build a book larger than the target £750m and will reassess the options we have to reduce the further issuance that we had planned to meet the £2.3bn of lower tier 2 target.

As an indication of the current market the only financial trades to price over the past two weeks are : UBS' £250mm and DNB Nor's £150mm (both at Libor +110bp) and Commerzbank, who brought a €750m lower tier 2 issue to the market last week. Due to deteriorating market sentiment, however, they were forced to widen price guidance from Libor plus 125bp area to Libor plus130-135bp

It is likely that the market will read this as "Barclays is desperate" given the spread and why is it issuing at this point in the market. We have to date indicated to the market that our capital raising calendar has been restricted by the ABN Amro transaction closed periods and that is we are considering an issue at this point. Nevertheless, we will be working with Corporate Comms to manage the press enquiries.

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EXHIBIT 135

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From: Spinale, Anthony: Barclays Capital [/O=BZW/OU=EUROPE/CN=LDN AD USERS/CN=USERS/CN=SPINALEA]
Sent: Tuesday, November 27, 2007 2:51:16 PM
To: Diamond, Bob: Barclays Capital; Clackson, Patrick: Finance (LDN)
CC: Ricci, Rich: Barclays Capital
Subject: RE: RWA's

The push back should be we recognise there's a group WRA problem but we've already come down 10bn and continued our commitment to a pbt target. You're asking for another 12.5, but you're not recognising that there has to be a pbt impact if we do this. Can't have it both ways. Which is what patrick has been telling him in the attached emails.

-----Original Message-----
From: Diamond, Bob: Barclays Capital
Sent: 27 November 2007 14:31
To: Spinale, Anthony: Barclays Capital; Clackson, Patrick: Finance (LDN)
Cc: Ricci, Rich: Barclays Capital
Subject: Re: RWA's

I find this appalling, but also impossible to get to. Push back?

----- Original Message -----
From: Spinale, Anthony: Barclays Capital
To: Diamond, Bob: Barclays Capital
Cc: Ricci, Rich: Barclays Capital
Sent: Tue Nov 27 14:07:25 2007
Subject: FW: RWA's

we just got the STP deck that lucas will be tabling at exco today.
Viv's email summarises the additional haircut to WRAs he's looking for in 2007 and 2008.
lucas put these numbers in the deck as a 2007 STP.

From: Syal, Vivek: Finance (LDN)
Sent: 27 November 2007 14:02
To: Spinale, Anthony: Barclays Capital
Cc: Clackson, Patrick: Finance (LDN)
Subject: FW: RWA's

Anthony,

WRAs we submitted as part of the MTP were:

2007F: £180bn (Basle I)
2008P: £188.5bn (Basle II)

Note that the original 2008 submission to group was £198.5bn and our numbers were reduced by £10bn in 2008 following the QED and before presenting MTP to the Board.

In the current deck to be presented in a few minutes to ExCo (see page 5 of deck attached), Lucas wants us to get to:

2007F: £170bn (B I)
2008P: £176bn (B II)

EXHIBIT NO. 484
DATE: 11/13/15
Reporter - Laurie A. Collins

In 2007 this is a £10bn reduction on RAF and for 2008 a further £12.5bn down on top of the £10bn we have already reduced. See below for Patrick's push back when the request came through to us yesterday. We also asked them to flag the fact that there would be a PBT impact that has not been quantified.

Regards,

Viv

From: Clackson, Patrick: Finance (LDN)
Sent: Monday, November 26, 2007 2:30 PM
To: Lucas, Chris: Barclays PLC
Cc: Stone, Jonathan: Barclays Treasury (LDN); Shipley, Stephen: Barclays PLC; Monkhouse, Andrew: Finance (LDN)
Subject: RE: RWA's

Chris

1 we will try on numbers but not sure, need to be aware there are still big gaps we need to close to get to these numbers GBP8-10bn over and above the GBP15bn we've earmarked
2 Whilst I acknowledge the number, not sure of scientific basis we think more likely to be 172 compared to a b1 170. Still need to find a further c. £16bn of savings / business reductions to achieve this
3 Dec 08 This is a £12.5bn reduction from our current plan of £188.5bn, which, in itself, was a £10bn reduction from our original £198.5bn, this will have business impact which is not yet factored into plan, or implications worked thru so I don't think we can unilaterally change the capital for this amount.

As you know we're working on all the above, if you are using the numbers in Exco or borad decks you need to very careful in how you present them, "targets being worked towards which may have pbt impact" rather than forecasts. For 2008 I don't think it's right to put number in anything as above

rgds

Patrick

From: Lucas, Chris: Barclays PLC
Sent: Monday, November 26, 2007 4:03 AM
To: Clackson, Patrick: Finance (LDN)
Cc: Stone, Jonathan: Barclays Treasury (LDN); Shipley, Stephen: Barclays PLC
Subject: RWA's

Hope trip to NY goes well

Futher to our conversation on Friday pm , wanted to confirm the rwa targets for Barcap we are striving for to keep us in the right place for capital purposes

Basle 1 31 Dec 2007 £ 170 bn

Basle 2 1 January 2008 £168 bn

Basle 2 31 December 2008 £176 bn

I expect the stress will come on the 1 January 2008 numbers but this is what I hope we can achieve

Let me know if you disagree

Chris Lucas
Group Finance Director

Tel: 020 7116 1200 (cw 6006-1200)
Fax: 020 7116 6386 (cw 6006-6386)
e-mail: chris.lucas@barclays.com <mailto:chris.lucas@barclays.com>

PA Wendy Wilson 020 7116 1201

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

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EXHIBIT 136

FILED UNDER SEAL

From: Diamond, Bob: Barclays Capital [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=DIAMONDB]
Sent: Friday, November 30, 2007 7:26:26 PM
To: Spinale, Anthony: Barclays Capital
Subject: FW: EXCO - TUESDAY 27TH NOVEMBER - MINUTES
Importance: High
Attachments: ExCo Min 2007 11 27.doc

Ask then to hold, not right, we need to review

From: Fielding, Loretta: Barclays PLC
Sent: 30 November 2007 09:51
To: Diamond, Bob: Barclays Capital; Idzik, Paul: Barclays Group; Lucas, Chris: Barclays PLC; Seegers, Frits: Barclays PLC; Varley, John: Barclays PLC
Cc: Reynolds, Allana: Barclays Capital (LDN); Chung, Mei Mei: Barclays PLC; Dickinson, Lawrence: Barclays PLC; Dougan, Ashley: Barclays Group; Fielding, Loretta: Barclays PLC; Gonsalves, Patrick: Barclays PLC; Hammerstein, Matt: Barclays PLC; Harding, Mark: Barclays PLC; Hoffman, Gary: Barclays PLC; Jethwa, Vandana: Barclays PLC; Krymolowski, Isaac: Barclays PLC; Oliver, Michele: Barclays PLC; Olsen, Ditte: Barclays PLC; Page, Lesley: Barclays PLC; Pell, Chris: Barclays PLC; Purser, Marina: Barclays PLC; Sherwood, Helen: Barclays Capital (LDN); Spinale, Anthony: Barclays Capital; Wilson, Wendy: Barclays PLC
Subject: EXCO - TUESDAY 27TH NOVEMBER - MINUTES
Importance: High

Please find attached the minutes of ExCo held on Tuesday 27th November.

Regards
Loretta

Loretta Fielding
ExCo Secretariat
29th Floor, 1 Churchill Place
London E14 5HP
(T): +44 (0) 207 116 2916
(M): 07917 504 155
loretta.fielding@barclays.com

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ExCo Min 2007 11 27.doc

Minutes of Executive Committee
held Monday 27th November 2007

Present: JSV (Chair), RED, FFS, PTI, CGL, CP (secretariat)
Apologies: None

1. **Hedging FX Exposures or Net Investments and Capital Ratios**
(Jon Stone attended)

ExCo discussed two key issues concerning the hedging of the Absa investment:
(i) The relative cost of hedging the Absa investment vs. other currencies
(ii) Sensitivity of Barclays' capital ratios to the investment hedge of Absa

ExCo agreed:
(i) To reduce the Absa equity investment hedge to 33%
(Given the increased cost of hedging the investment in Absa, the Group's intention to hold the investment for a long time and the bi-product of increased stability in equity ratios)
(ii) To take advantage of natural maturation of c.50% hedges by Feb 2008
(iii) CGL to communicate decision to the Board in his FD Report to the December Board, and communicate to market at the appropriate time
(iv) That a more active stance to appropriate hedging would be taken going forward with Jon Stone to draw on market experience of Jerry del Missier and Ivan Ritossa. FFS requested that Vinit Chandra also be included in the discussions

2. **Cost of Equity (Pre-December Board)**
(Jon Stone attended)

ExCo reviewed the paper on 'Cost of Equity' in advance of the December Board meeting and agreed:
(i) That the Group's cost of equity (CoE) will increase from 9.5% to 10.5% (driven by increases in both risk free rate and Barclays equity beta)
(ii) That once PWC have completed review it can go to Board for approval
(iii) That any potential impact on current compensation schemes will be reviewed and taken to RemCo for consideration

3. **Capital Raising and Buybacks (Pre-December Board)**
(Jon Stone attended)

ExCo approved the paper on 'Capital Raising and Buybacks in 2008' in advance of the December Board meeting

4. **Short Term Group Capital Plan**
(Jon Stone attended)

ExCo discussed three key issues concerning the short term capital plan:

(i) Forecast capital ratios and RWA buffers to the regulatory capital floors by end of year (31st Dec 2007), on transition to Basel 2 (1st Jan 2008) and then post dividend (28th Feb 2008)
(ii) Capital issuance plan over this period and our ability to raise capital at sensible costs given market conditions
(iii) Target reductions in RWA consumption across the Group to hit ratios

ExCo agreed:
(i) To proceed with $750m-$1bn US retail preference share issuance as planned for this week
(ii) To proceed with £750-£1bn Lower Tier 2 issuance, preferably this week but certainly within the two week window
(iii) Jon Stone to send email on likely pricing to ExCo members directly
(iv) To continue investigating potential for smaller public issues in other currencies (AU$, SFr) and private placements (Euros, CAN$, AU$)
(v) CGL communicated year end RWA Basel 1 targets of £181bn for IB&IM (including £170bn for BarCap), and £164bn for GRCB
(vi) FFS agreed that he would hit the £164bn target
(vii) RED assured ExCo that he recognised the Group issue and would make every effort to hit the reduced RWA targets, but given current market conditions he thought it would be heroic to hit £170bn for BarCap given their target range of £168bn-£178bn

5. STP (Pre-December Board)

CGL circulated the 'STP 2008 ExCo Update' paper for comments noting the following issues:
(i) Revised STP document incorporates the target 2007 year end RWA positions as advised in previous session on capital plan (see 4 above)
(ii) It also includes further target adjustments to 2008 year end RWA positions (£3.2bn reduction in GRCB and £12.5bn reduction in IB&IM)
(iii) It includes an agreed reduction in GRCB income due to the RWA impact (and a compensating reduction in central buffer), and work is ongoing with IB&IM to make similar adjustment to IB&IM income line
(iv) RED expressed concern that aggressive reductions in RWAs would not only have immediate revenue impact but would likely have knock-on impacts on overall business model / franchise health
(v) CGL noted that immediate challenge would be in landing the 1st Jan 08 Basel 2 RWA start positions; ongoing challenge in 2008 would be the unsustainable consumption of RWAs at low levels of return in some parts of the business (to be addressed through proposed Steering Committee on capital allocation and management - see AOB)
(vi) JSV confirmed that highest priority was on FY RAF hitting consensus (>£7bn PBT at Group level), and there were then three competing priorities: landing the STP, hitting the year end capital ratios and protecting the business franchise
(vii) CGL to circulate revised, agreed STP document to Board separately to main Board papers distribution (probably on Monday 3rd Dec)

6. **ARROW Report FSA Findings (Pre-December Board)**
(Mark Harding attended and Mike Walters dialled-in)

ExCo discussed the ARROW Report FSA Findings in advance of the December Board meeting and agreed the following:

(i) ExCo expressed surprise and concern that FSA had rated the Group as a High net probability risk against Financial Soundness
(ii) All ExCo members to return comments on FSA findings to Mike Walters as top priority
(iii) FFS to ensure step up in frequency of GRCB/FSA meetings to ensure reversal of temporary deterioration in 'Close and Continuous' score 'due to either changes in personnel or structure'
(iv) Response to FSA to note lack of evidence regarding perceived IB&IM control issues (No global compliance in BGI, derivatives back office controls)
(v) Mike Walters to circulate new draft papers directly to ExCo members for comment

7. **Revised Share Dealing Code (Pre-December Board)**
(Lawrence Dickinson attended)

ExCo approved the 'Revised Share Dealing Code' in advance of the December Board meeting with the following alteration:

(i) Clearance to deal for Employee Insiders should be sought from the Company Secretary or Deputy Secretary only

8. **Matters Arising From ExCo Sub-Committees**

ExCo noted the contents of the Report from the Barclays Group Treasury Committee Meeting held on 9th November 2007

9. **AOB**

PTI circulated to ExCo a list of action points emerging from the ExCo and Board Strategy offsite meetings:

(i) Bring a completed, capital-balanced STP to the December Board (**CGL**)
(ii) Determine the approach to improving the management and allocation of capital (**CGL/PTI**)
(iii) Conduct the work required on the Brand and Marketing front in order to advance the ball where necessary and to bring a solid story to the Board no later than the end of Q2 '08 (**RED**)
(iv) Ensure that the GRCB Investor Day addresses some of the HSBC-fragmentation concerns (**FFS/PTI**)

CGL noted that immediate focus was on (i) but once this was complete, in tackling (ii) he was proposing to:

1) Set up a steering committee on capital management comprising CGL, PTI, Jon Stone, Rich Ricci, Todd Gravino with a supporting working group

2) Exact work streams to be confirmed but focus will be on the appropriate capital management framework going forward (How do we measure return on capital? How do we allocate capital? etc)

ExCo noted the contents of the paper on increased costs of regulation

PTI reminded ExCo of two changes to ExCo logistics going forward:

(i) As agreed at the ExCo offsite, for 2008 there will be a change to frequency of BAU ExCo meetings; with formal meetings fortnightly on Tuesdays (where possible) and shorter informal calls on the alternating Mondays

(ii) ExCo offsite on 1st May 08 has been moved from Milan to Glasgow

Note: Minutes of 5th November ExCo meeting were endorsed.

Chris Pell

EXHIBIT 137

FILED UNDER SEAL

From: Clackson, Patrick: Finance (LDN) [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=CLACKSONP]
Sent: Saturday, December 01, 2007 10:05:58 AM
To: Ricci, Rich: Barclays Capital; Diamond, Bob: Barclays Capital; Spinale, Anthony: Barclays Capital
Subject: Re: STP 2008 Board Pack

I have not spoken to him since my earlier email the other day., as stated in my earlier email lucas's plan was a one off drop at year end 2008

My recommendation would be that lucas puts a central haircut in the centre not against barcap. Gets him to his 5% and he can justify to the board as b2 is new and the group will be able to find ways to optimise wras and capital in the next year. Has the same result but does not pin savings on us. I've not mentioned this to lucas.

----- Original Message -----
From: Ricci, Rich: Barclays Capital
To: Diamond, Bob: Barclays Capital; Spinale, Anthony: Barclays Capital; Clackson, Patrick: Finance (LDN)
Sent: Sat Dec 01 09:03:47 2007
Subject: Re: STP 2008 Board Pack

Patrick I am assuming it is your conversation from the other day? Have you spoken since?

----- Original Message -----
From: Diamond, Bob: Barclays Capital
To: Spinale, Anthony: Barclays Capital; Clackson, Patrick: Finance (LDN); Ricci, Rich: Barclays Capital
Sent: Sat Dec 01 08:28:54 2007
Subject: FW: STP 2008 Board Pack

to what do you think he refers?

-----Original Message-----
From: Lucas, Chris: Barclays PLC
Sent: 30 November 2007 22:18
To: Diamond, Bob: Barclays Capital
Subject: Re: STP 2008 Board Pack

Will call you over the weekend - I think I have a plan , Patrick thinks it works but he may not have the whole story

-----Original Message-----
From: Diamond, Bob : Barclays Capital
To: Lucas, Chris : Group Exec
Sent: Fri Nov 30 20:50:20 2007
Subject: FW: STP 2008 Board Pack

Chris,

I really do not want to get in a tiff between us at the Board, nor do I want to drag other exco in. But you know I cannot reduce 2008 wra's, and you cannot change the stp unless we have agreed.

I have worked really hard on this the last few days, client guys are close to panic already, we cannot continue business as usual with lower wra's, happy to give you more colour. we are already well down on original commitment for 2008, AND THE MARKETS ARE TOUGHER.

can we talk over the weekend>? I cannot support this plan and do not want it to go to the board........prefer you and I resolve to be sure.

From: Shipley, Stephen: Barclays PLC
Sent: 30 November 2007 11:30
To: Varley, John: Barclays PLC; Lucas, Chris: Barclays PLC; Diamond, Bob: Barclays Capital; Idzik, Paul: Barclays Group; Seegers, Frits: Barclays PLC
Cc: Britton, Jonathan: Barclays PLC; Gravino, Todd: Barclays PLC; Clackson, Patrick: Finance (LDN)
Subject: STP 2008 Board Pack

Please find attached the latest draft of the STP Board deck for your review with the latest revisions to RWA's incorporated.

Although this deck is not 100% finalised and we continue working with the businesses to resolve some issues today, the deck is being issued now to ensure version consistency.

Regards

Stephen

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EXHIBIT 138

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BARCLAYS PLC

MINUTES OF A MEETING OF THE BOARD RISK COMMITTEE HELD AT 1 CHURCHILL PLACE, LONDON E14 5HP ON WEDNESDAY 5 DECEMBER 2007

Present:

Sir Richard Broadbent – Chairman

Dr Danie Cronjé* (to item 2.3)

Sir Andrew Likierman

Stephen Russell

In attendance:

Lawrence Dickinson, Secretary

Marie Smith, Head of Board Support

Chris Lucas, Group Finance Director

Robert Le Blanc, Risk Director

Mark Carawan, Barclays Internal Audit Director

Phil Rivett, PriceWaterhouseCoopers*

Rich Ricci, COO, Investment Banking and Investment Management (in attendance for items 1-2.1 only)

Norbert Schnadt, Group Market Risk Director (in attendance for item 2.2 only)

Mark Eyre, Head of Economic Capital (in attendance for items 2.4 and 3.1 only)

* via audio conference

1. CHAIRMAN'S MATTERS

1.1 APPROVAL OF MINUTES OF PREVIOUS MEETING

(1) Minutes

The Minutes of the meeting held on 19 September 2007, which had been sent to Committee members in advance of the meeting, were approved and signed by the Committee Chairman.

EXHIBIT RMG 406 10/30/15

(2) Actions Arising

Lawrence Dickinson referred to the Actions Arising schedule, which had been circulated to Committee members in advance of the meeting.

Since the last meeting, Committee members had been provided with additional information on current credit market conditions. Sir Richard Broadbent confirmed that, going forward, consideration would continue to be given to whether additional information or updates should be provided to Committee members. Committee members were asked to contact Sir Richard Broadbent at any time if they felt additional information was required.

It was noted that the Board Audit Committee would consider mark-to-market valuations at its February and July meetings as part of its consideration of the preliminary and interim results.

All other actions have been completed or are in hand.

2. RISK APPETITE AND RISK PROFILE

2.1 UPDATE ON LEVERAGED AND SUB-PRIME CREDIT MARKETS

Robert Le Blanc, supported by Rich Ricci, presented the Update on Leveraged and Sub-Prime Credit Markets, which had been circulated to Committee members in advance of the meeting, and highlighted the following:

During November the ABX Indices, which are based on sub-prime securities, fell by as much as 10%. The rally in the market towards the end of the month has enabled a further $1.5bn of positions to be hedged. All positions are now managed by traders in the same department.

There has been a further £400m (gross) of write-downs since October. The write-downs include £125m relating to NIMS / Post NIMS, £150m of Retained / Warehouse positions, £100m of Super Senior ABS CDOs (High Grade and Mezzanine) and £25m of Whole Loans. Overall, Barclays Capital was profitable in November, with PBT of £250m and year to date performance remained ahead of plan. It was noted that performance in November included £200m of Own Credit.

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Net positions in High Grade, Mezzanine and Retained / Warehouse are being managed together for hedging purposes. £750m of additional hedges have been taken against these positions during November. The exposure to Whole Loans of £3bn is primarily the EquiFirst book, where the credit quality of the assets is satisfactory: 99% is first lien and the Loan-to-Value ratio of the book is 85%. Only 4% of the book has a Loan-to-Value ratio of over 95%. This book was not part of the recent stress testing exercise.

The Leveraged Finance Portfolio has increased to £8.7bn of committed positions. There have been some sales of existing portfolios and some new deal flow. Better covenants and tighter terms are being applied.

Counterparty exposure remains broadly unchanged. There are good quality collateral management practices in place and no exposures are giving significant cause for concern.

A further area of concern is the exposure to monoline insurers. These insurers guarantee the cash-flow associated with the underlying instruments they support. There are a number of positions, mostly on the Barclays Capital trading book, with a credit equivalent exposure of $7.8bn. Any change in the credit spread of the monolines impacts the value of the guarantee they provide. The main risk arises from any potential downgrade of the insurers.

Barclays Capital has carried out stress testing on the Super Senior ABS CDO book. This reflected a one in twenty stress from the current position with cumulative net loss rates being increased by 5% from the current 8-18% range. The stress testing estimated a potential extreme tail loss of $2bn.

Interest rate resets on low-start sub-prime mortgages will peak in March 2008. It is difficult to predict the impact on default rates as there is no historical precedent for these conditions. The US Treasury is considering ways in which it can reduce default levels going forward and may consider working with the industry to freeze interest rates for up to 5 years. It is not clear how such a move will affect both those who service the debt and the structures in place, although it was noted that in general it is better to prevent default occurring and such a move could, therefore, be beneficial.

The anticipated shift of approximately $20bn of assets onto the balance sheet reported to the last meeting has taken place. It is not currently anticipated that further significant assets will come onto the balance sheet. Year end capital ratios are expected to remain broadly in line with targets, with the exception of the Equity Ratio

The Committee discussed the Group's comparative position in terms of both exposures and provisions. Provision rates are felt to be in line with European banks but behind US banks, although this view is based on relatively limited available data and the true position would depend on the assumptions made and the quality of the underlying assets. A better view may emerge in early 2008. Overall, it was noted that Citigroup, Merrill Lynch and UBS had been the worst affected. Phil Rivett noted that there is ongoing work to obtain market valuations for the Whole Loans portfolio and the accounting treatment of this book is being discussed with management.

Some BGI money funds, which comprise a small proportion of sub-prime and SIV-related paper, have fallen below par. Options for supporting the net asset value of the funds are under consideration, which may include taking assets onto the balance sheet. The shortfall to 99.50 is currently estimated at $140m. A further risk within BGI related to funds holding Citigroup SIV assets, where a rating downgrade was possible. The Committee would be kept informed of the emerging position.

The Committee noted the report. The Chairman agreed to incorporate a summary of the position in his report to the Board on the following day.

Rich Ricci left the meeting.
Norbert Schnadt joined the meeting.

2.2 GROUP RISK PROFILE REPORT

Mr Le Blanc, supported by Norbert Schnadt, presented the Group Risk Profile Report, which had been circulated to Committee members in advance of the meeting, and highlighted the following:

Wholesale Expected Loss (Impairment) is currently £1,048m. This compares to £515m for Wholesale Expected Loss in the Risk Appetite for 2007 approved by the Board and the Committee in December last year. The increase reflects the increased wholesale impairment in sub-prime in Barclays Capital. In accordance with the Committee's terms of reference, the Committee was requested to ratify the increase. Mr Le Blanc informed the Committee that the impairment trend was not expected to deteriorate significantly by year end.

Overall impairment was 5% above the plan for 2007, benefiting from better than expected performances at UK Retail Banking, Barclays Commercial Banking, Barclaycard and Absa.

Daily Value at Risk (DVaR) has not yet moved significantly during the period of volatility as a result of diversification and because the model takes some time to recalibrate to a new set of extreme events. However, spread risk is now materially higher, which would drive higher levels of DVaR. Average DVaR for the year to September was £41m, but had risen to £43m in October and is now at £50m. The average for the full year is expected to be £43m compared to £37m in 2006, despite the level of positions being similar. The impact of the recent volatility would continue to be felt in the average DVaR calculation going forward.

The Committee discussed the report. Mr Le Blanc reported that, while the general outlook for the UK economy is mixed, performance of the Group's retail portfolio is on trend. A steady improvement in the performance of the portfolio has been seen in 2007, and this is expected to continue in Q1 2008, with the possible exception of FirstPLUS, South Africa and India. Chris Lucas confirmed that the early warning metrics demonstrate that the retail book is improving, benefiting from the actions previously taken.

Mr Le Blanc commented on the 1 in 7 and 1 in 20 Risk Appetite utilisation scenarios and noted that the downturn scenarios are expected to become more difficult going forward.

Mr Le Blanc further commented that, in the wholesale sector, corporate credit performance is steady, although the next 12-18 months could see a tougher environment.

The Committee noted the Report and ratified the increase in Wholesale Expected Loss to £1,084m.

Norbert Schnadt left the meeting.

2.3 **FORWARD RISK TRENDS FOR CREDIT AND MARKET RISK**

Mr Le Blanc presented the paper on Forward Risk Trends for Credit and Market Risk, which had been circulated to Committee members in advance of the meeting, and highlighted the following:

The report is intended to highlight potential future issues and had been presented to the Group Executive Committee. Of the potential issues identified, the key areas of focus are FirstPLUS, Absa and Emerging Markets, in particular, India. BGI and Wealth Credit Risk are also under consideration.

FirstPLUS could be impacted by developments in the UK housing market. The loan portfolio has a high Loan-to-Value ratio and the book is second lien lending. Risk Appetite has been reduced and lending criteria have been tightened twice during 2007, with another tightening under review. The portfolio uses a large amount of capital and Mr Lucas confirmed that FirstPLUS has been directed to operate under a flat balance sheet.

Absa could be impacted by the economic environment in South Africa, including increases in interest rates and personal indebtedness. The rate of delinquencies remains under close review so that risk appetite can be reduced if appropriate.

India is in the process of establishing systems to assess individual total personal indebtedness, ability to service debt, credit quality and to screen applications for fraud. All systems should be in place within 2-4 months. The book is currently small and it is essential that these systems are in place as the book grows. Mr Lucas confirmed that the business has been given explicit direction that the systems must be in place to support business growth.

In response to a question, Mr Lucas reported that the US cards business has a middle-market element that includes some sub-prime business. There has been an increase in delinquencies as a result of the ageing of the portfolio and minimum pay legislation, but underlying performance has not deteriorated. Barclaycard US is alert to the more difficult environment and will respond quickly if conditions deteriorate.

The Committee discussed the report and agreed that it was extremely useful. It was noted that the report would be produced semi-annually and submitted to the

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Committee. It was suggested that a summary of the report should be shared with the Board and Mr Lucas and Mr Le Blanc would consider this.

Mark Eyre joined the meeting.

2.4 **RISK APPETITE FOR 2008**

Mr Le Blanc, supported by Mark Eyre, presented the paper on Risk Appetite for 2008, which had been circulated to Committee members in advance of the meeting, and highlighted the following:

Planned utilisation as set out in the Short Term Plan being presented to the Board broadly meets the top-down Risk Appetite on all four measures, namely, Expected Loss; 1 in 7 loss; 1 in 20 loss and Economic Capital.

The capital position is tight relative to proposed Risk Appetite, despite a sharp reduction in proposed Risk Weighted Assets (RWA) growth in 2008. Each of the businesses had been challenged to reduce RWA growth for 2008.

Expected Loss for Barclays Capital shows a significant reduction in anticipation that the same level of loss will not be experienced in 2008. The planned level of £275m is well below the current level of £650-700m, although is still above 2006 levels. The increase is a reflection of the less benign environment and the larger balance sheet.

It was noted that Expected Loss for the Retail Overseas businesses for 2008 factored in the growth in scale of the businesses. Mr Lucas commented that this is in line with what would be expected given the anticipated growth in PBT for those businesses in 2008.

The Committee noted that growth in Risk Appetite and PBT for 2005-2007 had been very strong, although it noted that growth in Risk Appetite exceeded growth in PBT for the same period. The proposed Risk Appetite for 2008 and the constraints on RWA growth signified a new approach, which the Committee welcomed. Mr Lucas reported that the main sensitivities for the plan are around achievement of the budgeted PBT and the RWA challenge. He noted that capital was tight in terms of the Equity Ratio, although the Tier 1 and Risk Asset Ratios were above target.

The Committee noted the report and recommended the proposed Risk Appetite for 2008 to the Board, subject to noting that:

- The capital position was tight relative to the then proposed risk appetite, despite the sharp reduction in proposed RWA growth in 2008 relative to earlier years. Economic capital supply is only sufficient to meet the economic capital demand implied by the risk appetite if the RWA challenge contained in the Short Term Plan is achieved.

- Important assumptions underpinning the acceptability of risk appetite as proposed are:
  - as noted above, reduced RWA growth (and no shocks from Basel II);
  - an improvement in conditions in the wholesale markets. Expected loss for Barclays Capital shows a significant reduction in 2008. The planned level of £275m is well below the current level of £700m, albeit still above 2006 levels;
  - achievement of planned PBT growth.

  If one or more of these assumptions were not met, off-setting action would be indicated.

3. KEY RISK ISSUES

3.1 BASEL II

Mr Eyre presented the update on Basel II, which had been circulated to Committee members in advance of the meeting, and highlighted the following points:

The fourth parallel run (PR4) had been completed. Under PR4, total RWAs have increased to 101% of Basel I, from 99% under PR3. The increase reflects changes in market conditions and the delay in obtaining the IMM waiver. The revised position has been reflected in the Short Term Plan being presented to the Board.

Barclays Commercial Bank has largely eradicated the post-model adjustments reported to the previous meeting.

There are some outstanding items, including the treatment of pension risk and private equity, which continue to be discussed with the FSA.

The Committee concluded that it is clear that there is unlikely to be any reduction in capital demand as a result of Basel II.

The Committee noted the report.

Mark Eyre left the meeting.

4. RISK CONTROL FRAMEWORK

4.1 ANNUAL REVIEW OF POLICIES

Mr Le Blanc presented the following revised policies, which had been circulated to Committee members in advance of the meeting:

- Credit Impairment (Provisioning) Policy Statement
- Large Exposures Group Policy Statement
- Liquidity Policy Statement
- Trading Book Policy

and highlighted that the proposed revisions are minor in nature and not material.

The Committee approved the Credit Impairment, Large Exposures, Liquidity and Trading Book Policies as presented to the meeting.

4.2 PRINCIPAL RISKS POLICY

Mr Le Blanc presented the updated Principal Risks Policy, which had been circulated to Committee members in advance of the meeting, and highlighted that the proposed revisions are minor in nature and not material.

The Committee approved the Principal Risks Policy as presented to the meeting.

5. FORWARD CALENDAR FOR 2008

Mr Dickinson presented the 2008 Forward Calendar, which had been circulated to Committee members in advance of the meeting. Sir Richard Broadbent invited suggestions on potential topics for Key Risk Issue items and the following topics were suggested:

- Capital Management
- Retail Credit Risk, in particular, Emerging Markets
- Risk and Returns on RWAs

The impact of an economic downturn would be covered as part of the stress-testing item in March 2008.

Committee members were asked to revert to Sir Richard Broadbent with any further suggested topics.

EXHIBIT 139

FILED UNDER SEAL

BARCLAYS PLC

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS
HELD AT 1 CHURCHILL PLACE, LONDON E14 5HP
ON THURSDAY 14 FEBRUARY 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	Patience Wheatcroft
John Varley	

In Attendance:

Lawrence Dickinson	Company Secretary
Patrick Gonsalves	Deputy Secretary
Mark Harding	General Counsel
Andrew Lowenthal	Egon Zehnder
(in attendance for item 2.2(1) only)	
John Petrie	Egon Zehnder
(in attendance for item 2.2(1) only)	

*** via audio conference**

The Chairman welcomed Sir Michael Rake and Patience Wheatcroft to their first meeting of the Barclays PLC Board.

1. **REPORT OF THE BOARD HR & REMUNERATION COMMITTEE MEETING HELD ON 6 FEBRUARY 2008**

   Sir Richard Broadbent presented the first part of his report of the Board HR and Remuneration Committee meeting held on 6 February. He noted that the total compensation for Executive Committee members was down, led by John Varley.

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Sir Richard had discussed Mr Varley's compensation with him but Mr Varley had felt that he needed to take a cut in order that appropriate bonuses could be paid to Frits Seegers and Bob Diamond. It was noted that Mr Varley was starting to look underpaid relative to peers and competitors and an increase in his Long Term Incentive arrangements may be required at some point. The increase in base salary to £1,100,000 for 2008 together with a bonus of £1,900,000 and a Long Term Incentive Award of £1,200,000 was supported.

John Varley joined the meeting.

The Remuneration for other members of Executive Committee and Gary Hoffman was discussed. It was noted that Mr Diamond's total direct compensation was down from £21 million to £18.5 million and within this the cash bonus was down. Mr Varley commented that it was appropriate that Mr Diamond's total direct compensation should fall, given the losses and write-downs in the sub-prime sector and that Group performance was just below budget. However, he noted that each of the businesses in Investment Banking and Investment Management had increased pre-tax profits in 2007, despite the difficult market conditions.

Sir Richard commented that the compensation framework for Mr Seegers needed to be reviewed. Mr Varley noted that he should be benchmarked against global rather than UK benchmarks. Work would be undertaken in this respect and brought to the Board HR and Remuneration Committee. Mr Varley updated the Board on the position regarding Paul Idzik, whose role had been reduced following the work on the split of responsibilities between GRCB and the Group Centre, particularly in the area of technology. Mr Varley also updated Directors on the latest developments regarding Project Spring and Mr Idzik.

Mr Varley commented that Chris Lucas had had a good year and was proving to be a very good Finance Director and Mr Hoffman had performed well as Vice Chairman.

The Directors supported the compensation arrangements for the members of Executive Committee and Mr Hoffman.

2. CHAIRMAN'S MATTERS

2.1 Approval of Minutes and Actions Arising From Previous Meeting

(1) Minutes

The minutes of the Board meeting held on 6 December 2007, which had been sent to Directors in advance of the meeting, were approved for signature by the Chairman.

(2) Matters Arising

Lawrence Dickinson drew the Board's attention to the schedule of Actions Arising from the 6 December 2007 Board meeting, which had been sent to Directors in advance of the meeting, and noted that all actions arising from previous Board meetings were in hand.

(3) Barclays PLC Committee Re Debt Securities - Revised Terms of Reference

Mr Dickinson referred the Board to his paper on the Revised Terms of Reference of the Barclays PLC Fund Raising Committee, which had been sent to Directors ahead of the meeting, and the Board duly approved the revised terms of reference for the Committee as set out in appendix 1 to Mr Dickinson's paper.

Andrew Lowenthal and John Petrie joined the meeting.

2.2 Corporate Governance

(1) Board Effectiveness Review Results

Andrew Lowenthal and John Petrie from Egon Zehnder gave a presentation on the results of the Board Effectiveness Review which highlighted the following points:

(a) Long Term Trends

The summary of the Board Effectiveness Review scores between 2004 and 2007 revealed a consistently improving picture with nearly all the 'Red' rated areas disappearing and a reduced proportion of 'Amber' rated areas. As a result, although the Board was mindful of the significant challenges facing the Group, there was confidence that those challenges can be faced and overcome.

(b) Board Composition and Size

The quality of the Bank's Directors was considered to have improved again, continuing the positive trend. There was a fairly unanimous view that the Board was now of a size that could compromise Board effectiveness.

(c) Executive Team

There was a strong view that the Group now had the right Executive Team and the quality of the reports to the Board was generally very high.

(d) Shareholder Perception of Group Performance

One score that had declined was in the Board's understanding of how major shareholders viewed the Group's performance.

(e) Brand and Franchise Health

Brand and Marketing and the health of the Group's Customer Franchise were both areas of concern.

(f) Board Committees

The Risk Committee's performance was considered to have improved and to have shown a very strong performance in a challenging year. Remuneration Committee has continued to operate at a high level in 2007. The Board Audit Committee's performance and composition was considered to have improved.

The Board discussed the results of the Board Effectiveness Review and the Chairman commented that the size of the Board could be expected to ebb and flow over time and that every effort would be made to ensure that there was always high quality debate. The Board also discussed the declining score for shareholders perception of the Group's performance and Directors' understanding of the sources of risk to the Group.

Andrew Lowenthal and John Petrie left the meeting.

(2) **Report of the Board Corporate Governance & Nominations Committee Meeting Held on 31 January 2008**

Marcus Agius presented his Report on the key issues discussed at the meeting of the Board Corporate Governance & Nominations Committee meeting held on 31 January 2008, which had been sent to Directors in advance of the meeting, and updated the Board on the appointment of Governor Chen. FSA clearance in principle to the appointment had been received and internal Chinese approvals were now being obtained. It was hoped that this could be achieved fairly quickly and therefore his appointment could be included in the 2008 AGM business. The Committee also considered the independence of Sir Nigel Rudd, Danie Cronjé and Governor Chen. The Committee continued to believe that Sir Nigel and Danie are independent. As a representative of China Development Bank (CDB), Governor Chen would not be considered independent.

The Board noted the Report.

(3) **Review of Corporate Governance Report (including Statement of Non-Executive Directors' Independence)**

Mr Dickinson presented his paper on the Corporate Governance Report for the 2007 Annual Report, which had been sent to Directors in advance of the meeting, and highlighted the developments that had been made in the Group's Corporate Governance disclosures, including the inclusion of a flow chart of the process for approving the Annual Report and Accounts and a summary of the matters reserved to the Board.

The Board approved the Corporate Governance Report in principle, subject to any minor revisions that may be approved at the Mini-Board meeting on 7 March 2008.

Mr Dickinson also referred the Board to his paper on the statement of NED independence which had been sent to Directors in advance of the meeting and highlighted the reasons why Sir Nigel Rudd and Danie Cronjé might not be considered independent. The Board discussed the independence of the Non-Executive Directors and approved the disclosure relating to the independence of the Non-Executive Directors.

(4) **Forward Calendar for 2008**

Mr Dickinson referred the Board to the Forward Calendar for 2008, which had been sent to Directors in advance of the meeting and highlighted that the strategy presentations would be coming to the Board on a themed basis and the June Board meeting would be receiving presentations on Brand and Marketing as well as feedback on shareholder sentiment.

It was suggested that the Board stand back and conduct a "stock take" of the Group's strategy in light of the more difficult and new market conditions at the June Board meeting. This would incorporate performance of the business model versus plan and issues such as risk and reward in the new environment. This would be partly covered through the Barclays Capital strategy item but consideration would also be given to including a broader stock take at the half year.

The Board would be visiting Beijing in September. It was agreed that the guest speaker for the Strategy Board should be someone who could provide insight on the economic and competitive environment. Similarly, the presentations in Beijing should be structured so as to provide the Board with both an external and internal view of China. The Board confirmed that the calendar covered the areas where the Board wanted to focus its time on in 2008.

2.3 **Board Committee Reports**

(1) **Report of the Board HR and Remuneration Committee Meeting held on 6 February 2008**

Sir Richard Broadbent presented his Report on the key issues discussed at the meeting of the Board HR and Remuneration Committee held on 6 February 2008, which had been sent to Directors in advance of the meeting, and highlighted that:

(a) 2007 Results

As the 2007 results were more uncertain than usual the Committee had spent time reviewing the quality of the results so that the Committee could be satisfied that the payments to staff were being based on financial results that would not be later reversed.

(b) 2007 Incentive Funding

The Committee had been satisfied that management had controlled variable compensation effectively and that overall incentive costs were down

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compared to 2006. Barclays Wealth was effectively in a turn around situation and the Committee would be considering a medium-term compensation framework for that business in 2008. The BGI operating margin had been trending downwards but it was hoped that that decline was almost complete. The increased incentive funding in Barclays Commercial Bank, Western Europe and Emerging Markets reflected the injections of talent and growth in those businesses.

(c) Group Long-term Incentive Plan

The 2005 Performance Share Plan awards had lapsed entirely. The Economic Profit (EP) hurdle was met but the Total Shareholder Return (TSR) target was not. In the coming year, the Committee would look at whether a hard linkage to TSR was appropriate given management's inability to directly influence TSR. The intention is to take a revised Group Long-Term Incentive Plan to shareholders for approval during 2009.

(d) BGI EOP

The BGI EOP scheme would be replaced by a scheme linked directly to BGI's performance but settled in existing Barclays PLC shares. The new scheme does not require shareholder approval. No further grants would be made under the BGI EOP.

The Board discussed the likely public relations coverage on compensation generally and it was agreed that Board members would be provided with the Q&A support material on compensation matters. Mr Diamond and Mr Seegers both confirmed that the year-end bonus round process had operated effectively within their business areas.

The Board noted the Report.

(2) Report of the Board Audit Committee Meeting Held on 5 February 2008

Stephen Russell presented his Report on the key issues discussed at the meeting of the Board Audit Committee held on 5 February 2008, which had been sent to Directors in advance of the meeting, and highlighted that:

(a) Control Environment

The FSA's ARROW Report had suggested that the Group's control environment had deteriorated but that view was not supported by the analysis presented to the Committee. Performance on fixing internal audit findings and timely remediation of Control Issues of Group Level Significance was improving.

(b) Business Control Environment Reviews

Barclays Wealth and Barclays Commercial presented to the Committee on their respective control environments. Barclays Wealth's control environment had improved from being rated 'Red' a year ago to now being rated 'Amber'. Barclays Commercial's control environment, although harshly described by management as being "not fit for purpose", has nevertheless shown signs of improvement in the last 12 months.

(c) Société Générale

Robert Le Blanc had reported to the Committee on the internal reviews being conducted into the trading positions held and the control processes within Barclays Capital (BarCap) to provide assurance that the rogue trader incident at Société Générale could not be repeated at Barclays.

Mark Harding Redacted: Redacted For Privilege

Redacted: Redacted For Privilege

The Board discussed the areas of judgement in the valuation of the Group's sub-prime related portfolios and noted that there had been no areas of disagreement on valuations with PricewaterhouseCoopers (PwC).

The Board noted the Report.

3. CHIEF EXECUTIVE'S MATTERS

3.1 Chief Executive's Report

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

(1) **Wholesale Markets**

The credit crunch and subsequent liquidity crisis had hit BarCap in a number of different areas. Despite the challenging conditions BarCap was likely to be one of only 3 major investment banks that performed better in 2007 than in 2006, as a result of very strong revenue generation. BGI had not suffered any write-downs and its quantitative investment portfolios had performed well, although other parts of the business had struggled to create Alpha. An improvement in the markets would require the publication of audited results of the main banks with no more big surprises, appropriate support from the central banks and for the US economy to avoid slipping into full-blown recession. Resolution of the monoline concerns would also be an important reassurance to the markets and it was possible that a solution could be found in the next few days.

In response to a question, Mr Diamond commented that BarCap was faced with an enormous opportunity for growth in the US as a result of other major firms being in retreat. BGI and Barclays Wealth also had the potential for significant growth in the US but the question of funding that growth would need to come to the Board.

Mr Diamond briefed the Board on the working group that he had formed to explore the business opportunities for the Group arising from the emergence of sovereign funds.

(2) Société Générale

Mr Varley briefed the Board on his conversation with Daniel Bouton. The conversation was a friendly one but the likelihood was that a French partner would be found for Société Générale.

(3) GRCB

Mr Seegers briefed the Board on the rapid growth in terms of branch openings in Western Europe and Emerging Markets. It was noted that an investor seminar on GRCB would be given by Mr Seegers in the first half of the year.

(4) Project Joyce

The Board noted the report from the accountable executive for Project Joyce which was appended to Mr Varley's report.

(5) **Project Goldfish**

This recently announced deal fitted the Group Strategy very well and the acquisition had been completed at a discount to net asset value.

(6) **Project Lion**

At the time of the acquisition of Absa, the intention had been to increase the Group's stake in Absa by transferring the Barclays Africa businesses. As a result of the significant increase in value of the Barclays Africa businesses, such a transaction would not now be viable. An alternative approach which would see those Barclays Africa businesses that were contiguous to South Africa being sold to Absa was now favoured and would be announced as part of Absa's full year results. The first business to be transferred would be Tanzania.

(7) **Unauthorised Overdraft Fees Test Case**

Mr Hoffman briefed the Board Redacted: Redacted For Privilege

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Redacted For Privilege

(8) **Northern Rock**

Mr Varley briefed the Board on a recent meeting with the Chancellor at which the banks expressed their concerns about the advantaged position of Northern Rock as a nationalised business.

In response to a question, Mr Varley advised that the Group's balance sheet was sufficiently leveraged and a review was under way to identify potential sources of new capital, such as CDB, that the Group could use in the event of a significant opportunity arising or as a result of a substantial hit to the Group's capital, such as a negative ruling on the unauthorised overdraft fees test case. The Board discussed BarCap's approach to trading in physical assets and noted that it was necessary for them actually to hold those assets at certain times. Mr Varley and Mr Diamond provided an update on the strategic relationship with CDB, with good progress being made with an agreement on commodities already in place and the GRCB team working on improving the relationship further.

The Board discussed shareholders' perception of transactions such as a recent Goldfish acquisition and noted that shareholders well understood the Group Strategy and would see such acquisitions as being completely aligned with the Group's objectives. The Board also discussed the revised approach to Project Lion where the transfers of businesses would be done on an 'arm's length' basis. The question of which branding to use in each of the African countries would need to be a carefully managed decision.

Mr Diamond briefed the Board on the opportunity that had recently arisen for BarCap to acquire the prime brokerage business of Bank of America. The price was likely to be in the region of $700 million.

3.2 **External Goals**

Mr Lucas and Mr Varley presented the External Goals paper, which had been sent to Directors in advance of the meeting, and highlighted that:

- The Group has, since 2000, set external goals as a way of driving business performance. The next set of 4 year goals from 2008-2011 would be announced together with the Group's full year results. Goals have in the past been set based on TSR and EP with TSR being the primary goal.

- The proposal was to shift the emphasis of the goals to establish the primacy of EP over total shareholder return so that the primary goal will be delivering cumulative EP of £9.3 billion to £10.6 billion over the period, with a corresponding EP compound annual growth rate of between 5% and 10%. The medium term plan for 2008-2010 delivers compound growth of 7%.

- The linkage between EP and the TSR goal had been carefully analysed and in the 2004-2007 goal period, the correlation had been weak.

- The proposals for the new goals attempts to balance management's perception of the medium term prospects with a realistic view of near term challenges, particularly in terms of the economic, legal and regulatory environment. This has, therefore, reduced the upper band of the targets.

- The revision of the cost of capital from 9.5% to 10.5% had the impact of making the EP targets comparatively harder to achieve.

The Board discussed whether setting the goals at too ambitious a level could result in management increasing the level of risk in the business in order to achieve the targets. Revised Group long-term incentive plans would be brought to shareholders in 2009 and it would be helpful for those revised proposals to allow the Board HR and Remuneration Committee the discretion to adjust the targets to allow for the impact of acquired goodwill. It would be important how the goals were presented to the market. There was a possibility that the goals could be seen as being less ambitious than previous goals set by the Group.

The Board approved the proposed goals for 2008-2011.

4. RESULTS FOR 2007

(1) 2007 Results Process and Directors' Responsibilities

Mr Dickinson referred the Board to his paper on the 2007 Results Process and Directors' Responsibilities under the Companies Act, which had been sent to Directors in advance of the meeting and drew the Board's attention to the report from the Chairman of the Board Accounts Committee which confirmed that due inquiry had been made of both the external auditors and management to confirm that:

(a) The external auditors had received all the information and assistance that they had requested during the audit process.

(b) That management had attested that all relevant audit information had been supplied to the external auditors and that no other relevant audit information existed that had not been supplied.

The Board noted the attestation process that was in place to enable Directors to provide the confirmation and the assurances provided by the Board Audit Committee.

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(2) **2007 Results Overview and Finance Director's Report**

Mr Lucas presented his paper on the overview of the 2007 Results and his Report for December 2007, which had been sent to Directors in advance of the meeting, and highlighted the following:

(a) <u>2007 Results</u>

Profit Before Tax (PBT) for the year was £7,076 million against the earlier forecast of £7,079 million. Market consensus was for profits of £7,030 million. UK Banking had also shown a strong performance to achieve its cost-income ratio targets.

(b) <u>Balance sheet</u>

Total assets at £1.2 trillion had declined from £1.3 trillion at the end of September 2007 but still showed a 23% increase year-on-year.

(c) <u>GRCB</u>

The UK businesses had expanded secured lending and reduced unsecured lending and there was good momentum overall in the retail business. The Commercial Bank had experienced a mixed year with flat volumes in the middle market business which was currently under scrutiny. In GRCB International there had been very fast volume and income growth, which had been offset by investment in the United Arab Emirates and India. Absa's performance had been adversely affected by the Sterling / Rand exchange-rate. Barclaycard had benefited from a much improved impairment performance.

(d) <u>IBIM</u>

BarCap's PBT at £2,325 million was just ahead of the Short Term Plan, even after the impact of £1.6 billion of net write-downs. At the time of the November trading update, net write-downs had been £1.3 billion. BGI's performance had been strong in difficult circumstances. Barclays Wealth had performed well, with good cost control, to increase PBT by 25%.

(e) <u>2008 Year To Date</u>

The Group had seen a strong start to the year in January with the PBT at £672 million. Run rate for November and December 2007 had been at £640 million. UK Retail Bank, GRCB International and Barclaycard were performing well but Barclays Commercial was not performing so strongly. Early indications for February 2008 were for the same trend to continue.

The Board noted the Report and Overview for 2007.

(3) Report of the Board Accounts Committee on 13 February 2008

Mr Russell referred the Board to his report on the Board Audit Committee meeting held on 13 February 2008 which had been laid on table at the meeting and highlighted the following points:

(a) Reappointment of PwC

The annual review of the external auditor's performance had shown an improving trend and the personal performance of Phil Rivett had been very strong. The Committee had, however, expressed some disquiet about the level of non audit work being performed by PwC. Mr Lucas advised that the use of PwC for non-audit work would be critically challenged by the Business Finance Directors. The Accounts Committee was content to recommend the Resolution for the reappointment of PwC be proposed to the 2008 AGM.

(b) Results Process

The Accounts Committee believed that the work done by management and PwC had been performed to a very high standard but the process had, nevertheless, been challenging for the Committee. The process has been clear and transparent and the Committee concluded that the results gave a true and fair view of the Group's performance. Mr Russell particularly drew the Board's attention to the issues set out in his report under the heading of "Quality of earnings and the one-off items". PwC's view had been that the results had been compiled on a basis that was marginally less conservative than in recent years but were nevertheless acceptable.

The Board discussed the change to the requirement to reconcile the Group's results to US GAAP and noted that this information was not considered helpful by investors.

The Board noted the Report and the proposed Audit fee for 2007, which would be approved at the Mini-Board meeting on 7 March 2008.

(4) Results Documentation

(a) Preliminary Announcement of Results

Mr Lucas drew the Board's attention to the 2007 Results Announcement, which had been sent to Directors in advance of the meeting, and reported on the following issues:

- Performance Summary - this would refer to PBT, both before and after the impact of business disposals.

- Barclays Capital Disclosures - the disclosures relating to BarCap had been revised to provide greater clarity on the Own Credit and unobservable income adjustments.

- Agency Staff - additional information would be included to explain the growth in the number of agency staff as that number grows.

- Basel II - Barclays would be one of the first banks to disclose its capital position under Basel II.

- US Sanctions - the text, under competition and regulatory disclosures, relating to US Sanctions would be carefully reviewed.

The Board noted the draft 2007 Results Announcement and welcomed the increased disclosures relating to BarCap.

(b) Final Dividend for 2007

Mr Lucas presented his report, which had been sent to Directors in advance of the meeting, which recommended the level of the Final Dividend to be paid to shareholders for 2007. The Board noted the proposed final dividend, which would be submitted for approval to the Mini-Board meeting on 18 February 2008.

(c) Annual Report

Mr Lucas referred the Board to the draft Annual Report for 2007, which had been sent to Directors in advance of the meeting. The Annual Report would be further considered by the Mini-Board on 7 March 2008.

(d) Notice of AGM

Mr Dickinson presented his paper describing the business of the 2008 AGM, which had been sent to Directors in advance of the meeting, and highlighted that three exceptional issues would be included in the business for the 2008 AGM relating to the issue of preference shares by Barclays PLC, the adoption of new articles of association to take account of changes under the Companies Act 2006 and the purchase and cancellation of the Staff Shares.

The Board noted the draft Notice of Meeting, which would be approved at the Mini-Board meeting on 7 March 2008.

(5) **Results Presentations**

Mr Varley and Mr Lucas referred the Board to their presentations to be made to analysts at the Results Presentation to be held on 19 February 2008, which had been sent to Directors in advance of the meeting. It was noted that the results were fairly complex to communicate but it would be important to be as clear as possible as to the strength of the underlying business and the impact of one-offs, such as Own Credit within the write-downs relating to sub-prime.

Papers for Information

Committee minutes:
Board Audit Committee on 28 November 2007
Board Corporate Governance and Nominations Committee on 29 November 2007
Board HR and Remuneration Committee on 4 December 2007
Board Risk Committee on 5 December 2007

Board Activity Review
FSA Individual Capital Guidance Letter

EXHIBIT 140

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PAPER FOR BOARD MEETING ON THURSDAY 14 FEBRUARY 2008

Agenda Item No.

2.1(1)

TO: The Directors

FROM: Lawrence Dickinson

DATE: 8 February 2008

SUBJECT: APPROVAL OF MINUTES OF PREVIOUS MEETING – 6 DECEMBER 2007

The minutes of the Board meeting held on 6 December 2007 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 6 DECEMBER 2007

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 Nigel Rudd	Stephen Russell
Frits Seegers	Sir John Sunderland
John Varley	

In Attendance:

Lawrence Dickinson	Company Secretary
Patrick Gonsalves	Deputy Secretary
Mark Harding	General Counsel
Julian Adams	FSA (in attendance for item 1.3 only)
Rebecca King	FSA (in attendance for item 1.3 only)
Mark Wharton	FSA (in attendance for item 1.3 only)
Robert Le Blanc	Group Risk Director (in attendance for items 1.4(4), 4(5)(a) and 2.1(4) only)
Paul Idzik	Chief Operating Officer (in attendance for item 2.2 only)
Chris Grigg	CEO Barclays Commercial Bank (in attendance for item 2.2 only)

* joined via audio conference call

1. CHAIRMAN'S MATTERS

1.1 APPROVAL OF MINUTES AND ACTIONS ARISING FROM PREVIOUS MEETINGS

(1) **Minutes**

The minutes of the Board meetings held on 14 November and 15 November 2007, which had been sent to Directors in advance of the meeting, 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 15 November Board meeting, which had been sent to Directors in advance of the meeting and noted that:

(a) Brand and Marketing - a proposal on the Group's Brand and Marketing Strategy would be presented to the Board in June 2008.

(b) Enhancing Capital Management - an update on achieving greater capital efficiency would be provided to the Board in April 2008.

(c) Medium Term Plan - the impact of the work to enhance capital efficiency would be monitored in case it was necessary to review the risk appetite.

1.2 CORPORATE GOVERNANCE

(1) Board Contingency Arrangements

Mr Dickinson presented his report entitled Board Contingency Arrangements, which had been sent to the Directors in advance of the meeting, and highlighted that the proposed arrangements would only be triggered in the event of a major catastrophe.

The Board approved the proposed arrangements.

(2) Review and Approval of Group Share Dealing Code

Mr Dickinson referred the Board to his paper on the review and approval of the Group Share Dealing Code, which had been sent to the Directors in advance of the meeting, and the Board approved the following:

(a) Clearance to Deal for the Chairman, where the Chief Executive is unavailable, may be given by the Deputy Chairman, the Senior Independent Director, Chairman of the Board Audit Committee or the Company Secretary, as nominated by the Chief Executive.

(b) Clearance to Deal for the Chief Executive, where the Chairman is unavailable, may be given by the Deputy Chairman, the Senior Independent Director, Chairman of the Board Audit Committee or the Company Secretary, as nominated by the Chairman.

(c) That the amendments to the "Group Share Dealing Code" and related documents be approved and adopted with immediate effect.

(3) Non-executive Director Appointments

Marcus Agius presented the Non-executive Director Appointments paper, which had been circulated to the Board before the meeting, and reported that:

(a) Sir Michael Rake

A number of Board members, including John Varley and Stephen Russell had now met Sir Michael and all feedback received had been positive. Mr Russell had also carefully explained the time commitment that would be required as Chairman of the Board Audit Committee. Sir Michael had confirmed that he could make the necessary time available and that he would be reducing some of his other commitments, such as Business in the Community.

(b) Patience Wheatcroft

Members of the Board Corporate Governance and Nominations Committee had met with Patience and given their support to her appointment. Her appointment had also been discussed with corporate advisers who thought that her appointment would be well received.

(c) Governor Chen

Governor Chen's appointment as the CDB representative on the Board had been confirmed by the Chinese State Council, but still required a number of other approvals. The Board discussed his appointment on the ING Advisory Board and noted that he would be encouraged to divest himself of that appointment. The Board also discussed the importance of Governor Chen's appointment not being a personal one in case his circumstances were to change.

(d) Board Risk Committee

As Danie Cronjé had indicated that he would be standing down from the Barclays Board at the 2008 AGM, it would be necessary to appoint an additional member to the Board Risk Committee. David Booth had agreed to take on this appointment and the Board Corporate Governance and Nominations Committee had recommended his appointment to the Board.

The Board approved the:

(i) Appointment of Sir Michael Rake to the Board as a Non-executive Director and his appointment as a member of the Board Audit Committee, subject to FSA clearance and final approval being confirmed by the Chairman.

(ii) Appointment of Patience Wheatcroft to the Board as a Non-executive Director, subject to FSA clearance and final approval being confirmed by the Chairman.

(iii) Appointment of Chen Yuan to the Board as a Non-executive Director, subject to FSA clearance and final approval being confirmed by the Chairman.

(iv) Appointment of David Booth to the Board Risk Committee with effect from 1 January 2008.

1.3 FSA ARROW - Risk Assessment and Capital Adequacy Review

Mr Varley reported that the tone of the FSA's discussions with management had, since August, become more difficult and trenchant. The FSA's view was that some significant issues had lain undiscovered by management for longer than they would have expected. Their biggest concern was the Sanctions Issue where the Group's track record was patchy, although it was now much improved. The FSA's involvement in the sanctions issue was considered to be helpful to the Group in its discussions with US regulators.

Julian Adams, Rebecca King and Mark Wharton joined the meeting.

Mark Wharton, Julian Adams and Rebecca King referred the Board to the letter dated the 30 November 2007 entitled Risk Assessment and Capital Adequacy Review for

Barclays PLC, which had been sent to Directors in advance of the meeting and gave a presentation during which the following points were made:

(a) The FSA reiterated, in view of the current liquidity crisis, the continued importance of Barclays stress testing its funding and capital position.

(b) The Group's risk and control scores had deteriorated since the last ARROW review. This was principally driven by certain weaknesses remaining undiscovered for lengthy periods of time, such as the whistleblower issue and Project Ash. The most material concern, however, was the implications of Project Spring in the US. It was accepted that improvements had been made, but there was more to be done and, as a result, the Group would be subject to a shorter regulatory term before its next assessment.

(c) Treating customers fairly remains a key FSA objective. The FSA welcomed the involvement of Gary Hoffman in tackling this issue but there would be two challenging deadlines in 2008 to ensure that this issue was firmly embedded across the Group.

(d) Basel II - the quality of the Group's submissions had been very impressive. There were some disagreements with the Group's assessments in the areas of pensions risk and concentration risk and further work would be done on those areas with the subject matter experts.

The Chairman thanked the FSA, confirmed that Barclays was determined to improve the FSA's assessment of its controls and asked whether some of the comments in the letter indicated that there had been a deterioration in the relationship between the Group and the FSA. The FSA confirmed that the comments made reflected only that there had been changes in personnel on both sides and efforts would be made to ensure that those working relationships were rebuilt.

In response to a question, the FSA advised that the perception of a deterioration in controls, as referred to in the presentation, was from the perspective of the FSA's key objectives and therefore might differ from the Group's own assessment. It was noted that it was not currently possible for the FSA to provide benchmarks to compare the Group against its peers but this might be possible in future.

Julian Adams, Rebecca King and Mark Wharton left the meeting.

1.4 BOARD COMMITTEE REPORTS

(1) Report of the Board Audit Committee Meeting Held on 28 November 2007

Mr Russell presented his report on the key issues discussed at the Board Audit Committee meeting held on 28 November 2007, which had been sent to Directors in advance of the meeting, and noted that the Barclays Internal Audit (BIA) plan for 2008 was a very thorough piece of work and the Committee had been happy to approve it.

The Board noted the report and approved the revised Barclays Internal Audit Charter which formed part of the Committee's Terms of Reference.

(2) Report of the Board Corporate Governance and Nominations Committee Meeting Held on 29 November 2007

Mr Agius referred to his report on the key issues discussed at the Board Corporate Governance and Nominations Committee meeting held on 29 November 2007, which was sent to Directors prior to the meeting, which was duly noted and the Board approved the Revised Corporate Governance Guidelines, as set out in Attachment A to the paper.

(3) Report of the Board HR and Remuneration Committee Meeting Held on 4 December 2007

Sir Richard Broadbent presented his report on the key issues discussed at the Board HR and Remuneration Committee meeting held on 4 December 2007, which was laid on table at the meeting, and highlighted the following points:

(a) Introduction

The primary purpose of the meeting had been to review the proposed incentive pools for 2007 for each of the businesses. The likely outcomes for the year were a little more uncertain in the case of Barclays Capital and, to a lesser extent, BGI.

(b) Committee Adviser

Mike Curran of MGMC provided good background information on the IBIM business areas.

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(c) Barclays Capital (BarCap)

The turbulence in the markets would make it difficult to manage the year-end financial reporting and compensation review process. The Committee's meeting in February 2008, to confirm the incentive pools, could present more difficult decisions if BarCap do not achieve its RAF although it is currently on track for delivery. If they achieve the RAF, it would represent a very good result.

(d) BGI

The reduction in BGI's operating margin had been anticipated, given the outstanding performance in 2006.

(e) Barclays Wealth

The business was performing strongly. 2008 would be the first year of their revised reward framework.

(f) GRCB

The situation was somewhat complicated by the turn-around in the business, with encouraging performances in Emerging Markets and Western Europe which were concealed by a number of one-offs in the 2006 numbers. As a result, the incentive pools had been growing faster than profitability. The Committee took account of the improved underlying performance and viewed this as part of the investment in the long-term health of the business.

(g) Long-Term Incentives

The Committee had approved, after some debate, the change to the long-term incentives for senior employees below Group ExCo level and their direct reports which would mean that awards would be made that are no longer subject to performance conditions.

The Board noted the report.

Robert Le Blanc joined the meeting.

(4) **Report of the Board Risk Committee Meeting Held on 5 December 2007**

Sir Richard Broadbent presented his report on the key issues discussed at the meeting of the Board Risk Committee meeting held on 5 December 2007, which had been laid on the table at the meeting, and highlighted the following points:

(a) Leveraged and Sub-Prime Credit Markets

There had been some further deterioration in these markets and there had, consequently, been further write-downs amounting to £400 million which was partly offset by a £200 million benefit from Own Credit in November.

(b) Hedging

BarCap were very active in their management of the situation and hedges had increased from $1,898 million at the end of October to $3,451 million at the end of October.

(c) Stress Testing

BarCap had undertaken stress testing on the Super Senior ABS CDO book reflecting a 1 in 20 stress level from the current position. This stress situation could result in an additional $2 billion loss.

(d) Leveraged Finance Portfolio

The volatility in the sub-prime market was not being seen in this sector and the business are comfortable with the credit quality of these assets.

(e) Assets Taken onto Balance Sheet

As expected, $20 billion of assets had been taken onto the Barclays balance sheet. It was not anticipated that further significant assets would need to come onto the balance sheet as a result of the current market conditions.

(f) Monoline Insurers

A new potential risk was the exposure to Monoline Insurers who guarantee the cash flows associated with underlying instruments, some of which may be sub-prime assets. Credit equivalent exposure to these Monoline Insurers was $7.8 billion.

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(g) <u>BGI</u>

BGI might be required to make capital injections to keep whole certain money market funds. The exposure could be to the order of $200-$300 million. They could also be impacted by potential downgrades in Citigroup SIVs held by BGI funds.

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

(5) **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:

- Barclays Capital had a good understanding of its positions and the risks associated with them and had actively managed its portfolio, including increasing the level of hedging. Its mark to market valuations were being thoroughly assessed and its performance was in line with the better performers in the industry. It was unlikely that the end of the market turbulence had been seen.

- <u>Liquidity</u> - it had been a very difficult year for the industry but there had been improvements in the interbank money markets in recent weeks including an extension in deposit maturities.

- <u>Credit Risk</u> - the retail credit environment had remained stable and there were no signs as yet of deterioration in the corporate credit area although BarCap were being watchful for the possibility.

The Board noted the Quarterly Risk Update.

Robert Le Blanc left the meeting.

(b) Legal Risk Report

Redacted:
Redacted For Privilege

The Board noted the report.

2. CHIEF EXECUTIVE'S MATTERS

2.1 BUSINESS REPORTS

(1) **Chief Executive's Report**

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

- Employee Opinion Survey - the response rate for the employee opinion survey had reached 90% in 2007. The results were not quite as positive as in 2006 in some areas, although strong results in some areas have been maintained. Management would listen to this feedback and respond vigorously.

The Board discussed when it should start to see material improvements in the EOS scores. The GRCB businesses had already experienced very considerable change with over 80% of its top 100 leaders having been changed and there would be a need to change approximately 400 out of the 2,000 staff in the next level of the management hierarchy. The evidence so far was that once the changes had been made staff tended to buy in to the new direction and become enthused by what was being achieved. In response to a question, Mr Varley advised that staff morale was satisfactory but it had to be remembered that the survey had been conducted against the background of a very low Barclays share price and the disappointment of losing ABN Amro. On the whole, staff morale was good where they were being well led.

Competitive edge was an area where an improvement in the scores might have been expected. It was taking longer to improve these scores than expected because although the products had been improved they were often let down by the delivery mechanisms.

- Talent Agenda - Good progress had been made in the talent agenda during the year. The focus continued to be on the senior leader population and a three day shared development experience at Aspen for senior leaders was planned for 2008.

- Grant Kvalheim - Redacted Redacted

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Redacted

- Project Sirius - This proposed acquisition in Russia was supported by ExCo, given the strategic importance of Russia. The Group's capital position was constrained and the acquiring business would need to accommodate the RWA growth, possibly by reducing planned growth elsewhere. The Group would be applying its usual challenging financial metrics. The Board Finance Committee would be meeting later to consider this proposal.

- Liquidity - Mr Varley had recently met with the Chancellor and liquidity had been the dominant subject. The Bank's case had been strongly argued, given that the Bank of England leadership seemed to be communicating a more relaxed view to the Chancellor. The demands for robust action were supported by the other bank CEOs and the Chancellor seemed to be receptive to the message. December was typically the month in which banks adjusted their positions ahead of the year-end and technical funding issues were likely to occur. Positive action by the Bank of England and the Fed would be important in engendering confidence and trust.

In response to a question, Mr Varley confirmed that the Group's defence strategy work was proceeding and would be shared with a subgroup of the Board.

The Board noted the report.

(2) Finance Director's Report

Chris Lucas presented his monthly Report for November 2007, which had been sent to Directors in advance of the meeting, and highlighted the following:

(a) November Performance

Flash figures for November showed that November had been a good month with £630 million PBT, which was the best month in H2. Pricing initiatives in UK Retail were bearing fruit and GRCB's international businesses were 21% ahead of the same month in 2006. Despite the write offs, BarCap had contributed £180 million and BGI and Barclays Wealth's performance continued the trends already seen.

(b) Hedging of FX Exposure

At the time of the Absa acquisition, the Group had announced that it would hedge its investment in Absa against the adverse P&L impact of depreciation in the South African Rand (ZAR). The cost of the hedge was forecast to rise from £70 million in 2007 to £97 million in 2008. Movements in the ZAR also materially impacted the Group's Equity Tier 1 Ratio. It was proposed that the Group reduce its hedge to 33% of the ZAR value of its investment. The Board approved the change to the Group's hedging policy and noted that the change would be announced to the market when the 2007 full year results are released.

The Board noted the report.

(3) Short Term Plan

Mr Lucas presented his paper on the Short Term Plan (STP), which had been sent to Directors in advance of the meeting, and drew the Board's attention to:

(a) Introduction

The STP had been developed from the Medium Term Plan (MTP), presented to the Board in November and the proposed Group PBT of £7,752 million (up 9.5%) remained the same.

(b) Economic Profit

Economic Profit would decline 8%, compared to 2007 as a result of the increased cost of capital charge that would be discussed later.

(c) Income:Cost Jaws

There would be a negative Income:Cost Jaws of 2.6% as a result of the inclusion in the 2007 numbers of the impairment arising from the credit crunch.

(d) RWA Growth

The Plan already reflected the first efforts to restrict RWA growth by applying a £10 billion central over-ride. RWAs were planned to grow at 5%. The current plan indicates an Equity Tier 1 ratio of 5% for 2007 year-end, improving to 5.16% by the end of 2008. This remains below the Group's target but further work was being done to further reduce RWA utilisation.

(e) Free Cash Flow

BarCap's build up of RWAs would slow significantly in 2008 and this was the main driver of the £670 million positive free cash flow in 2008. Achieving that level of free cash flow was dependent upon managing RWA growth effectively.

(f) Headcount

Full-time employees would grow by 11.6% in 2008. This includes significant growth in Direct Sales Agents for the Emerging Markets business. These were commission only employees and arguably should not be included in the FTE category.

The Board discussed the negative income:cost jaws and noted that care would be taken with how this is communicated. Mr Lucas laid on table an additional schedule reflecting the sensitivity of the free cash flow amount to the level of RWAs and noted the importance of managing RWA growth proactively. In response to a question, Mr Lucas confirmed that although contingency margin had been built into the plan by way of a central over-ride, it did not allow for the full impact of potential penalties in relation to current account charges or any amount that might be paid in settlement of Project Spring.

The Board also discussed the importance of improving the Group's capital efficiency given the declining returns available in the banking industry. In the past, growth had been accelerated by leveraging the Group's balance sheet but that had now reached its maximum level. Mr Lucas confirmed that, given the public statements made about the share buyback programme, it would not be advisable to terminate the programme early.

The Board approved the short term plan.

Robert Le Blanc joined the meeting.

(4) Risk Appetite Report

Mr Le Blanc, presented the Risk Appetite report, which had been sent to Directors in advance of the meeting and Sir Richard Broadbent referred the Board to the paper from the Board Risk Committee, which recommended that the Board approve the proposed Risk Appetite for 2008. Sir Richard Broadbent commented that the Group's balance sheet was fully loaded and the capital ratios were tight, but it was, nonetheless, appropriate for the Board to approve the proposed Risk Appetite.

The Board approved the Risk Appetite.

Robert Le Blanc left the meeting.

(5) Capital Raising and Buybacks - 2008

Mr Lucas presented the Annual Capital Raising Authority paper, which had been sent to the Board ahead of the meeting, and reported that the Group had been able to raise all of the capital it needed in recent weeks (£1.6 billion) and in fact two of its three issues had been increased in size as a result of the positive reception in the market.

The Board authorised the following actions:

- The raising of up to £6,000 million (in aggregate) new debt and/or other capital securities by either Barclays Bank PLC or Barclays PLC;

- The redemption, purchase or restructuring of up to £2,000 million (in aggregate) of existing debt and/or other capital securities by either Barclays PLC or Barclays Bank PLC;

- The repurchase of up to £250 million of stock; and

- All transactions undertaken pursuant to this authority are to be approved and authorised by the Group Treasury Committee or, (i) in the case of Barclays PLC the Committee re. Debt Securities Issues and (ii) in the case of Barclays Bank PLC, the Fund Raising Committee, except that either the Group Finance Director or the Group Treasurer may authorise transactions up to a cumulative value between them both of £250 million (prior to such transactions being approved by the Group Treasury Committee, the Committee re. Debt Securities Issues or the Fund Raising Committee as the case may be, whereupon the full £250 million authority will be renewed).

(6) Barclays Cost of Equity

Mr Lucas presented his paper on Barclays Cost of Equity, which had been sent to the Board in advance of the meeting, and highlighted that the Group's Cost of Equity had remained at 9.5% for some time and with the start of a new goal period it was appropriate now to revise it. With the increase in the Group's beta and the volatility in the stock price, maintaining the cost of Equity at 9.5% would not be credible. The increase to 10.5% would have a number of painful implications, such as making the economic profit goals harder to achieve and increasing the hurdle rates for potential acquisitions.

The Board approved the increase in the cost of equity to 10.50%, effective from1 January 2008.

Chris Grigg and Paul Idzik joined the meeting.

2.2 BARCLAYS COMMERCIAL BANK UK EXECUTION UPDATE

Frits Seegers and Chris Grigg referred the Board to their presentation on Barclays Commercial Bank UK Execution Strategy, which had been sent to Directors in advance of the meeting and highlighted the following points:

(a) Introduction - Chris Grigg had been appointed Chief Executive of Barclays Commercial in February 2007 and had commenced the transformation of the business. Barclays Commercial would contribute 20% of the Group's 2007 PBT.

(b) Business Description - Barclays Commercial consisted of three core business units: Larger Business; Medium Business & Agriculture; and Barclays Asset and Sales Finance. The biggest business was the Medium Business which employed some 650 Relationship Managers. Barclays Commercial was number two in the market to Royal Bank of Scotland, which had benefited significantly from the merger with NatWest, given their complementary footprints in Scotland and England. Although RBS had more sites and more Relationship Managers, Barclays Commercial partly made up the deficit by greater productivity per Relationship Manager.

(c) Business Channels - There was scope for Barclays Commercial to upgrade some of its complementary channels, such as business tills and the internet, to improve accessibility and customer service.

(d) Strategic investment - The business had suffered from under investment in people, distribution channels and technology. Strategic investment in the business had been only 2% of revenue in 2005 and that had been slowly increased up to 3.4% in 2007.

(e) Growth strategy - The reinvigoration of the business would be focused around three strategic objectives: re-energising the top line growth of Medium Business and Agriculture; resuming debt growth; and growing deposit, fee and non-core debt income faster than core debt. The aim would be to move to an integrated customer centric model instead of a siloed, debt centric model.

(f) Talent - The Executive team was now in place and the focus for the next three years would be on upgrading talent across the whole business. The business did not currently have enough great people and it faced the challenge of a cadre of very experienced Relationship Managers who would approach retirement at the same time. The new talent would also be supported by implementing standardised sales tools and improved training.

The Board discussed the Barclays Commercial strategy and noted that the business had performed well in an intensely competitive market because of the quality of the service that was provided, the quality of its Relationship Managers, which were better than most, and its strong product set. However, increasing the number of Relationship Managers would be difficult as the talent pool in the UK was shallow. One key disadvantage for Barclays Commercial was its payment processes which would have been enhanced by the ABN Amro acquisition. In response to a question, Mr Seegers confirmed that the necessary talent to enhance the use of technology was available to ensure that the required investment was effectively applied. It was noted that speed of decision-making could be a key differentiator for Barclays Commercial. Mr Grigg advised that efforts were being made to make the decision-making process as slick as possible and also to communicate this advantage more effectively. In the past, Barclays Commercial offices had been separated from the Retail network. The efforts to increase the number of sites and therefore customer accessibility might result in Barclays Commercial once again being co-located in some key Retail sites.

The Board noted the Barclays Commercial strategy presentation.

Papers circulated for information

Committee minutes:

Board Audit Committee Meeting on 14 November 2007

Board Accounts Committee Meeting on 14 November 2007

Group Risk Profile Report

2008/2009 Dates

EXHIBIT 141

FILED UNDER SEAL

From: Mark Wharton [mark.wharton@fsa.gov.uk]
Sent: Friday, January 11, 2008 2:11:46 PM
To: chris.lucas@barclays.com
CC: Stone, Jonathan: Barclays Treasury (LDN); Claire Haydon
Subject: Capital planning discussions

****

Your attention is drawn to the warning notice at the end of this message.

Dear Chris,

As flagged in the ICG letter dated 21 December, we will want to meet with you to discuss your capital position and updated plans, ahead of your full year results announcement on 19 February, and the declaration of dividend. I have set out below the information we would like to see in advance of our meeting. I would be grateful if you could share this information with us as soon as possible before our meeting, which I would like to take place in the next 3 weeks.

In view of the current market environment, and the potential for further deterioration, we will want to understand in more detail the "base case" scenario for 2008 and the extent to which your capital resources are projected to provide sufficient headroom over regulatory capital requirements, so that we can have an informed discussion on what action you need to take, where necessary, to strengthen both the quantity and quality of your capital. In particular we will want to understand how you have stressed these figures in view of ongoing market turbulence, and reassess the extent to which your capital resources in a stressed environment provide sufficient headroom over the potential capital requirements in such a scenario.

Key information that we will want to see and discuss with you are:

- A firm year end number for capital resources and required capital - on a Basel 1 basis for December year and also the starting position for 2008 on a Basel 2 basis.

- Details on the margin over the required capital figures at year end
- Details on the internal target margin over the required capital (buffer) to be maintained, including details where this margin has changed as a result of the change to Basel 2 calculations

- Details on the base case assumptions for business growth, profitability, dividends and capital raising/redemptions in 2008 (i.e. a full base case capital plan) and the projected capital and required capital figures.

- Details of a stressed capital plan to include detailed, re-worked where appropriate, assumptions for business growth, profitability, dividends and capital raising/redemptions in 2008 (i.e. a full stressed capital plan) and the overall impact on projected capital resources and required capital.

- If such details as above exist over longer time horizons, we would be grateful if you could provide this information as well

- Details on capital redemptions in 2008-2012.

While we are continuing to have discussions with Barclays Capital regarding valuations of at risk exposures and exposures to monolines, at our meeting it would be useful to ensure we have an up to date picture regarding exposures to the following areas, and the impact of these on your planning;

- Commercial property portfolios, including concentrations and risk characteristics
- Sub-prime exposures - both direct and structured
- Monoline exposures - a full and complete understanding of 'put risk' as well as inventory risk arising from monolines.

We will be in touch shortly to arrange a convenient time for the meeting, but in the meantime if you would like to discuss any of the above, please do not hesitate to get in touch.

Kind regards

Mark

Mark Wharton

Manager

Major Retail Groups Division

Financial Services Authority

020 7066 0294

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<u>EXHIBIT 142</u>

FILED UNDER SEAL

From: Verwey, Mark: Financial Control (LDN) [/O=BZW/OU=EUROPE/CN=LDN AD USERS/CN=USERS/CN=VERWEYM]
Sent: Wednesday, February 13, 2008 1:48:46 PM
To: Diamond, Bob: Barclays Capital; Ricci, Rich: Barclays Capital; Spinale, Anthony: Barclays Capital; Clackson, Patrick: Finance (LDN); Copson, Paul: Finance (LDN); Syal, Vivek: Finance (LDN)
CC: Reynolds, Allana: Barclays Capital (LDN); Johnson, Denise: Finance (LDN); Shipley, Debbie: Barclays Capital (LDN); Stanley-Johns, Jacqui: Barclays Capital; Sherwood, Helen: Barclays Capital (LDN); Edgar, Kim: Finance (LDN); Brown, Polly: Product Control (LDN)
Subject: Finance Committee Papers - 13 Feb 2008 15.00 - 15.45
Attachments: FinCom 13.02.pdf; 2007 Results Annoucement Draft C BarCap submission_20080213.pdf; Slides - Version C.pdf; CGL Speech - Version C.pdf; 2007 RESULTS PRESENTATION - version 15 _2_.pdf; RWA-Sensitivity 11th Feb 08.pdf

Dear All,

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

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

FinCom Papers

FinCom 13.02.pdf

Section 7 (password truffles73)

2007 Results Annoucement...

Slides - Version C.pdf

CGL Speech - Version C.pcf

2007 RESULTS PRESENTATION...

Section 9

RWA-Sensitivity 11th Feb 08.pdf

Regards,

EXHIBIT NO. 475
DATE: 11/13/15
Reporter - Laurie A. Collins

Mark

Mark Verwey
Financial Planning & Analysis
Barclays Capital
Tel: +44 (0) 207 773 6439
mark.verwey@barclayscapital.com

BARCLAYS

Results Announcement

Barclays Capital Submission

Version C
09/02/08

PERFORMANCE SUMMARY

- Barclays Capital profit before tax increased 5%, ahead of the record results delivered in 2006. These results included net charges arising from the credit market turbulence and the benefits of widening own credit spreads on the fair value of issued notes. Barclays Capital was well positioned to benefit from the resultant flight to quality and produced excellent growth in interest rate, currency, equity and commodity asset classes.

GROUP PERFORMANCE

... Growth in net income was affected by net write-downs and charges of [£xxbn] relating to credit market turbulence net of own credit £658m in Barclays Capital

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BARCLAYS PLC

RESULTS BY BUSINESS

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

The US sub-prime driven market dislocation affected performance in the second half of 2007. Exposures relating to US sub-prime have been actively managed and declined over the period. Exposures as at 31st December 2007 are set out on page [61]. Barclays Capital's 2007 results reflect net losses related to the credit market turbulence of £1,xxxm, of which £xxm is included in net trading income, net of £658m gains from own credit. Impairment charges of £846m include £783m charges against ABS CDO Super Senior exposures, other credit market exposures and £58m relating to unsold leveraged finance underwriting positions.

Income increased 14% (£852m) to £7,119m (2006: £6,267m) as a result of very strong growth in interest rate, currency, equity, commodity and emerging market asset classes. There was excellent income growth in Asia and Africa, with very strong growth in Continental Europe and the UK. Average DVaR increased 13% to £42.0m (2006: £37.1m) in line with income.

Secondary income, comprising principal transactions (net trading income and net investment income) and net interest income, is mainly generated from providing client financing and risk management solutions. Secondary income increased 11% (£579m) to £5,872m (2006: £5,293m).

Net trading income increased 3% (£107m) to £3,669m (2006: £3,562m) with strong contributions from fixed income, foreign exchange, commodities, equity and prime services businesses. These were largely offset by sub-prime trading related writedowns. The general widening of credit spreads that occurred over the course of the second half of 2007 also reduced the carrying value of the £57bn issued notes held on the balance sheet, resulting in gains [on own credit] of £658m. Net investment income increased 66% (£380m) to £953m (2006: £573m) as a result of a number of private equity realisations, equity realisations in Asia and structured capital markets transactions. Net interest income increased 8% (£92m) to £1,250m (2006: £1,158m) driven by higher contributions from money markets. Corporate lending portfolio increased 29% to £52.3bn (2006: £40.6bn), largely due to unsold leveraged finance positions and a rise in drawn corporate loan balances.

Primary income, which comprises net fee and commission income from advisory and origination activities, grew 30% (£281m) to £1,233m (2006: £952m), with good contributions from bonds and loans.

The impairment charge of £846m included charges of £722m against ABS CDO Super Senior positions and £55m net of fees relating to leveraged finance write-downs. Other impairment charges were £69m compared with a release of £45m in 2006.

Operating expenses decreased 1% (£36m) to £3,973m (2006: £4,009m). The cost: net income ratio improved to 63% (2006: 64%) and the compensation cost to net income ratio improved by two percentage point to 47% (2006: 49%). Performance related pay, discretionary investment spend and short term contractor resources represented 42% (2006: 50%) of the cost base. Amortisation of intangible assets of £54m (2006: £13m) principally related to mortgage service rights.

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

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Economic capital

Barclays Capital economic capital increased £1,450m to £5,200m (2006:£3,750m). This was driven by growth in the investment portfolio, exposure to drawn leveraged finance positions and deterioration in credit quality in the US.

Economic Profit

Barclays Capital economic profit decreased to £1,172m (2006: £1,181m), due to higher economic capital charges and minority interest.

Risk Tendency

Risk Tendency in Barclays Capital increased £45m to £140m (31st December 2006: £95m) primarily due to unsold leveraged loan positions. The drawn liquidity facilities on ABS CDO Super Senior positions are classified as Credit Risk Loans and therefore no Risk Tendency is calculated on them.

Principal Transactions

Rates related business	£4,142m
Credit related business	£(403)m

Net trading income increased 4% (£146m) to £3,760m (2006: £3,614m). Growth in the Rates related business reflects very strong performances in fixed income, commodities, foreign exchange, equity and prime services. The credit related business includes sub-prime trading related writedowns and the benefits of widening own credit spreads on the fair value of issued notes.

Net investment income increased 26% (£254m) to £1,216m (2006: £962m). The cumulative gain from disposal of available for sale assets increased 82% (£253m) to £560m (2006: £307m) largely as a result of a number of private equity realisations and equity realisations in Asia.

Net income from financial instruments designated at fair value decreased by 23% (£103m) reflecting current market conditions. Other investment income comprises gains from the realisation of long term investments held by the group.

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

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Version 15
13/02/2008 13:45:22
Word count: 2,960

2007 RESULTS PRESENTATION: MARKET

1. Good morning and thank you for joining us today.

2. I am joined, as usual, by my team: Bob Diamond, the Group President; Frits Seegers, Chief Executive of Global Retail and Commercial Banking; Paul Idzik, our COO, and Chris Lucas, from whom you've already heard.

3. I find it hard to feel a deep sense of pleasure about 2007, not least because of our stock price performance.

4. Our owners have felt a lot of pain.

5. And although we can't control the price at which our stock trades, I start this presentation by saying how acutely I share the disappointment of our shareholders in our 2007 TSR.

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6. But if I turn to the subject of profitability, which we *can* control, I will give you a one word description of our performance in 2007, which stands as my main message to you today: resilient.

7. It's true that we expect to see economic profit growing at 10% per annum over time, and we have not done that in 2007.

8. But it has, all the same, been a strong year in which we've again generated profits of over £7bn, sharply ahead of the average profits of the previous three years.

9. You can see good jaws management in the income growth and cost growth relativities.

10. The source of our profit resilience is our business strategy. So let me take a moment to talk about that.

11. It can be simply stated: we aim to achieve superior growth through time by diversifying our profit base. The acid

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precondition of successful growth is relevance to customers.

12. We seek to maximise the alignment between sources of growth in the global industry (that is, anticipating what customers want and need) and what we have in the Barclays portfolio.

13. The investment choices that we've made in IBIM and GRCB over the last years have positioned Barclays well for future growth.

14. Not so long ago, our earnings were dominated by UK Banking. We had activities of only limited earnings significance outside the UK.

15. We intend to grow our UK businesses. But we will *also* increase through time the percentage of our profit coming from *outside the UK*, and the rates of growth *outside the UK* have been, and will be, faster.

16. Over the last couple of years, about 50%, on average, of our profits have come from outside the UK.

17. And about two thirds came from outside UK Banking.

18. Both numbers are up sharply over recent years, and I want to see both numbers increase in the years ahead.

19. A good illustration of the strategy at work during 2007 is the growth we've seen in our Asian businesses, where net income rose [80%] year on year.

20. In 2007, our Asian profits amounted to X% of total Group profits. Five years ago, that number was Y%.

21. Our new relationship with China Development Bank promises to be an important source of growth for the Group in the years ahead.

[PAUSE]

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22. Like many strategies, ours is simple to describe and tougher to implement. But it runs through everything we do.

23. We reconfirm our strategy in the aftermath of our bid for ABN AMRO, and in the light of the recent market dislocation.

24. That's because we believe that that strategy offers the best route to strong growth in the years ahead.

[PAUSE]

25. You've heard the detailed numbers from Chris.

26. I want, in my remarks this morning, to show some of the links between performance and strategy.

27. First of all I'll look back at 2007, including some remarks about the balance sheet.

28. I'll then look forward into 2008 and beyond.

29. The big event of our year was our bid for ABN AMRO. We were disappointed not to be able to acquire it.

30. ABN represented an acceleration opportunity, and in particular we liked the physical footprint it gave us.

31. But we were unable to secure ABN AMRO at a price that would represent value for shareholders.

32. Nonetheless our strategic objective remains the same: the pursuit of growth (usually, but not always, organic growth) to maximise returns for shareholders.

33. Let me touch now on one or two of the businesses.

34. First, BarCap.

35. The significant stress test experienced by the business during 2007 was handled well.

36. Indeed, as you've seen, we ended 2007 ahead of 2006, which itself was a record year.

37. Barclays Capital has benefited significantly from the income diversification that I talked about at the results a year ago.

38. This slide shows the success that we've had in broadening income streams in the business.

39. The income growth in 2007 was particularly notable given that several of the relevant markets were effectively closed during the second half of the year.

40. The combination of income diversification and rigorous risk management lay at the heart of another strong set of results.

41. But to be clear, it was *a difficult year* for Barclays Capital.

42. This slide shows the impact of the credit market dislocation on WRAs in 2007.

43. BarCap's consumption of regulatory and economic capital rose.

44. But we've continued to deliver returns well ahead of the cost of capital on both bases, as this next slide shows. [CHECK SLIDE?]

45. The cost flexibility of the business is significant, as Chris has shown you.

46. Cost flexibility is one of the vital safety valves in a capital markets business. This year we improved the cost: net income ratio by 1%, and the compensation ratio by [2%].

47. A key test for Barclays Capital over time is that the rate of profit growth exceeds the rate of risk consumption, and this

next slide indicates how over time we have performed on that measure.

48. The story is very clear.

49. Another key test is that we can make money in variable climatic conditions.

50. Here is a slide I have shown you before, updated for 2007. It makes the point that the business model is resilient to significant environmental change.

51. There will soon be a chance for you to get more detail on our IBIM businesses because, during the first half of 2008, we will hold a seminar which will enable Bob and his team to show you, among other things, the benefits that we are starting to reap from the cohabitation of the IBIM businesses under an increasingly integrated leadership team.

52. The second area of 2007 I want to highlight is the underlying momentum in GRCB.

53. In creating GRCB in 2006, I felt that these businesses were capable of greater growth.

54. I also felt that we had skills that, with the right leadership, could take us into markets where we were either under-represented, or indeed not represented at all.

55. Part of our thinking was that an important source of growth would be "reutilisation".

56. I had in mind taking, for example, a skill in credit cards developed in Northampton and employing it in Asia or Africa.

57. The GRCB structure was also based on a view that we would see increasing convergence of customer need and buying behaviour around the world in Retail and Commercial Banking segments.

58. You can see many of those things in our performance in GRCB in 2007.

59. You can see that we've been building distribution, with a commensurate impact on net customer recruitment and balance growth, to create a much broader business base for the years ahead.

60. You can see an increasing ratio of customer facing staff to back office staff; steady rationalisation of the operating platform; significant increases in branches and sales outlets; rapid growth in customer numbers and balances; "reutilisation" at work (for example in Absa Card); and the homogenisation of standards and capabilities in risk, which is feeding through into strengthening risk processes around the world.

61. All of this is feeding through into increased activity levels and increased income, with profits in the Emerging Markets and

Wholesale European businesses jumping sharply as a consequence.

62. At the time of the creation of GRCB in 2006, I talked about my desire that Frits should increase the metabolic rate of this side of the Group. He has.

63. In April we will hold a GRCB seminar at which we will show you in some detail what's been happening.

64. Now, before I turn to the future, I will say a word or two about the balance sheet.

65. Our ratios are not accidental – they derive consciously from the strategy we are pursuing.

66. The year end ratios – tangible equity to gross assets; tier 1; core equity –are at levels that we have planned and with which we feel comfortable.

67. We have typically focused on the risk adjusted balance sheet, rather than on absolute size. What that means is that we've not taken substantial steps to limit nominal balance sheet growth.

68. We have run a leveraged balance sheet for many years. Since IFRS implementation at the end of 2004, we have kept the ratio of tangible equity to assets constant.

69. In the past we've levered the balance sheet quite aggressively, for example when we acquired our stake in Absa the equity ratio fell to about 460bps.

70. But by the end of 2006, we had taken that back to over 500bps, and it remains at that level.

71. Our portfolio remains very cash-generative.

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72. We monitor the core equity ratio carefully, and seek to maintain a broadly consistent level of equity and non-equity in our capital structure.

73. An important part of balance sheet management is managing liquidity. This has never been more important than in the last few months.

74. As we've said, we have benefited from liquidity flows during 2007.

75. In the midst of the market dislocation in the second-half of last year, we repurchased 300m shares, at a total cost of £1.8bn.

76. We did that to offset the dilutive effect of the investments by CDB and Temasek.

77. But the buyback also signalled our confidence in the strength of our balance sheet.

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78. Of course all the ratios are influenced by our dividend policy.

79. We've been very clear in describing that policy, saying that we expect dividend growth broadly to match underlying earnings growth. We have also said that we expect the dividend to be broadly twice covered.

80. That policy is unchanged. And that policy informs today's dividend announcement.

81. So much for 2007. I'll now turn to the future, and I'll start with our new goals for 2008-2011, which we have released today.

82. As you know, we set ourselves goals every four years.

83. When we last reset goals in 2004, the first goal was to grow economic profit at a compound growth rate of 10% to 13%.

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84. We wanted to generate cumulative economic profit for the four years of between £6.5bn and £7bn.

85. We achieved that goal.

86. The actual compound growth rate in economic profit was [16%] and we generated total economic profit of [£8.3bn].

87. The second goal was to achieve the top quartile for total shareholder return in the four years from 2004.

88. We did not meet this goal.

89. Our performance relative to the goals has a significant bearing on the wealth of the senior leadership of the Group.

90. Failing to hit the target for TSR in 2007 means that the [executive performance share plans based on the period to 2007 will not vest.][QUERY AMBIGUOUS]

91. The new goals issued today, which are on the slide now, are designed to be realistic but stretching.

92. We maintain our commitment to economic profit, because we think that economic profit is the best proxy of shareholder value.

93. We believe that strong economic profit performance will, through time, generate top quartile TSR.

94. In other words, we remain very focused on maximising the alignment between the interests of our owners and the interests of Barclays; and focused also on choosing a profit metric that is sensitive to the cost of capital, the cost of risk and the cost of acquired goodwill.

95. The achievement of these goals will be influenced by various factors in the future that I want to outline this morning.

96. We have made good progress in turning around our UK Retail Banking business, including improving its cost income ratio.

97. We now commit to improving the cost income ratio here by a further [3%] from the current 56% over the course of the next three years.

98. We make this commitment notwithstanding that it is right to be realistic about growth in the retail banking industry in the United Kingdom during 2008.

99. This is partly because we anticipate sub-trend GDP growth during the year, and partly because of the regulatory headwinds, which you know about.

100. But we still have market share opportunities in UKRB on the income side, and you can test that aspiration against the empirical evidence of significant market share gains over the course of the last two years, particularly in mortgages and savings.

101. And on the cost side, there are also efficiency opportunities available to us.

102. We have *started* the process of rationalising our UK operations in UK Banking and Barclaycard UK.

103. We have halved the number of operations centres in the UK over the last 24 months.

104. We now have X,000 positions located offshore, up from Y,000 two years ago.

[PAUSE]

105. One of the biggest areas of risk concentration in *commercial banking businesses* in the United Kingdom has been, and remains, exposure to commercial property.

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106. As you know, our stance in this sector has been conservative over the years, and that is one good reason why the loan loss rate in Barclays Commercial Bank has been stable.

107. At this point in the cycle, it's the right place to be.

108. Our Wealth business has made brisk progress in 2007 towards our medium-term target of £500m PBT.

109. I want to dwell on the outlook for Barcap for a moment.

110. We continue to expect the securitisation of borrowing and the derivitisation of risk management to represent significant drivers of growth in the capital markets over the course of the coming years.

111. We see the trends of the last few months as dislocation not cessation.

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112. You've only got to look at the buoyant activity levels in Barclays Capital during the second half of 2007, and in the year to date, to find evidence of that.

113. Volatility, of course, is very good for BarCap, and volatility has increased sharply.

114. You've often heard Bob and me talk about the compound profit growth potential that we see for Barclays Capital being 15% to 20% through time.

115. As we've been setting our goals for the next four years, we have of course re-examined that hypothesis, both in terms of macro trends, and our own presence and position within the industry.

116. Our conclusion is no different from before. We continue to see this business growing at between 15% and 20% through time.

117. As in 2007, there will be years where we don't hit the range. But equally, there will be years, like 2006, when the range was exceeded.

118. So my expectation of BarCap is that it will live up to its promises in the future. That is what it has done in the past.

[PAUSE]

119. Taking all this together, our Group goals for 2008 – 2011 commit us to generating significant growth in economic profit over the four year period.

120. That growth won't be linear either. There will be perturbations around the central case.

121. But having said that, I have consciously sought, during my remarks to you this morning, to draw attention to the strongly diverse characteristics of the portfolio of businesses that we've assembled within Barclays.

122. And I hope that you can see clearly from our results today that our business diversity has been serving shareholders well during 2007.

123. Meanwhile, we are getting on with it. Some examples: you saw us announce recently the acquisition by Barclaycard UK of Goldfish. We opened further X branches and sales outlets outside the UK during January.

124. We've continue to take market share in UK mortgages. And the income performance of Barclays Capital during the first part of the year has been strong.

125. When it comes to the outlook, we see the backdrop of 2008 as another year in which there will be world economic growth of 4%, or something close to that, driven by the strong performance of a small number of big, and growing, emerging economies.

126. In the developed world, the more important question is not whether there is a recession, but what is the depth of the slowdown, and how durable will it be.

127. The US economy should respond to the fiscal and monetary stimulus, which has been fast, aggressive and large.

128. And although we see, in the United Kingdom, a year of sub-trend economic growth, we expect rate cuts here too, which will help mitigate the impact on the UK of slower rates of economic growth elsewhere in the world.

129. In an environment such as this, we have to be nimble in our management of risk and rigorous in our approach to lending.

130. But our experience of 2007 gives us confidence about these things, and we enter 2008 with a strong capital base, a broadly diversified portfolio of businesses, a consistent strategic direction, and significant opportunities for growth in the medium term.

131. I'll stop now and we will take your questions.

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BARCLAYS CAPITAL

Finance Committee Meeting

FINANCE COMMITTEE AGENDA

Date:	13 February 2008
Attendees:	Bob Diamond, Rich Ricci, Anthony Spinale, Patrick Clackson, Paul Copson, Viv Syal
Venue:	RED's Conference Room
Time:	15.00 - 15.45 London Time

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BARC-ADS-01560835

BARCLAYS CAPITAL

Finance Committee Meeting

Section 1 — February Income Flash

WTD 8 Feb	MTD 11 Feb	£m	YTD 11 Feb	Δ PY	Δ PY %
		Global Markets			
7	6	Portfolio	71	62	n/m
		Fixed Income			
38	52	Fixed Income Rates	378	264	231%
4	8	Fixed Income Credit	(81)	(137)	(242%)
42	60	Fixed Income Total	298	127	74%
8	14	Foreign Exchange	93	49	111%
18	7	Equities	20	(74)	(79%)
		Principal Credit			
(0)	(0)	Distressed / SSG	(18)	(23)	(421%)
5	5	Risk Finance	8	1	21%
6	7	Principal Strategies	(1)	(17)	(106%)
2	3	CMBS	8	(8)	(50%)
3	5	Portfolio Management	29	(13)	(31%)
22	28	Portfolio Management - IAS Volatility	62	64	n/m
38	48	Principal Credit Total	89	4	5%
		Emerging Markets			
4	11	Emerging Markets Rates	60	36	150%
8	11	Emerging Markets Credit	32	10	43%
13	22	Emerging Markets Total	93	46	98%
14	20	Commodities	64	(140)	(69%)
11	17	Prime Services	73	42	137%
-	-	BCFS	0	0	n/m
3	2	Management	(12)	(14)	n/m
155	195	**Total Global Markets**	789	103	15%
		Primary Credit Products			
4	5	Primary Bonds	26	(17)	(39%)
1	4	Global Loans	26	(5)	(17%)
1	3	Conduit	8	1	20%
2	3	HomEq	11	(6)	(35%)
-	-	EquiFirst	1	1	n/m
-	-	Management	(1)	2	n/m
8	15	**Total Primary Credit Products**	71	(24)	(25%)
12	15	Portfolio Asset Book	(262)	(271)	n/m
-	-	Management - Own Credit	290	290	-
4	6	Principal Investments	26	(14)	(36%)
8	12	Structuring	29	(19)	(39%)
5	5	Absa Capital	29	10	52%
1	1	IUR	(10)	(23)	(173%)
4	5	Shared Services	21	2	14%
[illegible]	254	Income	982	[illegible]	[illegible]
(13)	(17)	Provisions	(68)	(68)	n/m
[illegible]	237	Net Income	914	[illegible]	[illegible]
1	26	Δ Budget Net Income	69		

2007				2008		
Oct	Nov	Dec	£m	Jan	Δ Budget	Δ PY
			IBIM			
695	825	1,020	Income	986	56	42
(619)	35	(190)	Impairment	(51)	(28)	(49)
76	860	831	Net income	935	28	(7)
(129)	(550)	(540)	Costs	(573)	3	(12)
17	16	-	JV's and Associates	-	(2)	-
(36)	327	285	PBT	362	29	(19)
171%	64%	66%	Cost : Net income	61%	2%	(2%)
			Barclays Capital			
421	566	707	Income	728	72	19
(619)	34	(186)	Impairment	(51)	(28)	(49)
(198)	600	522	Net income	677	44	(30)
56	(373)	(292)	Costs	(400)	(9)	8
17	16	-	JV's and Associates	-	(2)	-
(125)	244	230	PBT	277	33	(22)
28%	62%	56%	Cost : Net income	59%	3%	(1%)
			BGI			
165	151	192	Income	155	(7)	22
-	-	-	Impairment	-	-	
165	151	192	Net income	155	(7)	22
(99)	(91)	(159)	Costs	(97)	3	(18)
66	60	33	PBT	58	(4)	4
60%	60%	83%	Cost : Net income	63%	(1%)	(3%)
			Wealth (including Life)			
109	108	121	Income	103	(9)	1
-	1	(4)	Impairment	-	-	-
109	109	117	Net income	103	(9)	1
(86)	(86)	(95)	Costs	(76)	9	(2)
23	23	22	PBT	27	-	(1)
79%	79%	81%	Cost : Net income	74%	2%	(1%)
			Wealth (excluding Life)			
99	98	110	Income	92	(10)	1
-	1	(4)	Impairment	-	-	-
99	99	106	Net income	92	(10)	1
(80)	(75)	(75)	Costs	(72)	8	(5)
19	24	31	PBT	20	(2)	(4)
81%	76%	71%	Cost : Net income	78%	0%	(5%)
			Life			
10	10	11	Income	11	1	-
-	-	-	Impairment	-	-	-
10	10	11	Net income	11	1	-
(6)	(11)	(20)	Costs	(4)	1	3
4	(1)	(9)	PBT	7	2	3
60%	110%	182%	Cost . Net income	36%	14%	27%
(35)	(14)	(9)	GUTS (incl. Absa Cap)	18	32	19
3	15	(14)	Central Transition Businesses	-	-	(3)

£m	YTD Jan '08			
	YTD	△ Bud	Δ PY	△ PY
Income	728	72	19	3%
Impairment	(51)	(28)	(49)	
Net Income	677	44	(31)	(4%)
Non Performance	(182)	17	(16)	(10%)
LTIP	(25)	-	(5)	
NI	(15)	(1)	3	
GBs	(2)	0	(0)	
Discretionary	(175)	(26)	27	
Operating Expenses	(400)	(10)	8	2%
JV's and associates	-	(2)	-	
PBT	277	33	(22)	(7%)
Economic Profit	131	12	(56)	(30%)
Cost: Net Income	59%	3%	(1%)	
Staff Costs : Net Income	48%	1%	(1%)	
Compensation: Net Income	46%	0%	(1%)	
Ave Net Income per FTE	565	53	(125)	(18%)
ROEC	30%	(11%)	(39%)	
RORC	27%		(12%)	
Ave DVaR	53.9	11.1	(10.7)	(25%)
Published WRA (£bn)	180.4	4.5	(33.6)	(23%)
External Assets (£bn)	1,104		(328)	(42%)
Economic Capital (YTD ave)	7,452		(3,681)	(98%)
Published Headcount	16,330	1,198	(2,775)	(20%)

[1] Excludes contribution and headcount from HomEq and EquiFirst

£m	YTD 31 Jan	Δ PY	Δ PY %
Global Markets			
Portfolio	65	65	n/m
Fixed Income			
Fixed Income Rates	326	236	262%
Fixed Income Credit	(89)	(127)	(332%)
Fixed Income Total	238	110	85%
Foreign Exchange	80	46	140%
Equities	13	(59)	(82%)
Principal Credit			
Distressed / SSG	(18)	(22)	(486%)
Risk Finance	3	(1)	(16%)
Principal Strategies	(8)	(19)	(179%)
CMBS	6	(3)	(36%)
Portfolio Management	24	(8)	(25%)
Portfolio Management - IAS Volatility	35	37	n/m
Principal Credit Total	41	(16)	(29%)
Emerging Markets			
Emerging Markets Rates Total	49	31	175%
Emerging Markets Credit Total	22	5	26%
Emerging Markets Total	71	36	102%
Commodities	44	(123)	(74%)
Prime Services	56	34	152%
BCFS	0	0	n/m
Management	(13)	(15)	n/m
Total Global Markets	**594**	**76**	**15%**
Primary Credit Products			
Primary Bonds	22	(13)	(37%)
Global Loans	22	(3)	(11%)
Conduit	5	(1)	(12%)
HomEq	8	(5)	(36%)
Equ First	1	1	n/m
Management	(1)	1	n/m
Total Primary Credit Products	**56**	**(18)**	**(24%)**
Portfolio Asset Book	(277)	(285)	n/m
Management - Own Credit	290	290	-
Principal Investments	20	(8)	(29%)
Structuring	17	(17)	(51%)
Absa Capital	23	11	90%
IUR	(10)	(32)	(156%)
Shared Services	15	1	7%
Income	728	[illegible]	[illegible]
Provisions	(51)	(49)	n/m
Net Income	[illegible]	[illegible]	[illegible]

Own Credit / New Deals

Business	Product Group	Region	Date	Expected £m	Actual £m	Var £m	Description	Comment
Manager[illegible]	Management - Own Credit	[illegible]	31-Jan	237	292	55	Jan Own Credit	Finalisation of Jan [illegible]
Manage[illegible]	Management - Own Credit	[illegible]	31-Jan	(2)	(2)	-	[illegible]	
Total				235	290	55		

Expected [illegible]

Business	Product Group	Region	Date	Expected £m	Actual £m	Var £m	Description	Comment
[illegible] Asset [illegible]	Cash [illegible]	US	31-Jan	(32)	(32)	-	IRS [illegible]	
Leveraged Loans [illegible] Book	[illegible] / FI Credit	Europe	31-Jan	-	(10)	(10)		Write[illegible] based on Jan [illegible] results
FI Credit	Illiquid Credit	US	31-Jan	(10)	(2)	8	Victoria Asset Swaps	Loss revised based on expected loss of 18%
FI Rates	Sec Derivs	US	31-Jan	(10)	0	10	Liberty Harbour II	Confirmation of position in structure confirmed no writedown required at present
Total				(52)	(43)	8		

Monthly Remarks and Exposures

Exposure	Net Exposure £bn	Business	Classification	Expected £m	Actual £m	Var £m	Description	Comment
Leveraged Loans	7.4	Provisions	Provisions	-	-	-		
CMBS - US	6.2	CMBS	Income	-	-	-		
CMBS - Europe / Asia	6.0	Primary Bonds	Income	-	-	-		
Banking Saypoff	4.3	Provisions	Provisions	-	-	-		£12m accrued monthly
Whole Loans	3.6	Portfolio Asset Book	Income	-		-		
ABS Europe Portfolio	2.7	FI - Credit	Income	(34)	(34)	0		
ALT A Securities	2.6	Portfolio Asset Book	Income	(50)	(50)	-		
Monolines	2.2	FI - Structured	Income	(55)	(55)	0	Remark of cply reserve	
Other Subprime (Liv's, Cairn)	1.5	Various	Provisions	-	-	-		
Sheffield / Surrey	0.9	Conduit	Income	-	-	-		
SIV's / SIV Lites	0.7	Portfolio Asset Book	Income	-	-	-		
MTM CDO - S King Book	0.3	Portfolio Asset Book	Income	(45)	(52)	(7)		
Residuals	0.2	Portfolio Asset Book	Income	-	(65)	(65)		Writedown includes £(37)m relates to NIMS and £(28)m Post NIMS as a result: - S&P downgrading a substantial portion of the 2006 and 2007 vintage deals - S&P publishing net loss projections on the 2006 vintage deals, which was higher than prior estimates - Continued deterioration in the performance of the underlying collateral. - Remaining value on the NIMS book is $143m and Post NIMS $180m
Total	38.6			(184)	(256)	(71)		

Total	(1)	(9)	(8)

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Headcount	Dec '07	Jan '08 Grad Roll-Off	Jan '08 Net Hires	Jan '08	2008 Budget	Grad to roll by y/e	Hires to meet y/e Budget
Global Markets	1,391	16	(20)	1,387	1,516	93	136
Primary Credit Products	308	1	1	310	361	11	43
US Portfolio Group	1		17	18	19		1
Structuring	128	-	(2)	126	140	-	14
Private Equity	117	-	1	118	131	-	13
Distribution	1,050	19	(12)	1,057	1,218	97	91
IBD/DCM	1,144	11	(4)	1,151	1,314	84	76
Research	217	4	(3)	218	300	13	39
Front Office	4,386	54	(22)	4,418	5,132	298	416
Graduates	417	(54)	82	445	394	(298)	247
Front Office (including Graduates)	4,803	-	60	4,863	5,526	-	663
Credit & IBD	283	-	4	287	360	7	66
Production	850	-	(5)	845	910	22	43
Rates	1,161	2	(11)	1,152	1,368	41	175
Sales & Research	213	1	2	216	231	8	7
IT Infrastructure	105	-	11	116	158	6	36
Historical	-	-	-	-	-	-	-
IT Production - Services	909	-	-	909	1,237	-	328
IT Support	3,821	3	1	3,825	4,564	84	655
CRES	143	-	(6)	137	165	3	25
Capital Projects	54	-	6	60	96	1	35
Real Estate	197	-	-	197	261	4	60
Global Marketing	57	-	2	59	66	2	5
Corporate Communications	39	-	-	39	44	1	4
Brand	96	-	2	98	110	3	9
Operations	2,001	1	61	2,063	2,217	35	119
Finance	1,284	1	(25)	1,260	1,396	53	83
Credit Risk	396	3	(2)	397	436	8	31
HR and Training	265	-	4	269	296	3	24
Legal	269	-	3	272	300	8	20
Compliance	143	-	(4)	139	159	4	16
Market Risk	150	2	(3)	149	183	6	28
Business Continuity Management	26	-	1	27	29	-	2
Operational Risk	47	-	5	52	55	4	(1)
Planning	23	-	-	23	35	4	8
Other Non-IT Support	4,604	7	40	4,651	5,106	125	530
Infra Graduates	236	(10)	4	230	200	(216)	186
Infrastructure	8,954	-	47	9,001	10,241	-	1,240
Central	2	-	2	4	1	-	(3)
Management	53	-	3	56	80	-	24
Total Central	55	-	5	60	81	-	21
Barcap	13,812	-	112	13,924	15,848	-	1,924
Absa Capital	931	-	40	971	1,065	-	94
HomEq	1,346	-	22	1,368	1,351	-	(17)
EquiFirst	787	-	(90)	697	783	-	86
Published adjustment	(645)	-	15	(630)	(473)	-	157
Total Headcount	16,231	-	99	16,330	18,574	-	2,244

Regional split	Dec '07	Jan '08 Net Hires	Jan '08
UK & Europe (incl Absa Capital)	7,480	79	7,559
Americas (incl HomEq and EquiFirst)	5,231	(74)	5,157
Asia Pacific	3,520	94	3,614
Total	16,231	99	16,330

See attached

To be distributed

BARCLAYS CAPITAL

RWAs

Current position and impact of market conditions

13th February 2008

See attached

Section 10 Other

Date:	5 February 2008
Attendees:	Bob Diamond, Jerry del Missier, Rich Ricci, Anthony Spinale, Patrick Clackson, Paul Copson, Viv Syal
Venue:	RED's Conference Room
Time:	08.00 - 08.45 London Time

BARCLAYS CAPITAL

RWAs

Current position and impact of market conditions

13th February 2008

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Basel II RWA position

- 2007 Year End £178bn (£2bn below target)
- 31st January flash available on 14th February, final on 21st February
- 10th February 2008 c.£185bn - £188bn (estimated)
- 2008 increases include:
  - £2bn growth in businesses reduced for year end (Portfolio/Repo)
  - £1.6bn RWAs re De Bello (BHP)
  - £1bn increase in Specific Risk DVaR
  - c.£1bn increase in Commodities counterparty risk
- Daily 2008 RWA limit of £190bn with "soft" headroom to £195bn
- The Basel II framework is pro-cyclical – and tends to require additional capital in times of market deterioration

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Key RWA Risk Areas

Current	c.£185bn - £188bn
• Synthetic ABS, Liquidity facilities re Super Senior tranches, ABS CDOs, RMBS warehouses	£10bn - £18bn
• Alt A trading book	£1bn - £2bn
• CMBS	£3bn - £6bn
• Negative Basis trades (Monolines)	£0bn - £2bn
• Impact of credit deterioration on model inputs; e.g. decline in Default Grades, increase in Specific Risk DVaR	£3bn - £5bn
• Ongoing new loan commitments e.g. in Global Loans (Pyramid / Zeus) and Portfolio Management	£3bn - £5bn (optional)
• Results of further savings initiatives (pre 31st March)	(£6bn) reduction
	Potential total of c. £200bn - £220bn

No allowance made for other business growth

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RWA Saving Initiatives - multiple initiatives underway, expected initial savings of c.£6bn at end of March

- **Structuring**
  - Execution of structured trades to reduce capital consumption (securitisations, purchase of credit protection), one off trades to reduce RWAs for a short period e.g. hedge of positions to reduce specific market risk charges
  - Obtain ratings for re-tranched assets and IO strips
  - restructuring of business to be more capital efficient
- **Business Reduction**
  - Reduction of certain business lines to free up RWAs - consider revenue & franchise implications
- **Policy Interpretation**
  - Regulatory Policy to optimise the RWA calculation through application of policy
- **Model Development**
  - Development of additional models to calculate exposures, accurately model counterparty risk weightings, broaden scope of specific risk DVaR
- **Process**
  - Optimise production process between Credit & Finance – reduce reporting timelines
  - Refine calculation of **Credit** inputs to RWA calculation – PDs, LGDs, EEPE, EAD, CCF
  - Optimise **Finance** RWA calculation process primarily for products calculated under standard rules
- **Legal & Operations**
  - Work with **Legal** to negotiate additional netting and collateral agreements where possible.
  - Work with **Operations** to drive efficiencies, for example through further review of collateral collection & recognition process, reduction of frees & fails etc.

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This File Could Not Be Processed

<u>EXHIBIT 143</u>

FILED UNDER SEAL

From:	Varley, John: Barclays PLC
Sent:	Tuesday, March 4, 2008 10:21 AM
To:	Agius, Marcus: Barclays PLC
Cc:	Le Blanc, Robert: Group Risk (LDN); Dickinson, Lawrence: Barclays PLC
Subject:	MEETING WITH CALLUM McCARTHY

Marcus

Further to our conversation this morning, I set down below some of the points that I think are relevant for your meeting:-

1. **Monoline insurance**

You'll recall the language we used in the results announcement (page 61). This was: "Barclays Capital has assets with insurance protection or other credit enhancement from monoline insurers. The value of exposure to monoline insurers under these contracts was £1,335m (30 June 2007: £140m). There were no claims due under these contracts as none of the underlying assets were in default".

The reference to £1.3bn means that were the insurance contracts to be valueless, then the write-down in our case would be £1.3bn. Remember that for the insurance to be triggered, there has to be a default on the instrument, and there then has to be a claim. As we said above, the current situation is that there is neither.

You will see that I've sent a note to Bob asking him to have Rich Ricci e-mail you during Wednesday with any relevant update on AMBAC.

2. **Capital**

I think our answers should fall into two separate areas. First, how did we manage during 2007? Second, what are our contingency plans for 2008 and what visibility will the Board have of these?

2007

The key ratio for the FSA is the Tier 1 ratio. Our Tier 1 ratio started 2007 at 7.7%. The Tier 1 ratio at the end of 2007 was 7.8%. This was notwithstanding unprecedented growth in WRAs during the year (the growth was £50bn, i.e. from £300bn to £350bn, or 19%). What does this tell us? First that the profitability of the Barclays portfolio generates cashflow which enables us to absorb significant balance sheet growth. Second that, notwithstanding the turbulence in the markets, we were able to raise regulatory capital during the second half of the year.

It's also worth pointing out that, were we not able to manage flexibly in this way, the Board would have taken a very different view of the completion of the buy-back (£1.8bn) and the increase in the dividend (total dividend payment for 2007: £2bn).

The last point to make relating to 2007 is in the contexts of year end ratio versus target; and year end ratio versus historical trend. We are above target (7.25%). And 7.8%, as the year end ratio, is high by the standards of recent years in Barclays.

Planning for the future

The Board takes comfort from the fact that the stress test of 2007 was managed well. But nonetheless very considerable focus was directed by the Board at the capital plan when both the Medium Term Plan was presented (November), and when the Short Term Plan (or 2008 budget) was presented (December).

EXHIBIT PENGAD 800-631-6989 PLX 434 5Nov15 DB

The Executive Committee is currently undertaking two separate pieces of work, one of which looks at the denominator (WRAs); one of which looks at the numerator (equity). That's because although Tier 1 ratio is strong, and the management and Board direct attention, in addition, at the equity ratio (basically, the relationship between share capital and WRAs).

In the first piece of work looking at WRAs, we are addressing: what we would need to do to create additional equity ratio headroom, and thus what we would need to do in terms of shedding WRAs (including understanding the P&L consequences of doing this).

The second piece of work is looking at the subject of equity. Quite outwith the opportunities that we might have with our new Asian shareholders in this context, we have been approached separately by two new potential Asian investors, Sumitomo Mitsui in Japan and Hanwha in Korea, each of whom is expressing an interest in an investment in Barclays (new shares) of between US$1bn and US$2bn, coupled with a strategic partnership (particularly in the field of capital markets activity).

We can make no guarantees about these investments coming to fruition, but our being approached in this way would be typical of experience that we've had over the course of the last months, where a number of people have expressed this sort of interest.

Our thought is that subscription for new capital could work well in circumstances where we wish to pursue further infill acquisitions.

(It's worth making the point that the Board would not have permitted the Group to proceed with the Expobank acquisition in Russia out of existing cash resources if the Board felt that the current ratios were imprudent.)

Once this work has been completed by the Executive Committee it will be brought to the Board in the usual way.

I'm copying this note to Robert Le Blanc and to Lawrence and if Robert feels a need to add anything, he will send you an additional e-mail.

I attach to this note the Stress Testing Update to which Robert referred.

John

John Varley
Group Chief Executive

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Stress Testing Update.ppt

BARCLAYS

Stress Testing Update

3 March 2008

Agenda

The objective of this meeting is to give the FSA clearer view of the various approaches to stress testing performed at Barclays, their results, consistency and impact on the capital plan.

1. Describing our stress testing approaches
2. Results and consistency
3. Summary of the capital plan (based on the annual stress testing severe scenario)
4. Forward planning given current economic outlook

Executive Summary

- The Group's stress testing incorporates three categories:
  - Group Wide Stress Tests:
    - Risk Appetite Financial Volatility 1:7 and 1:20
    - Annual stress tests (scenario based)
  - Risk Type Bespoke Tests
    - Wholesale Credit stress tests
    - Traded Market stress tests
  - Regulatory Capital Tests
- The three approaches are complementary; they allow us to examine stress performance from various angles
- Their results send broadly consistent messages about our predicted performance through a stress
- The annual stress tests indicate that our capital buffers are sufficient to maintain capital adequacy
- In light of the current economic developments, the Group is considering its early warnings and resultant reaction strategy

There are several different stress testing processes designed to capture macro and specific stresses over short and long-term durations.

Stress category	Group-Wide Tests		Risk Type Bespoke Tests	RWA Sensitivity Test
Name of process	**Risk Appetite Financial Volatility**	**Annual stress tests**	**Include: -Wholesale Credit Stress Tests -Traded Market Stress Tests**	**Pillar 1 RWA stress testing (FSA)**
Purpose	To verify that the financial volatility of the Group remains within the risk appetite of the Group, for the purpose of the Medium Term Plan (MTP)	Internal: Shape overall Group strategy by assessing sensitivity of MTP to adverse business conditions and the mitigation plans that businesses would put in place. FSA: Part of the ICAAP, helps the FSA set capital guidance	The **Wholesale Credit Stress Test** inform the strategic decisions of the Wholesale Credit Risk Management Committee (WCRMC). The **Traded Market Stress Tests** monitor the traded market risks within Barclays Capital.	Fulfils a regulatory requirement by providing information on the volatility of IRB RWAs.
Results terminology	"1:7" and "1:20" appetite utilisation	"Moderate downturn" and "Severe downturn"[1] Stress Test results	Risk-Type Specific Stress Testing Results (Wholesale, Traded Product)	Pillar 1, (or pro-cyclicality) stress testing results
Description of output	Utilisation of the Group's appetite, expressed as PBT performance.	Forecast P/L, B/S and capital under the scenarios	Credit and market stress test results are expressed as P/L impacts.	Increase in IRB RWAs in a "1:25" environment
Typical severity	BAU, "1:7", "1:20" and EC level sensitivities	The "severe" downturn is judged to be at least as acute as the worst expected economic downturn over a typical 25-year period	The scenarios depict significant events that could develop in the near future. The Traded Product tests aim for "1 in 5" scenarios	Worst credit environment for each portfolio in 25 years
Audience	ExCo, BRC, FSA	ExCo, BRC, FSA	Relevant committees (WCRMC, ExCo as appropriate)	FSA
Overview of process	Group Risk use statistical analyses to assess Barclays risk of under-performance	ExCo and BRC agree scenarios which are then parameterised by Risk; businesses derive P/L and B/S projections given the scenarios.	WCRMC agree wholesale credit scenarios that are then quantified by the business risk functions. BarCap GFRM design the Traded Market Risk scenarios and derive the results.	Group Risk derives the scenarios and results
Frequency	Appetite set annually and reviewed quarterly	Annual	Wholesale Credit: Quarterly Traded Products: Fortnightly.	Annual

The three approaches are complementary; their differences allow us to examine stress performance from various angles.

Type of stress test		Key differences with group-wide stress test
Group-level	**Risk Appetite Financial Volatility**	At an equivalent severity level, we expect stressed PBT derived from Financial Volatility Risk Appetite should be **lower** than stressed PBT derived from Group-wide stress tests because of the differences in approach (statistical versus scenario-based). Credit losses should, however, be more in-line in the two processes. **(see Appendix for more details)**
Risk Type Bespoke Tests	**Wholesale Credit Stress Tests**	The **Wholesale Credit** tests depict very specific scenarios in particular geographies that reflect current concerns of management. Where scenarios are compatible with a downturn, they can be compared to group-wide stress testing results.
	Traded Market Stress Tests	The Traded Market stress tests feature a series of non-additive scenarios that specifically relate to the traded book of Barclays Capital and unfold in days, not years. While we do not expect the results to be comparable to the Group-wide stress tests, the market scenarios can be incorporated into the wider downturn scenarios.
RWA Sensitivity Tests	**Pillar 1 RWA stress testing (FSA)**	The RWA pattern from the group-wide stress tests is different to that implied by the Pillar 1 RWA stress tests because of different underlying assumptions: Following guidance by the FSA we have assumed that all our capital calculations were "Point-in-Time", whereas some of our capital calculations follow a "through-the-cycle" approach (which produces more stable RWAs). The Pillar 1 test includes no time dimension and effectively assumes that the business goes un-managed during the stress. The Pillar 1 tests assumes the worst environment in 25 years for each portfolio, while the Pillar 2 test assumes an economic downturn judged to be as severe as would occur once in 25 years, which implies some diversification.

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Risk Appetite Financial volatility returns statistical 1:7 and 1:20 outcomes for various risk types, which are then aggregated to provide a Group view.

	2008		2009		2010	
	1:7	1:20	1:7	1:20	1:7	1:20
MTP Total Income After Op. Costs - starting point (a)	**10,373**	**10,373**	**11,673**	**11,673**	**13,345**	**13,345**
Extra business risk loss	443	682	498	768	570	878
Extra market risk loss	570	800	625	870	675	940
Extra operational risk loss	500	510	530	540	565	575
Expected impairment	2,621	2,621	2,808	2,808	3,272	3,272
Extra impairment	1,434	2,344	1,812	2,862	1,868	3,068
Total impairment	4,055	4,965	4,620	5,670	5,140	6,340
Total loss (b)	**5,568**	**6,957**	**6,273**	**7,848**	**6,950**	**8,733**
PBT (a-b)	**4,805**	**3,416**	**5,400**	**3,825**	**6,395**	**4,612**

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The annual stress testing exercises are based on scenarios, such as economic downturns. The tables below describe the "moderate downturn scenario".

1. Narrative

In this scenario, inflation proves hard to tame, affecting over-indebted consumers and asset prices. The slow-down is moderate but affects all economies to a certain extent.

In the United Kingdom:

- Inflation is more stubborn than is widely recognised and the Bank of England raises interest rates to 6.5% and has to maintain them at that level for a while.
- The raising of interest rates causes a cyclical slowdown in the economy, with growth of just 0.5% in 2009. House prices decline by about 9% over 2008-2009.
- Corporate profits come under pressure, negatively affecting asset prices and employment. Profits and salary growth decline.

In the United States:

- The United States suffer similar pressures to the UK, such that the Fed has to raise interest rates to 6.5% as in the UK.
- The housing market fails to recover, with the sub-prime sector particularly affected. This reduction in households' wealth along with moderately increasing unemployment causes personal consumption growth (70% of US GDP) to decline significantly. As a result, GDP growth dips below 1%.

In Continental Europe:

- Inflation affects Europe, where the ECB continues its rate tightening policy such that the refi rate increases to 5% (a 25% increase from current levels). Spain suffers particularly from a housing market slowdown (as housing drives a large proportion of GDP)
- The decline in US personal consumption eventually affects European exports and confidence.

In Emerging Markets:

- South Africa is affected by low demand for non-oil commodities, and by the continuation of the repo rate tightening. GDP growth declines and other African countries are similarly affected by increasing costs of finance. Other emerging markets suffer their worst year in 10 in terms of credit conditions.

Financial markets

- Stock prices perform poorly because of higher cost of finance and a high risk premium.
- Long bond rates are very high because of an increase in the risk premium, as the outlook for inflation is uncertain.
- Corporate risk spreads are persistently high, close to 2003 levels.

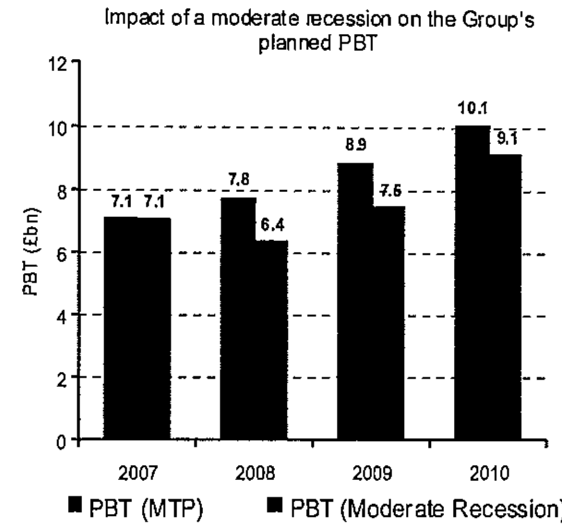
2. Summary of variables

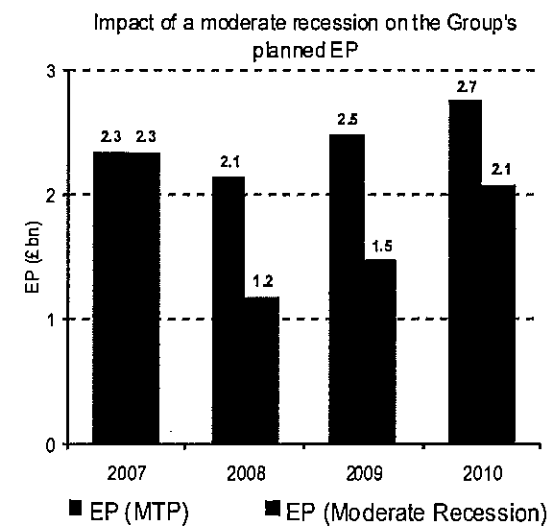
	Scenario 2008	2009	2010	Recent position	MTP 2009
GDP growth:					
UK	1.5%	0.5%	1.5%	3.0%	2.5%
US	2.2%	0.7%	3.0%	1.8%	2.5%
France	2.0%	1.0%	0.5%	1.3%	1.9%
Germany	2.0%	1.5%	0.5%	2.5%	n.a.
Spain	2.0%	1.0%	0.5%	4.0%	2.5%
South Africa	3.9%	3.2%	3.4%	5.1%	4.7%
Policy interest rates:					
UK	6.5%	6.5%	6.0%	5.8%	6.0%
US	6.0%	6.5%	6.0%	5.3%	5.0%
Euro area	4.5%	5.0%	3.5%	4.0%	4.5%
S. Africa (avg prime rate)	13.5%	14.1%	13.6%	13.5%	12.6%
House prices:					
UK	-3.0%	-6.0%	0.0%	11.2%	3.0%
Spain	2.0%	0.0%	-5.0%	5.8%	n.a.
South Africa	6.9%	2.5%	4.7%	14.5%	9.8%
Financial Markets					
Gilt 5-yr yield	6.5%	6.0%	5.5%	5.0%	5.4%
Euro Gov 5-yr yield	5.0%	4.8%	4.5%	4.3%	4.7%
Treasury 5-yr yield	6.0%	5.5%	4.8%	5.3%	5.5%
FTSE 100	-5.0%	-10.0%	10.0%	6.0%	4.8%
STOXX 50	-5.0%	-10.0%	10.0%	12.0%	4.2%
S&P 500	-5.0%	-10.0%	10.0%	14.0%	4.9%

In our annual stress testing exercise, a moderate downturn scenario would see PBT drop by £3.7bn (14%) over the three years. EP would decline by 36% over the same period

The key outputs of the 2007 moderate downturn stress test are:

- **PBT** is £3.7bn (14%) below Plan over the three years, roughly equally attributable to IBIM and to GRCB:
    - **Income** is £3.0bn lower than Plan (MTP projection: £86.6bn) over the three years. More than one third of this reduction in income occurs in the first year of the downturn as a result of lower non-interest income in IBIM
    - **Operating costs** are reduced by £2.6bn across the three years (£1bn lower in 2008 and 2009), offsetting roughly 85% of the reduction in income
    - **Impairment** is £3.2bn (37%) above plan over the three-year period, peaking at £4.3bn in 2009 (0.32% of assets compared to 0.20% under Plan). 56% of this figure is accounted for by IBIM, and 44% by GRCB
- **Economic Profit** falls £2.6bn (36%) below plan over 2008-2010, recovering to 25% below Plan in 2010
- The results assume that the businesses **mitigate** £1.8bn of the PBT impact over 2008-2010 (equivalent to £1.3bn of EP); most of the PBT and EP benefit occurs from 2010 due to time lags between identifying the problem and generating the benefit
- Planned dividend growth is achieved
- The equity ratio falls to 4.9% reflecting lower retained profit without offsetting reduction in RWAs. The Tier 1 Ratio and Risk Asset Ratio reduce marginally, but remain ahead of targets





The tables below describes the "severe downturn scenario", which includes a market dislocation at the outset.

1. Narrative

Following further surges in energy prices, increasing global prices and a generalised re-appraisal of risks, a severe global downturn develops.

In the United Kingdom:

- The Bank of England has to raise interest rates to 7% to counter the impact on inflation of a further surge in energy and commodity prices arising from strong global demand and the rapid waning of the previous favourable benefits to costs of globalisation. This leads to a severe slowdown, with the economy contracting by 1.3% in 2009 (commensurate with the "trough" of the early 1990s downturn).
- Sharply rising interest rates encourage a reappraisal of previously low risk premia; the credit channels are restricted as lenders seek to reduce exposure to high risk segments. The inability of highly indebted corporates to refinance their debts reinforces the macro economic downturn as defaults and unemployment rise substantially.
- The substantial increase in unemployment, squeeze on incomes, declining wealth of households (due to falling house prices and declining financial markets) also reinforces the macro-economic downturn. Lenders increasingly seek to restrict credit to high risk segments of the market.

In the United States:

- Global pressures and a weak dollar force the Fed to act, and interest rates peak at 6.8%.
- Consumer spending stalls in real terms, and mortgage market weakness extends to the prime sector and unemployment doubles.
- The corporate sector is under stress and a number of high-profile defaults occur.

In Continental Europe:

- Europe suffers from high borrowing costs and low exports. The refi rate increases to 5.5% (a 38% increase from current levels).
- downturns develop in major Euro zone economies. Spain is especially affected.

In Africa and Middle East:

- In Africa and the Middle East, economic growth falters as export markets dry up. A house price correction in South Africa affects credit risk in the retail book.
- In the middle east (UAE) various property projects are put on hold. Other emerging markets suffer their worst year in 25 in terms of credit conditions.

Financial markets

- Strong increase in Asian currencies as central banks move away from US assets.
- Severe generalised increase in cost of financing, disruptions in credit derivatives markets
- Weak performance in equities with large index falls in 2008-09.

2. Summary of variables

	Scenario 2008	2009	2010	Recent position	MTP 2009
GDP growth:					
UK	0.5%	-1.3%	0.5%	3.0%	2.5%
US	2.0%	-0.5%	2.5%	1.8%	2.5%
France	1.0%	-0.5%	1.0%	1.3%	1.9%
Germany	0.5%	-1.0%	1.0%	2.5%	n.a.
Spain	2.0%	-2.0%	1.0%	4.0%	2.5%
South Africa	3.0%	1.4%	1.8%	5.1%	4.7%
Policy interest rates:					
UK	6.5%	7.0%	6.5%	5.8%	6.0%
US	6.0%	6.8%	6.5%	5.3%	5.0%
Euro area	4.5%	5.5%	4.0%	4.0%	4.5%
S. Africa (avg prime rate)	13.9%	16.1%	17.3%	13.5%	12.6%
House prices:					
UK	-10.0%	-10.0%	-5.0%	11.2%	3.0%
Spain	5.0%	-10.0%	-5.0%	5.8%	n.a.
South Africa	3.1%	-5.4%	-1.4%	14.5%	9.8%
Financial Markets					
Gilt 5-yr yield	7.0%	6.5%	6.0%	5.0%	5.4%
Euro Gov 5-yr yield	5.8%	5.3%	5.0%	4.3%	4.7%
Treasury 5-yr yield	6.5%	6.0%	5.3%	5.3%	5.5%
FTSE100	-10.0%	-20.0%	0.0%	6.0%	4.8%
STOXX 50	-10.0%	-20.0%	0.0%	12.0%	4.2%
S&P 500	-10.0%	-20.0%	0.0%	14.0%	4.9%

The tables below describe the "severe downturn scenario", which includes a market dislocation at the outset (continued).

A market dislocation would occur at the beginning of 2008, triggered by the credit derivatives closing for a day in an environment of spreads widening. The economic impact is that liquidity dries up in the market. The effect on the market is mixed for bonds and the USD. Credit, stocks and commodities are weak.	
Interest Rates	This gives rise to a funding problem. Borrowing becomes difficult. Flight to quality and borrowing restrictions net out and the curve does not steepen
Foreign Exchange	Repatriation flows from current account surplus nations. EM currencies collapse
Credit	Credit market will show drastic widening for lower rated credit
Equities	Equities will become fundamentally weaker across the board
Commodities	Commodities generally weaken sharply apart from precious metals which become stronger

Private & Confidential
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The severe scenario takes a wide view of what an "economic downturn" is: neither the real economy nor the financial markets function properly. This means that severe adverse performance occurs in almost every part of the business, since all of our sources of income are affected (see appendix for scenario details).

Severe downturn:

1. This is preceded by a **market dislocation/liquidity** event, triggered by the credit derivatives closing for a day as spreads are widening.
2. Because the rate of inflation is far above target levels, Central Banks fear an "inflationary spiral" and continue to **raise rates.**
3. A **severe downturn** ensues so that markets do not recover and the economy enters a long period of adverse performance. This characterised by:

- Negative GDP growth in 2009 (-0.5% in the US, -1.3% in the UK)
- Funding costs persistently higher
- Large declines in house prices (-23% in the Halifax Index: In the US the OFHEO index would decline by 5% (2007:-0.3%, first negative figure in history)
- Large declines in values of commercial property (-22% in UK)
- Large declines in equity prices (28% globally)
- Higher unemployment (+50% in UK)

Effects on Investment Banking/ Investment Management

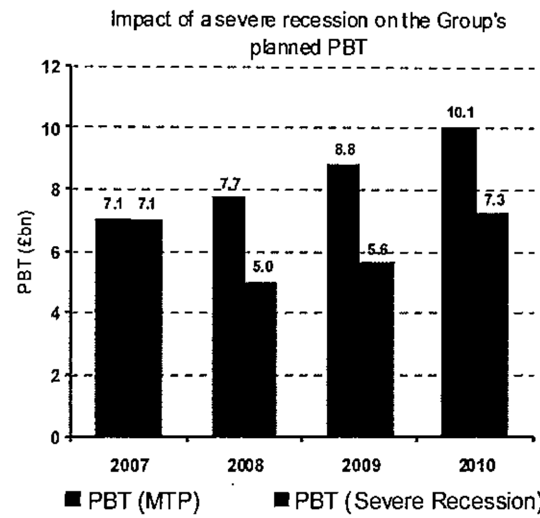
- Increased wholesale credit losses due to:
  - Lower interest cover
  - Declines in collateral values
  - Market dislocation causes BarCap to take additional assets on Balance Sheet which then become impaired
  - The adverse credit environment and market dislocation trigger large losses in the bridge and underwriting books
- Lower revenue due to:
  - Losses in mark-to-market positions caused by the market / economic environment.
  - Trading losses
  - Lower assets under management leading to lower fees in BGI / Wealth
  - BGI ability to earn above-market returns is impaired

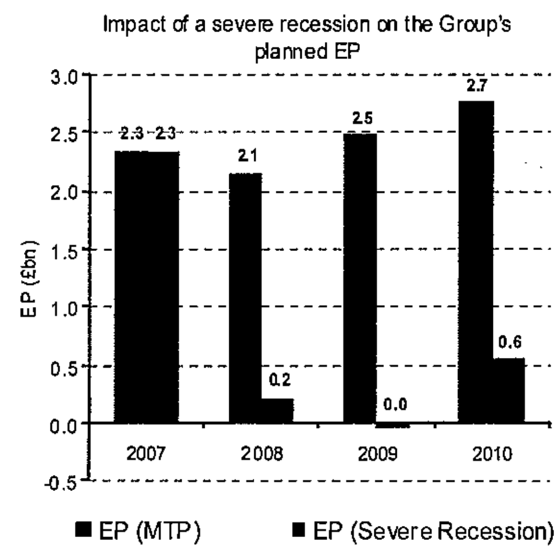
Effect on Retail and Commercial Banking

- Increased wholesale credit losses due to:
  - Lower interest cover
  - Declines in collateral values
- Increased retail credit losses due to:
  - Lower house prices
  - Higher unemployment
  - Higher cost of living (interest rates and inflation)
- Lower revenue due to:
  - Lower lending volumes
  - Lower take-up of non-interest yielding products

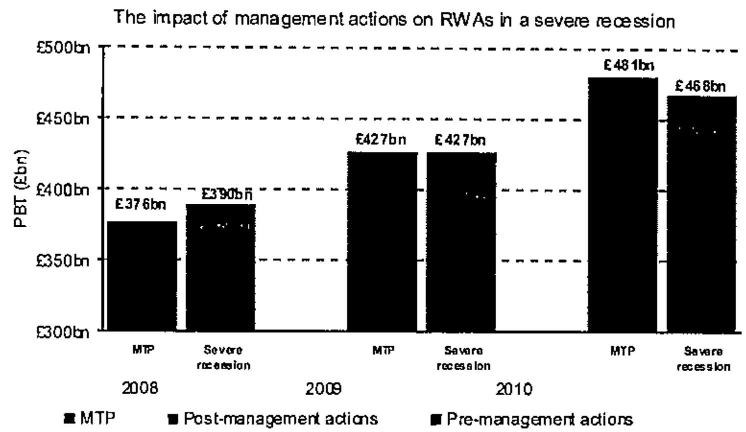
Our annual stress testing indicates that in the severe downturn we would continue to make positive PBT but this would be £8.8bn (33%) below Plan over the three years. Without management action the equity ratio would fall below 4.6%.

- **PBT** is £8.8bn (33%) below Plan over the three years, roughly equally attributable to IBIM and to GRCB:
  - **Income** is £6.9bn (8%) lower than Plan over the three years. One third of this reduction in income occurs in the first year of the downturn as a result of lower non-interest income in IBIM
  - **Operating costs** are reduced by £5.0bn across the three years, offsetting roughly three-quarters of the reduction in income. 67% of the cost reductions are made in IBIM where the cost base is very sensitive to revenue
  - **Impairment** is £6.6bn (76%) above plan over 2008-2010, peaking at £5.7bn in 2009 (0.41% of assets, compared to 0.20% under Plan). The increase arises equally in IBIM and GRCB.
- **Economic Profit** falls £6.6bn (90%) below plan (to £0.7m) over three years. EP (which goes slightly negative in 2009) is affected more severely by downturn than profit because economic capital, and hence the capital charge, does not fall in line with reductions in profit
- Without management action, the **equity ratio** would fall below 4.6%, the minimum ratio established by the annual risk appetite review. Options to manage the equity ratio include:
  - Managing down risk weighted assets (page 19)
  - Reducing annual dividend (page 20)
- **Tier 1 and Risk asset ratios** are maintained close to internal targets.





The pattern of RWA growth in the annual stress test severe scenario is broadly as expected; RWAs initially increase above Plan levels while in later years management actions and a less favourable environment for lending growth causes growth to decline.



Increase (Decrease) in RWAs Compared to Plan in the Severe Scenario, by Business

	2008	2009	2010
UK Business Banking	£0.3bn	(£7.5bn)	(£13.2bn)
UK Retail Banking	(£0.6bn)	(£2.9bn)	(£5.6bn)
Barclaycard	£2.0bn	£1.4bn	(£0.6bn)
Western Europe	(£2.3bn)	(£4.3bn)	(£5.8bn)
Emerging Markets	(£1.0bn)	(£4.1bn)	(£7.2bn)
Absa	£2.8bn	£0.3bn	(£1.1bn)
Barclays Capital	£12.0bn	£12.3bn	£12.6bn
Barclays Global Investors	(£0.5bn)	(£0.5bn)	(£0.6bn)
Wealth Management	(£0.6bn)	(£2.5bn)	(£5.2bn)
Total	**£11.7bn**	**(£0.3bn)**	**(£13.6bn)**

- During the first year RWAs would increase by £12bn (3%) as more assets would come onto the balance sheet in Barclays Capital following the market dislocation. Barclaycard and Absa show increased assets compared to Plan because of the point-in-time nature of the RWA calculations.
- From the second year the GRCB businesses drive a reduction in the growth rate of RWAs compared to Plan by curbing lending growth in order to contain the impairment charge.

Details by Business on next page

The pattern of RWA growth in each business depends on lending strategy, the market environment, the behaviour of customers and whether the RWA calculation accounts for the current position in the credit cycle.

Increase (Decrease) in RWAs Compared to Plan in the Severe Scenario, by Business

Business	2008	2009	2010	Comment
UK Business Banking	£0.3bn	(£7.5bn)	(£13.2bn)	Lending growth is curtailed to contain the impairment charge; RWA growth decreases as well as the calculation is mostly through-the-cycle (though a conservative "add-on" was included)
UK Retail Banking	(£0.6bn)	(£2.9bn)	(£5.6bn)	Lending growth decreases, especially in the Home Finance businesses.
Barclaycard	£2.0bn	£1.4bn	(£0.6bn)	Assets increase as customers seek to "draw down" their credit lines. The calculation of RWAs is also "point-in-time". These effects cause RWAs to increase above Plan levels in the first two years of the downturn.
Western Europe	(£2.3bn)	(£4.3bn)	(£5.8bn)	Lending growth decreases. RWAs decrease in line with lending as the calculation follows the "Standardised" approach.
Emerging Markets	(£1.0bn)	(£4.1bn)	(£7.2bn)	Lending growth is curtailed. RWAs decrease in line with lending as the calculation follows the "Standardised" approach.
Absa	£2.8bn	£0.3bn	(£1.1bn)	Lending growth decreases, but the calculation of RWAs is partly "point-in-time", so that RWAs increase in the first years of the downturn.
Barclays Capital	£12.0bn	£12.3bn	£12.6bn	The market dislocation causes assets to come onto the balance sheet (as in the summer 2007 experience), causing RWAs to increase above Plan in 2008. The growth pattern is similar to that of the MTP thereafter.
Barclays Global Investors	(£0.5bn)	(£0.5bn)	(£0.6bn)	Assets under management decrease.
Wealth Management	(£0.6bn)	(£2.5bn)	(£5.2bn)	Lending growth is curtailed. RWAs decrease in line with lending as the calculation follows the "Standardised" approach.
Total	**£11.7bn**	**(£0.3bn)**	**(£13.6bn)**	

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The annual stress test severe downturn scenario is wide ranging and considers many of the issues covered by the risk-type bespoke stress tests.

Wholesale Credit Tests examples

Scenarios analysed recently	Affected portfolios	Typical credit loss per year	Considered in annual stress test severe scenario?
US slowdown impacts UK-based export businesses	UK Commercial	£3m - £5m	✔
Effect of a tightening of the availability of credit on the UK household sector.	UK Commercial	£30m - £85m	✔
Effect on UKBB Financial Sponsors Leveraged book of difficulties in customers' ability to service debt	UK Commercial	£40m - £60m	✔
The first order effects of a slowdown in the property and construction sector due to the impact of a slowing housing market on housebuilders and residential investment & development	UK Commercial	£10m - £25m	✔
Effect on the UAE corporate book of a sudden and significant geopolitical event with global implications - for example, military action on Iranian targets	UAE Wholesale Book	£50m - £110m	✘
Falling Iberian residential property prices – caused for example by high inflation and interest rates	Spain Wholesale Book	£60m - £170m	✔
Default on medium-size loan (e.g. management buyout of a small professional business)	Wealth Loan Book	£10m - £12m	✔
Default on large exposure in Wealth (e.g. draw-down of revolving facility and default, or call on letter of credit with depreciated collateral)	Wealth Loan Book	£20m - £30m	✔

Traded Market Tests examples

Scenarios analysed recently	Impact in most recent report*	Considered in annual stress test severe scenario?
Appetite for US assets decreases: China rebalances reserves and announces change in reserve strategy	-£102m	✘
Energy crisis: Sudden oil price increase to $125	+£372m	✘
Far East tensions: For instance, China-Taiwan conflict or North-South Korea conflict	-£80m	✘
Terror event in the US/Europe	+£91m	✘
Liquidity Crisis in inflationary scenario: Credit derivatives market closes on a day in an environment of spread widening	+£162m**	✔

* The impact of adverse events on market risk losses can be positive or negative, depending on the trading position of Barclays Capital at the time the test is performed.

**At the time the group-wide stress scenario was designed, this market stress test predicted a loss to Barclays Capital.

The Pillar 1 RWA stress testing analysis implies the volatility of RWAs in Barclays IRB portfolios will be 31%. At total Group level, this equates to 18% increase in RWAs.

Cluster	Portfolio	Base case IRB RWAs (£m) Including securitisations	Base case IRB RWAs (£m) Excluding securitisations	Stressed IRB RWAs (£m) Excluding securitisations	Stressed IRB RWAs (£m) Including securitisations	Change
Barclaycard	Barclaycard Branded Cards	2,211	7,565	9,655	4,301	94.5%
	Monument	980	980	1,251	1,251	27.6%[1]
	Masterloan	701	701	895	895	27.6%[1]
	Barclays Branded Loans	6,478	6,478	8,268	8,268	27.6%[1]
	FirstPlus	3,958	3,958	5,182	5,182	30.9%
Barclays Capital	Banking Book	52,894	52,894	71,535	71,535	35.2%
	Trading Book	20,302	20,302	28,358	28,358	39.7%
UK Banking	Home Finance	9,342	10,738	15,282	13,886	48.6%
	Personal Customers	648	648	827	827	27.6%[1]
	Premier Customers	112	112	143	143	27.6%[1]
	Small Business	7,927	7,927	10,125	10,125	27.7%[1]
	Medium Business and Agri.	14,509	14,509	15,348	15,348	5.8%
	Larger Business	53,668	62,168	75,431	66,931	24.7%
Absa	Home Finance	6,086	6,086	8,661	8,661	42.3%
	Retail	5,703	5,835	7,640	7,508	31.7%[1]
	Equities	780	780	780	780	0.0%[2]
	Wholesale	7,653	7,653	10,350	10,350	35.2%
Central Functions	Treasury	967	967	1,308	1,308	35.2%
Group total		**194,919**	**210,301**	**271,039**	**255,657**	**31.2%**

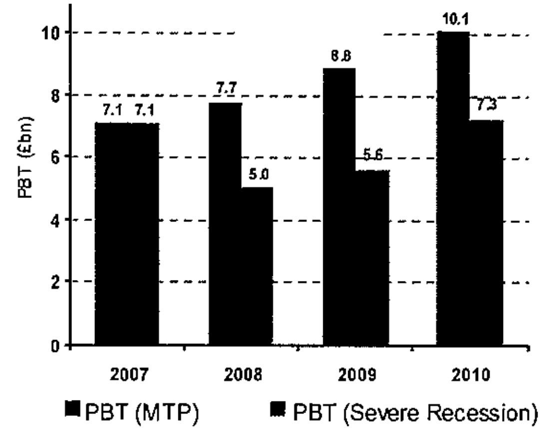
[1] Includes the RWA-equivalent impact of increased impairment on capital supply

[2] Although an IRB portfolio, not subject to rating migration

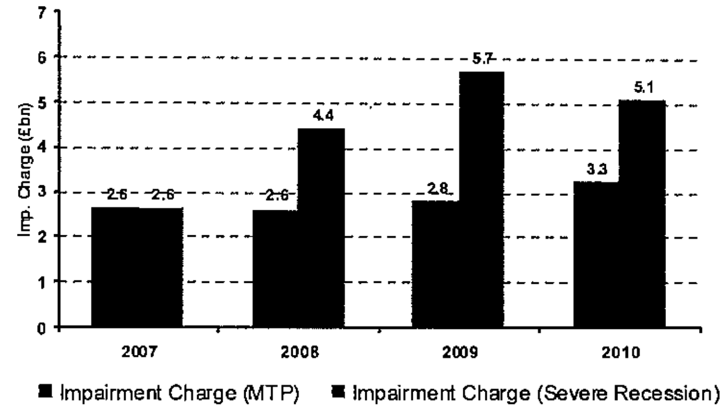
Whilst not directly comparable, the results of different categories of stress tests provide reassurance that the group-wide results are consistent.

Group-wide Stress Testing

Impact of severe downturn on Planned PBT



Impact of severe downturn on Planned Impairment Charge



Other Stress Tests

Results of other stress testing streams support the broad conclusions of the group-wide tests:

Financial Volatility Risk Appetite	Over 2008-10 the 1:20 measures imply PBT of £3.4bn-£4.6bn, extra credit losses of £2.3bn-£3.1bn and extra market risk losses of £0.8bn-£0.9bn. The **Group-wide stress test** ("severe downturn") shows PBT of £5.0bn-£7.3bn and extra credit losses of £1.8bn-£2.9bn. The PBT in the two exercises are quite different. This is because in Risk Appetite, "1:20" refers Barclays-specific projection, i.e. the worst result in 20 years caused by major risk types. Annual stress testing looks at the effect of a generic downturn which mainly affects credit and market risks.
Traded Market Risk	The "Liquidity Crisis in inflationary scenario" was assumed to be a trigger of the group-wide severe downturn scenario and to directly affect BarCap. Including the scenario was found to create very small incremental losses as BarCap already makes pessimistic assumptions in its Group-wide stress testing calculations.
Wholesale Credit Risk	A scenario depicting a Spanish property price collapse implies that wholesale credit losses for Spain could increase to 3x to 9x Plan levels. The group-wide stress tests depict a global downturn that would severely affect property markets, and results for Spain show losses increasing 4x to 8x Plan levels.
Pillar 1 RWA	The Pillar 1 calculation assumes that the RWAs for all portfolios are based on a "point-in-time" approach. This is the main reason why the increase in RWAs implied by the Pillar 1 stress calculation is much higher than the one implied by the Group-wide stress calculation. If the Pillar 1 analysis is modified such that wholesale RWAs are calculated using a "through-the-cycle" approach, the group-wide increase in RWAs is about 5%, which is closer to the increase in RWAs shown in the first year of the Group-wide stress results.

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The stress testing results include the effects of projected management actions.

GRCB	**BCB** would initially focus on constantly reviewing caps/hold levels on key sectors to assess whether they are comfortable with risk mixture and pricing strategy. Support Risk Control Units to identify early breaches of covenants and tighten Early Warning List Policy. As a stress crystallises book growth could be reduced and income strategy would be geared toward existing relationships and non-debt. Defensive strategies would include raising additional collateral, managing "early warning list" cases and exiting unsatisfactory cases.
	Barclaycard would initially monitor key risk indicators in key markets. It would contain growth in the affected portfolios and re-price where appropriate. Operating efficiency would be improved and collections activity would be increased.
	UK Retail Banking would closely monitor and escalate issues to senior management as the stress would develop. The mitigating actions are centred around restricting high-risk assets growth, reducing operating costs and deploying additional collections resources.
	Western Europe would contain book growth/cut costs as appropriate.
	Emerging Markets would severely curtail balance sheet growth to contain impairment.
IBIM	**Barclays Capital** would put in place Crisis reporting and management procedures, and continual stress testing would be used to uncover sectors or portfolios giving concern. In appropriate portfolios, limits to counterparties would be tightened. Sale or dispersal of risk would also be sought. Tighter controls on originations would be implemented and the number of underwritings/bridge loans might be reduced.
	Barclays Global Investors would initially escalate risks to the Global Risk and Compliance Committee (GRCC) for discussion and recommend actions to the Executive Committee (ExCo) for approval and implementation. BGI would also focus on operating cost reduction; in the moderate scenario costs are cut by 10% of the revenue shortfall in the first year, and by 50% of the shortfall in the second year.
	Wealth would cut costs but also review credit limits in the highest risk segments and raise more collateral as is feasible.

Capital Plans are based on the annual stress testing severe downturn scenario. Illustration 1: Holding dividend steady whilst constraining RWA growth.

Capital Plan - Base Case	Dec-07	Jun-08	Dec-08	Dec-09	Dec-10
Capital Issuance	5,809	3,750	5,000	5,000	5,000
Securitisations (reduction in RWAs)	(6,951)	(847)	(4,307)	(5,333)	(1,557)
Retained profit after tax and MI	4,417	2,316	4,723	5,311	5,912
Total Adjusted Common Equity	17,659	18,479	19,629	22,302	25,094
Total Tier 1 Capital After Deductions	27,473	27,842	29,475	34,260	38,482
Net Capital Base	42,818	43,741	45,391	52,414	58,813
Net Total RWAs	352,870	369,638	375,529	427,229	480,790
Equity Ratio	5.0%	5.0%	5.2%	5.2%	5.2%
Total external gross dividend for the year	(2,269)		(2,463)	(2,791)	(3,129)

Capital Plan - Severe Scenario	Jun-08	Dec-08	Dec-09	Dec-10
Capital Issuance	3,450	4,700	4,000	4,000
Securitisations (reduction in RWAs)	(847)	(4,307)	(5,333)	(1,557)
Retained profit after tax and MI	1,400	2,300	3,000	3,900
Total Adjusted Common Equity	17,562	17,771	18,438	19,853
Total Tier 1 Capital After Deductions	26,753	27,309	29,967	32,130
Net Capital Base	42,179	42,580	46,708	50,025
Net Total RWAs	381,638	386,749	404,238	431,497
Equity Ratio	4.6%	4.6%	4.6%	4.6%
Total external gross dividend for the year		(2,269)	(2,269)	(2,269)

Base Case
Capital plan reflects the end of January position

Severe Scenario Plan
Takes the impact of the severe scenario within the Group stress test (pages 12-14) and assumes that dividends are maintained at 2007 levels but that RWA growth is contained further to maintain the equity ratio at 4.6%.

Securitisations and Capital issuance are considered fungible, if we do less securitisation, we would look to increase issuance.

Capital Plans are based on the annual stress testing severe downturn scenario. Illustration 2: Continuing RWA growth whilst reducing dividend.

Capital Plan - Base Case	Dec-07	Jun-08	Dec-08	Dec-09	Dec-10
Capital Issuance	5,809	3,750	5,000	5,000	5,000
Securitisations (reduction in RWAs)	(6,951)	(847)	(4,307)	(5,333)	(1,557)
Retained profit after tax and MI	4,417	2,316	4,723	5,311	5,912
Total Adjusted Common Equity	17,659	18,479	19,629	22,302	25,094
Total Tier 1 Capital After Deductions	27,473	27,842	29,475	34,260	38,482
Net Capital Base	42,818	43,741	45,391	52,414	58,813
Net Total RWAs	352,870	369,638	375,529	427,229	480,790
Equity Ratio	5.0%	5.0%	5.2%	5.2%	5.2%
Total external gross dividend for the year	(2,269)		(2,463)	(2,791)	(3,129)

Capital Plan - Severe Scenario	Jun-08	Dec-08	Dec-09	Dec-10
Capital Issuance	3,450	4,700	4,000	4,000
Securitisations (reduction in RWAs)	(847)	(4,307)	(5,333)	(1,557)
Retained profit after tax and MI	1,400	2,300	3,000	3,900
Total Adjusted Common Equity	17,562	17,807	19,122	20,879
Total Tier 1 Capital After Deductions	26,753	27,309	29,967	32,130
Net Capital Base	42,179	42,580	46,708	50,025
Net Total RWAs	381,638	387,529	419,229	453,790
Equity Ratio	4.6%	4.6%	4.6%	4.6%
Total external gross dividend for the year		(1,800)	(1,800)	(2,000)

Base Case
Capital plan reflects the end of January position

Severe Scenario Plan
Takes the impact of the severe scenario within the Group stress test (pages 12-14) and assumes business RWA growth is delivered, reducing the dividend to maintain the equity ratio at 4.6%.

Securitisations and Capital issuance are considered fungible, if we do less securitisation, we would look to increase issuance

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The Group would drive other management actions beyond what the Businesses have incorporated in their stress testing results.

- The Group maintains close control on capital demand by businesses and has demonstrated that it can rebuild capital ratios. Following the acquisition of ABSA, we rebuilt our equity ratio from 4.6% to 5.3%, equivalent of reducing RWAs by c£30bn over an 18 month period.

- To sustain a 4.6% equity ratio throughout a severe stress, whilst maintaining consistent dividend payments, RWAs would be reduced by £22bn over a 3 year period.

- Prioritisation of actions to reduce RWAs would depend on the exact circumstances prevailing at the time and relative costs of each option. Actions would include the following:
    - Securitisations (e.g. Cards, Business Loans)
    - Optimise capital allocation within the businesses including:
        - Reduction of the £100bn new RWA growth remaining in the severe scenario
        - Reduction of the stock of RWAs (c£350bn) by sale of low yielding assets and/or managing down RWAs (e.g. reducing limits)
    - Disposal of non customer assets (e.g. property)
    - Sale of businesses
- Other actions include reducing costs, (e.g. strategic investment and marketing)
- Group would also have the option to issue more equity capital, either through a Private placement, rights issue or re-introduction of script dividends

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A follow-up ExCo meeting will consider actions to mitigate the developing slowdown in growth in advanced economies.

ExCo Request to Businesses:

In light of the current economic outlook - in particular the possibility of a moderate economic slowdown led by the US and UK economies - ExCo asked that Group Risk and the businesses work together to develop an early warning and reaction strategy, to be reported back to ExCo on 13th March.

1. Which areas or portfolios in particular would suffer if there were such a slowdown? Please also consider whether there are markets outside the UK and the US that could be significantly affected.
2. What would be the early warning indicators of economic stress for each of these areas? Please consider both external indicators (eg unemployment, housing starts, retail sales, securitisation performance, etc) and internal indicators (eg watchlists, delinquency rates).
3. What is the trigger zone for these indicators to trigger a change in our risk appetite in these businesses?
4. What further specific adjustments to business would we make if there is a slowdown and these triggers are hit? (e.g. higher LTV's? Lower multiples -> change cutoff threshholds?)
5. What is the estimate of the effects on Revenues and on Impairment?, over what time period?

The businesses are preparing to take specific actions to mitigate the anticipated slowdown in growth in advanced economies.

Businesses have considered potential management actions to respond to a possible moderate stress. The following two pages illustrate potential mitigating actions.

Activity	Early warning indicator	Potential mitigating action	Examples of action for consideration
Wholesale lending	• Widening credit spreads • Falling commercial property values • Increasing watchlist volumes	• Restrict new business flow in riskier sectors (eg leveraged deals, commercial property) • Tighten criteria for new property lending • Increase collateral haircuts	• BarCap: Tighten caps on leveraged deals: Current European caps are £300m junior hold tranches, £2bn subordinated underwriting (including £500m requiring Group Risk sign-off) • Spain: Reduce LTVs from 70% to 60% for offices, prime commercial and hotels
Secured retail lending	• Falling house prices • Increasing delinquencies • Increasing consumer indebtedness	• Tighten scorecard cut-offs • Tighten LTV criteria for new business • Hire additional collections resources	• UKRB mortgages: Reduce high LTV buy-to-let (greater than 75%) from 30% of new business to 15%

Potential mitigating actions (continued)

Activity	Early warning indicator	Potential mitigating action	Examples of action for consideration
Unsecured retail lending	• Increasing delinquency • Falling retail spending • Rising unemployment	• Actively target limit decreases and greatly reduce limit increases • Tighten scorecard cut-offs • Hire additional collections resources	• UKRB Unsecured Loans: Reduce the proportion of new business that is to lower quality customers (below BRG 2) from 50% to 25%
Group-wide		• Reduce strategic investment spend, eg defer the roll-out of new infrastructure • Reduce operating costs	• Absa: Defer the roll-out of the distribution network project • Implement a cost freeze

Appendix

Further details on differences between Risk Appetite Financial Volatility and Annual Stress Testing

Assumption	Financial Volatility	Annual Stress Testing
Probability	• Refers to a result, for instance the worst financial result in seven years, caused by all major risk types. • Refers to a one-year event.	• Refers to business conditions (scenario), for instance a downturn that we expect to occur no more than once every 25 years. The losses are driven mainly by credit and market risks. • Refers to the entire event over many years.
Start point	• The starting point for each year is the previous year's MTP projection.	• The starting point for each year is the previous year's stress projection.
Basis of credit loss calculation	• Credit losses are calculated on a "through-the-cycle" basis.	• Credit losses are calculated on a "point-in-time" basis.
Management assumptions	• Assume that the capital plan is unchanged.	• Assume that the capital plan is modified to keep ratios and capital buffers at acceptable levels.

Downturn scenarios: UK macro variables

		Moderate Scenario				Severe Scenario			
	2006 (a)	2007 (e)	2008	2009	2010	2007	2008	2009	2010
Economic activity - headline indicators									
Real GDP, % change year-on-year	2.8	2.6	1.5	0.5	1.5	2.6	0.5	-1.3	0.5
Consumer price index, % change	2.3	2.4	2.5	2.5	2.2	2.4	3.0	3.5	3.0
Average BoE policy rate	4.60	5.50	6.50	6.50	6.00	5.50	6.50	7.00	6.50
Gilt 5-year yield, %	4.7	5.8	6.5	6.0	5.5	5.8	7.0	6.5	6.0
Gilt 10-year yield, %	4.5	5.6	7.0	5.5	5.5	5.6	7.5	6.0	6.0
FTSE100, % eoy growth	10.7	5.5	-5.0	-10.0	10.0	5.5	-10.0	-20.0	0.0
Retail consumers' financial position									
Consumer spending, % change	2.0	2.5	2.0	1.0	1.7	2.5	0.7	-0.8	0.0
Average earnings, % change	4.1	4.5	4.5	3.7	3.0	4.5	4.5	4.5	3.5
Compensation of employees, annual sum % change	4.5	4.8	4.5	3.5	3.5	4.8	4.0	3.2	4.5
Claimant Count rate	3.0	2.7	3.2	4.0	3.5	2.7	3.5	5.0	4.0
Unemployment rate	5.4	5.5	6.0	6.6	6.1	5.5	6.6	8.2	7.1
Income gearing %	12.4	14.9	17.7	17.8	16.9	14.9	18.4	19.8	18.1
Corporate customers' financial position									
Gross op. surplus of private non-fin. corps, % change	4.4	10.0	1.0	-1.0	1.0	10.0	-2.0	-5.0	0.0
Income gearing (PNFC) per cent	19.6	23.4	29.0	29.3	27.9	23.4	31.4	33.8	31.4
Property prices									
Halifax index, year-end change, London and SE	10.3	7.0	-3.0	-6.0	0.0	7.0	-12.0	-12.0	-5.0
Halifax index, YE change, UK exc. London and SE	7.6	4.0	-3.0	-6.0	0.0	4.0	-8.0	-8.0	-5.0
Halifax index, YE change, UK	8.5	5.0	-3.0	-6.0	0.0	5.0	-10.0	-10.0	-5.0
Commercial Property Prices % change	12.4	3.0	-5.0	-6.0	-4.0	3.0	-7.0	-12.0	-5.0
Bank lending and margins									
Credit card lending, % growth	-1.5	2.0	0.0	0.0	2.0	2.0	0.0	-8.0	-5.0
Credit card lending margin	11.0	11.0	11.5	11.5	11.5	11.0	12.5	14.0	14.0
Non credit card lending, % growth	3.5	3.0	2.0	2.0	3.0	3.0	2.0	-5.0	-5.0
Non card lending margin	3.0	3.0	3.5	3.5	3.5	3.0	4.0	5.0	5.0
Mortgage lending, % growth	11.5	10.8	5.0	5.0	6.0	10.8	5.0	2.0	3.0
Mortgage lending margin	0.3	0.3	0.5	0.5	0.5	0.3	0.7	1.0	1.0
Growth in lending to corporations	18.6	15.0	6.0	0.0	2.0	15.0	5.0	-5.0	0.0
Corporate lending margin	1.7	1.7	2.0	2.0	2.0	1.7	2.5	2.7	2.5

Downturn scenarios: Global macro variables

		Moderate Scenario				Severe Scenario			
	2006 (a)	2007 (e)	2008	2009	2010	2007 (e)	2008	2009	2010
United States									
Real GDP	3.3	2.4	2.2	0.7	3.0	2.4	2.0	-0.5	2.5
Fed funds rate	5.3	5.3	6.0	6.5	6.0	5.3	6.0	6.8	6.5
CPI (Dec to Dec)	2.5	2.7	2.8	3.0	2.5	2.7	3.5	4.0	3.0
CPI (period average)	3.2	2.6	2.8	2.9	2.7	2.6	3.1	3.8	3.5
Unemployment rate	4.6	5.0	5.5	6.0	6.0	5.0	6.5	7.0	6.0
Debt servicing ratio	14.5	14.8	15.5	16.0	15.5	14.8	17.0	18.0	16.0
OFHEO HPI Index	6.0	5.0	2.0	0.0	5.0	5.0	1.0	-5.0	5.0
Treasury 5-year yield, %	4.7	5.30	6.00	5.50	4.75	5.30	6.50	6.00	5.25
Treasury 10-year yield, %	4.71	5.40	6.50	5.25	4.75	5.40	7.00	5.75	5.25
S&P 500, % eoy growth	13.6	4.4	-5	-10	10	4.4	-10	-20	0
Euro area									
HICP (inflation)	2.2	1.9	2.1	2.3	2.0	1.9	2.5	2.9	2.2
Refinancing rate	3.5	4.3	4.5	5.0	3.5	4.3	4.5	5.5	4.0
Euro gov 5-year yield, %	3.6	4.8	5.0	4.8	4.5	4.8	5.8	5.3	5.0
STOXX 50, % eoy growth	15.1	4.4	-5.0	-10.0	10.0	4.4	-10.0	-20.0	0.0
Spain									
Real GDP, % growth	3.9	3.7	2.0	1.0	0.5	3.7	2.0	-2.0	1.0
Unemployment Rate	8.5	9.0	9.3	9.8	9.0	9.0	10.0	12.0	9.0
House price growth	9.1	5.0	2.0	0.0	-5.0	7.0	5.0	-10.0	-5.0
France									
Real GDP, % growth	2.0	2.4	2.0	1.0	0.5	2.4	1.0	-0.5	1.0
Unemployment Rate	9.0	9.5	9.5	10.0	10.0	9.5	10.0	11.5	10.0
Germany									
Real GDP, % growth	2.8	2.5	2.0	1.5	0.5	2.5	0.5	-1.0	1.0
Unemployment Rate	7.8	8.5	8.5	9.0	9.0	8.5	9.0	10.0	9.0
Italy									
Real GDP, % growth	1.9	1.9	0.6	1.6	1.0	1.9	0.5	-2.0	1.0
Unemployment Rate	6.8	7.0	8.0	9.0	10.0	7.0	10.0	11.0	10.0
South Africa									
Real GDP, % growth	5.6	4.6	3.9	3.2	3.4	4.6	3.0	1.4	1.8
Prime Rate (%)	10.5	13.0	13.5	14.1	13.6	13.0	13.9	16.1	17.3
House Price Growth	15.3	13.0	6.9	2.5	4.7	12.8	3.1	-5.4	-1.4
Exchange rates									
Exchange rate: $/ £	2.0	2.1	2.1	1.8	1.8	2.1	2.3	1.9	1.8
Exchange rate: $/ €	1.3	1.4	1.5	1.4	1.2	1.4	1.6	1.4	1.2
Exchange rate: £/ €	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.7
Exchange rate: €/ £	1.5	1.5	1.4	1.3	1.5	1.5	1.4	1.4	1.5

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EXHIBIT 144

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From: Stone, Jonathan: Barclays Treasury (LDN) [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=STONEJ]
Sent: Friday, March 07, 2008 2:52:40 PM
To: Britton, Jonathan: Barclays PLC
Subject: FW: Richard Broadbent questions

From: Lucas, Chris: Barclays PLC
Sent: 07 March 2008 14:49
To: Dickinson, Lawrence: Barclays PLC
Cc: Le Blanc, Robert: Group Risk (LDN); Stone, Jonathan: Barclays Treasury (LDN)
Subject: RE: Richard Broadbent questions

Thanks , will look at these

From: Dickinson, Lawrence : BCS
Sent: 07 March 2008 14:43
To: Lucas, Chris : Group Exec
Cc: Le Blanc, Robert : Barclays Capital
Subject: Richard Broadbent questions

Chris,

Further to our brief conversation earlier, the questions that Richard raised when reviewing the Risk Committee agenda with Robert and me were as follows:

1. Is the current level of capital adequate and should we consider de-gearing the balance sheet and raising capital?

2. Are the targets for capital still appropriate in the current environment?

3. What are the risks around our capital position? How does the position look under stress?

4. Is the STP forcing us to take on higher levels of risk?

5. Are higher risk RWAs displacing lower risk ones?

6. What is the impact on profitability and composition of profit of the riskier environment?

Items (1) and (2) will need to be covered off by the Board paper on capital that will now go to the March Board. Item (3) will be covered by a paper going to the Risk Committee on stress testing although we should also probably include elements of this in the Board paper. Items (4) and (5) will be covered off verbally by Robert at the Risk Committee, probably when discussing the Risk profile report. Item (6) is really one for you and John to cover through your monthly reports but may need to await the outcome of the end March RAF process.

Lawrence

Lawrence Dickinson
Company Secretary

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EXHIBIT 145

FILED UNDER SEAL

From: Stone, Jonathan: Barclays Treasury (LDN) [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=STONEJ]
Sent: Friday, March 07, 2008 9:24:24 AM
To: Lucas, Chris: Barclays PLC
Subject: FW: Project Capstone update

Summary feedback Anthony is providing to RED on Capstone

-----Original Message-----
From: Spinale, Anthony: Barclays Capital
Sent: 04 March 2008 14:16
To: Stone, Jonathan: Barclays Treasury (LDN)
Subject: RE: Project Capstone update

Cool. thks

-----Original Message-----
From: Stone, Jonathan: Barclays Treasury (LDN)
Sent: 04 March 2008 14:15
To: Spinale, Anthony: Barclays Capital
Subject: Fw: Project Capstone update

Got your message and will try and find time later in the day to call back.

Best,

Jon

----- Original Message -----
From: Moore, Sarah-Jane: Barclays Treasury (LDN)
To: Stone, Jonathan: Barclays Treasury (LDN)
Sent: Tue Mar 04 12:48:21 2008
Subject: FW: Project Capstone update

Jon

Anthony Spinale has called regarding this email, I did explain that you are travelling however he would like to speak to you. Anthony's number is 020 7773 2505.

Sarah

From: Spinale, Anthony: Barclays Capital
Sent: 04 March 2008 10:48
To: Stone, Jonathan: Barclays Treasury (LDN)
Subject: Project Capstone update

Jon,
Are you cool if I send this to bob as a quick update on where this project stands.

Bob,

About a month ago, group exco asked a small team (me, justin, jon stone and merson) to investigate how we could raise equity to help fund possible m&a this year.
We added stephen jones and richard boath to the team and have been meeting weekly. I'll bring this summary and the attached deck Stephen pulled together to our 121 this Thursday but wanted to give you a quick update on where it stands. I think Jon has been updating Chris but once you're comfortable it's probably worth a quick update at group exco:

1. we looked at both internal and external options to raise core tier 1 capital. The internal options we focused on are: (i) Share option plan hedging for the ESAS and PSP plans; (ii) Scrip Dividends (giving shareowners the option of receiving cash or shares); and (iii) Selling non-core assets. The external options are: (i) Cash Placing to Strategic Investors (what we did with CDB); (ii) Cashbox / Vendor Placing (Cashbox is what we did with Temasek; vendor placing is similar but the placement is targeted to fund a specific acquisition); (iii) Rights Issue; and (iv) Convertible Pref Shares.

2. on Internal alternatives, Stone is moving forward on share option plan hedging for ESAS and PSP plans. barcap has been advising him and CS has been executing with him on this. It could free up as much a £900m in capital in 2008. We're doubtful we'd get much take up on Scrip dividends as we already have a dividend-reinvestment plan and there aren't any companies we can point to that successfully use this, other than HSBC but we think it's driven by tax arbitrage there, which wouldn't be the case with us.

3. on External alternatives, without Preemption (having to go to all shareowners and offer them the same investment opportunity) we have headroom to issue 5% of capital or between £1.5b - £1.75b in equity as a Cash placement to strategic investors. The range is dependent upon whether we get relief from the ABI (association of british insurers) on the share buybacks we did to neutralise the dilutive effects of the CDB investment. We can also use Cashbox / Vendor placing to issue another 10% of capital or approx. £3.4b in equity to strategic investors without Preemption.

4. our view is we shouldn't try to raise the equity on a m&a deal by deal basis as it'll likely get negative investor and PR play. We think we should go to strategic investors once this year, perhaps if we have a deal to fund but if not then go with a strong story as to strategic benefits of doing this. Also think we should structure it like what bofa did with countrywide - raise more than we need for the specific deal, they needed about $6bn for the deal, but raised about $12b.

5. as you know, we have a couple of Asian strategic investors who are interested. We should also go back to both CDB and Temasek as well as Roger's contact in the ME and the 2 or 3 other investors we approached last summer.

6. Merson is generally supportive of this, his main concern around external is he feels strongly we need to issue at a premium like we did over the summer to help make the story with existing investors.

7. we felt rights issue would smack of desperation and since convertible pref shares don't count as core tier 1 equity until converted, haven't recommended this either.

EXHIBIT 146

FILED UNDER SEAL

From: Diamond, Bob: Barclays Capital [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=DIAMONDB]
Sent: Saturday, March 08, 2008 4:29:34 PM
To: Ricci, Rich: Barclays Capital
Subject: FW: Draft for your comment

fyi, thoughts?

From: Varley, John: Barclays PLC
Sent: 08 March 2008 14:40
To: Diamond, Bob: Barclays Capital; Seegers, Frits: Barclays PLC; Lucas, Chris: Barclays PLC; Idzik, Paul: Barclays Group
Subject: FW: Draft for your comment

Fyi. Please see attached which shows you mapa's note to the board of his recent discussions with callum mccarthy, together with some suggested edits/adds from me. Mapa had in mind talking to certain neds about the dialogue. I have advised him to send a single note to the whole board, which is simpler. We can discuss at our offsite this week.

From: Varley, John : Group Exec
Sent: 08 March 2008 14:37
To: Agius, Marcus : Chairman's Office
Subject: RE: Draft for your comment

Marcus
Thanks.
See comments in bracketed caps below. I haven't sough to edit as such, just suggest language in a few places that you might like to include.
john

From: Agius, Marcus : Chairman's Office
Sent: 08 March 2008 12:33
To: Varley, John : Group Exec
Subject: Draft for your comment

John,

I am keen to get the balance of this note right - your comments would be welcome.

Marcus

Draft note to Board Directors

"I should report of (ON) two meetings I have had recently with the Chairman of the FSA at his request, the second took place last Thursday. [Callum McCarthy was accompanied by Hector Sants for the first meeting and Clive Briault for the second.] In general, McCarthy is concerned to establish that the Board of Barclays is providing sufficient challenge to the Executive in the current difficult market conditions and, in particular, wants to be clear as to our contingency plans for raising new equity capital should there be a further precipitate fall in asset values (HE REFERENCED IN PARTICULAR FALLS IN US HOUSING ---- SEE BELOW).

While I was assured that similar meetings were taking place with the chairmen of the other major banks and that there were no concerns as to the competence or professionalism of our executive team (a message confirmed by other parallel conversations), McCarthy did make a number of Barclays specific comments. He told me that Barclays exposure (admittedly at the notional level) to monoline insurers is the largest in the (UK) market and he observed that our investment banking business forms a relatively large part of our business as compared to our competitors. He expressed

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5Nov'15 DB
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particular concern that our Tier 1 equity ratio is only 4.6 per cent. (as compared with our own figure of 5 percent.) and, he believes, is only forecast to be at or above our target of 5.25 per cent. in 2 of the next 24 months. (Interestingly, he paid (MADE) no reference at any time to our Tier 1 ratio of 7.8 per cent, (WHICH IS SURPRISING GIVEN THAT THE TIER 1 RATIO, NOT THE EQUITY RATIO, IS THE STANDARD TO WHICH THE REGULATORS PAY MOST ATTENTION.). He queries whether we have any readily realisable assets for sale and so was keen to know what our contingency arrangements would be in an emergency - "What would be the impact of another sudden 10 per cent. fall in the US housing market?" While he understands that we are having no current difficulty in funding our business in either the retail or wholesale markets, McCarthy's general concern seems to be that, in extremis, there will be a rush for support from the Sovereign Wealth Funds which will not be able to satisfy all comers. He asked specifically whether we had any "firm" second stage arrangements with CDB and Temasek.

As discussed with colleagues beforehand, I reassured McCarthy that we were paying very careful attention to our liquidity and our capital position and that we would not have raised our dividend, completed our recent share repurchase, or made the two recent in-fill acquisitions if we had any serious concerns in this regard. I went on to tell McCarthy that (WE HAD INDICATED TO BOTH CDB AND TEMASEK THAT WE WOULD WELCOME FURTHER SUBSCRIPTION ENABLING THEM TO AVERAGE DOWN, BUT THESE SHOULD BE THOUGHT OD AS INVITATIONS RATHER THAN SIGNALLING ANYTHING FIRM) we had had further conversations with both of our new Far Eastern investors, but that these could not be described as firm. On the other hand, I was able to report that we had had approaches from a number of third parties who have expressed an interest in (TAKING EQUITY OF EQUITY EQUIVALENT IN BARCLAYS, AND THAT IN PARTICULAR THERE ARE TWO SUCH DIALOGUES WHICH ARE LIVE AT THE MOMENT (AS TO WHICH, BY THE WAY, WE WILL BRIEF THE BOARD WHEN WE MEET)) doing a deal with Barclays similar to that of CDB and that we were in live discussion with two parties (I did not name them) who would each be interested in making an investment of between $1-2 billion coupled with some kind of mutually beneficial commercial arrangement. McCarthy appeared relieved to hear this news.

While it is not surprising the the FSA is having discussions with bank chairmen in this way, I have to say that McCarthy's tone was sharp. He wanted to know whether I and the other NEDs were "holding the Executive's feet to the fire?" He referred to our equity ratio profile as being "alarming" and said that he needed to know "as a matter of urgency" what our contingency plans were in order to decide "whether we would need to take any action". There have been meetings between Barclays and the FSA at the working level (ON A VERY REGULAR BASIS, BY WHICH I MEAN WEEKLY OR FORTNIGHTLY, THE PURPOSE OF WHICH HAS BEEN TO KEEP THE FSA BRIEFED ON OUR EXPOSURES,GROSS AND NET, AND TO TAKE THEM THROUGH THE RESULTS OF OUR STRESS TESTING, INCLUDING ANALYSING OUR LIQUIDITY. THE SCALE AND FREQUENCY OF THOSE BRIEFINGS, WHICH HAVE MOSTLY BEEN INITIATED BY US, IS UNPRECEDENTED, BECAUSE OF COURSE WE UNDERSTAND THE REGULATOR'S NEED TO FEEL FULLY IN THE PICTURE. THERE IS TO BE FUTHER SUCH MEETING, INVOLVING JSV, CGL AND ROBERT LE BLANC , NEXT FRIDAY) recently on liquidity and risk management - "but this process is not yet complete" - and I understand there is to be a further meeting involving John Varley and Robert Leblanc next week. So far as I am concerned, he (CALLUM) wants me to report back in due course to confirm that contingency planning has been "fully and completely discussed" with the Board.

I have discussed this with JSV and an appropriate discussion, with supporting papers will take place at our forthcoming board meeting on Thursday week. (THIS WILL COVER CONTINGENCY PLANNING ON BOTH THE ASSET AND LIABILITY SIDES OF THE BALANCE SHEET THAT EXCO HAS BEEN WORKING ON FOLLOWING DISCUSSIONS OF BALANCE SHEET AND CAPITAL AT THE BOARD MEETINGS IN NOVEMBER, DECEMBER AND FEBRUARY)

EXHIBIT 147

FILED UNDER SEAL

From: Diamond, Bob: Barclays Capital [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=DIAMONDB]
Sent: Sunday, March 09, 2008 8:24:20 PM
To: Varley, John: Barclays PLC
Subject: RE: Draft for your comment

Thanks, I will be at Royal Mint Court all day, let me know when convenient to chat. Couple of thoughts:

-would prefer you and I see them before Board, hoping to be out week after this so could only join on phone.
-hoping to fly to ny thurs night, but could leave fri mid day if needed for that fsa meeting, but agree with you on participants.

Lets chat.

bob

-----Original Message-----
From: Varley, John: Barclays PLC
Sent: 09 March 2008 19:29
To: Diamond, Bob: Barclays Capital
Subject: RE: Draft for your comment

Bob
Thanks.
I feel the same as you do (it's not just the management of barcap and bgi that is being impugned here).
Wharton has called for a meeting (and said he wanted me there) Friday. Tactical decision for us is this: we should have that meeting because that's what they want, and my plan had been for it to be handled by leblanc and team (inc barcap membership, probably Patrick, but you should tell me), with cgl and me. We could have you there, but my instinct is not. Again, tell me what you think. Depending on that meeting, I had in mind a follow up with mccarthy and sants, for which I thought our team should be just you and me. That's more the sort of meeting that you probably had in mind in your note. Think it's needed, for all the reasons you say.
Let me know what you think. We can talk tomorrow.
john

John Varley
Group Chief Executive

Tel: 020 7116 1000 (cw 6006-1000)
Fax: 020 7116 7780 (cw 6006-7780)
e-mail address: john.varley@barclays.com
Address: One Churchill Place, London E14 5HP COMPANY CONFIDENTIAL

-----Original Message-----
From: Diamond, Bob : Barclays Capital
Sent: 09 March 2008 16:17
To: Varley, John : Group Exec
Subject: Draft for your comment

John,

I have been thinking alot about this. It is a terrible reflection of the relationship between the FSA/Callum and the UK Banks, as we discussed. But it is also a statement from the FSA/Callum about the quality and integrity of Barcap/BGI management. As you can imagine, that is hurtful, but also very unfair. Is it fair of me to ask of you that:

EXHIBIT NO. 485
DATE: 11/13/15
Reporter - Laurie A. Collins

1. You and I can address Callum directly?
2. You and I can address the Board directly?

Appreciate your thoughts.

Bob

From: Varley, John: Barclays PLC
Sent: 08 March 2008 14:40
To: Diamond, Bob: Barclays Capital; Seegers, Frits: Barclays PLC; Lucas, Chris: Barclays PLC; Idzik, Paul: Barclays Group
Subject: FW: Draft for your comment

Fyi. Please see attached which shows you mapa's note to the board of his recent discussions with callum mccarthy, together with some suggested edits/adds from me. Mapa had in mind talking to certain neds about the dialogue. I have advised him to send a single note to the whole board, which is simpler. We can discuss at our offsite this week.

From: Varley, John : Group Exec
Sent: 08 March 2008 14:37
To: Agius, Marcus : Chairman's Office
Subject: RE: Draft for your comment

Marcus

Thanks.

See comments in bracketed caps below. I haven't sough to edit as such, just suggest language in a few places that you might like to include.

john

From: Agius, Marcus : Chairman's Office
Sent: 08 March 2008 12:33
To: Varley, John : Group Exec
Subject: Draft for your comment

John,

I am keen to get the balance of this note right - your comments would be welcome.

Marcus

Draft note to Board Directors

"I should report of (ON) two meetings I have had recently with the Chairman of the FSA at his request, the second took place last Thursday. [Callum McCarthy was accompanied by Hector Sants for the first meeting and Clive Briault for the second.] In general, McCarthy is concerned to establish that the Board of Barclays is providing sufficient challenge to the Executive in the current difficult market conditions and, in particular, wants to be clear as to our contingency plans for raising new equity capital should there be a further precipitate fall in asset values (HE REFERENCED IN PARTICULAR FALLS IN US HOUSING ---- SEE BELOW).

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

As discussed with colleagues beforehand, I reassured McCarthy that we were paying very careful attention to our liquidity and our capital position and that we would not have raised our dividend, completed our recent share repurchase, or made the two recent in-fill acquisitions if we had any serious concerns in this regard. I went on to tell McCarthy that (WE HAD INDICATED TO BOTH CDB AND TEMASEK THAT WE WOULD WELCOME FURTHER SUBSCRIPTION ENABLING THEM TO AVERAGE DOWN, BUT THESE SHOULD BE THOUGHT OD AS INVITATIONS RATHER THAN SIGNALLING ANYTHING FIRM) we had had further conversations with both of our new Far Eastern investors, but that these could not be described as firm. On the other hand, I was able to report that we had had approaches from a number of third parties who have expressed an interest in (TAKING EQUITY OF EQUITY EQUIVALENT IN BARCLAYS, AND THAT IN PARTICULAR THERE ARE TWO SUCH DIALOGUES WHICH ARE LIVE AT THE MOMENT (AS TO WHICH, BY THE WAY, WE WILL BRIEF THE BOARD WHEN WE MEET)) doing a deal with Barclays similar to that of CDB and that we were in live discussion with two parties (I did not name them) who would each be interested in making an investment of between $1-2 billion coupled with some kind of mutually beneficial commercial arrangement. McCarthy appeared relieved to hear this news.

While it is not surprising the the FSA is having discussions with bank chairmen in this way, I have to say that McCarthy's tone was sharp. He wanted to know whether I and the other NEDs were "holding the Executive's feet to the fire?" He referred to our equity ratio profile as being "alarming" and said that he needed to know "as a matter of urgency" what our contingency plans were in order to decide "whether we would need to take any action". There have been meetings between Barclays and the FSA at the working level (ON A VERY REGULAR BASIS, BY WHICH I MEAN WEEKLY OR FORTNIGHTLY, THE PURPOSE OF WHICH HAS BEEN TO KEEP THE FSA BRIEFED ON OUR EXPOSURES,GROSS AND NET, AND TO TAKE THEM THROUGH THE RESULTS OF OUR STRESS TESTING, INCLUDING ANALYSING OUR LIQUIDITY. THE SCALE AND FREQUENCY OF THOSE BRIEFINGS, WHICH HAVE MOSTLY BEEN INITIATED BY US, IS UNPRECEDENTED, BECAUSE OF COURSE WE UNDERSTAND THE REGULATOR'S NEED TO FEEL FULLY IN THE PICTURE. THERE IS TO BE FUTHER SUCH MEETING, INVOLVING JSV, CGL AND ROBERT LE BLANC , NEXT FRIDAY) recently on liquidity and risk management - "but this process is not yet complete" - and I understand there is to be a further meeting involving John Varley and Robert Leblanc next week. So far as I am concerned, he (CALLUM) wants me to report back in due course to confirm that contingency planning has been "fully and completely discussed" with the Board.

I have discussed this with JSV and an appropriate discussion, with supporting papers will take place at our forthcoming board meeting on Thursday week. (THIS WILL COVER CONTINGENCY PLANNING ON BOTH THE ASSET AND LIABILITY SIDES OF THE BALANCE SHEET THAT EXCO HAS BEEN WORKING ON FOLLOWING DISCUSSIONS OF BALANCE SHEET AND CAPITAL AT THE BOARD MEETINGS IN NOVEMBER, DECEMBER AND FEBRUARY)

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EXHIBIT 148

FILED UNDER SEAL

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

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

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

Memo - Directors, Mtg...

EXHIBIT
391
10.29.15 AW
PENGAD 800-631-6989

Memo

PRIVATE AND CONFIDENTIAL

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

BARCLAYS

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

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

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

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

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

MAPA

EXHIBIT 149

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...

EXHIBIT
390
10.29.15 AW
PENGAD 800-631-6989

BARCLAYS

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.

BARC-ADS-01551745

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	Floor	Target	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			1.9	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

BARC-ADS-01551745

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

Capital Plan	Floor	Target	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.

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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

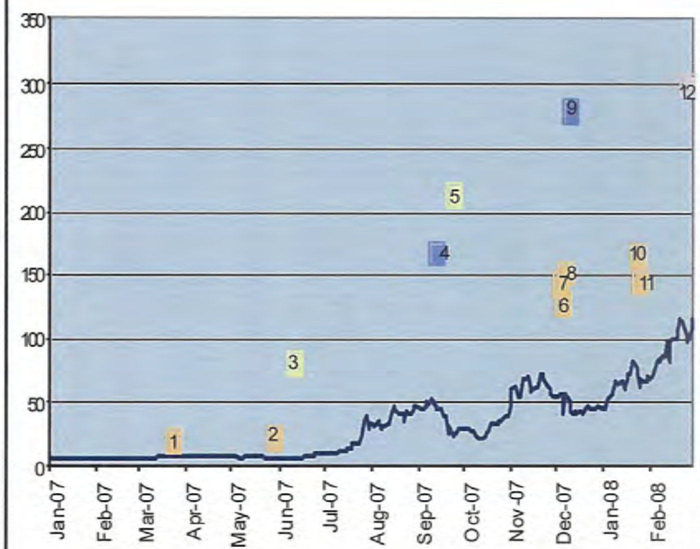
Institutional Preference Shares and Upper Tier 2 – March '08

- 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

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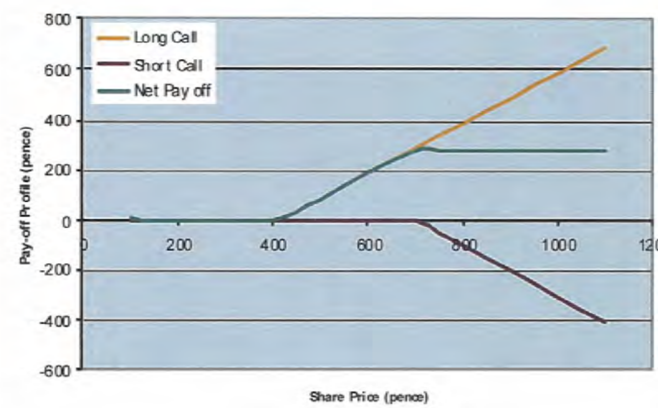
The proposed restructuring of the ESAS stock hedge to a derivative may release up to £750m of equity although with this will be earnings dilutive approx. 1.5p and the Group would have residual risk should the stock price rise over approx. 586p

- 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

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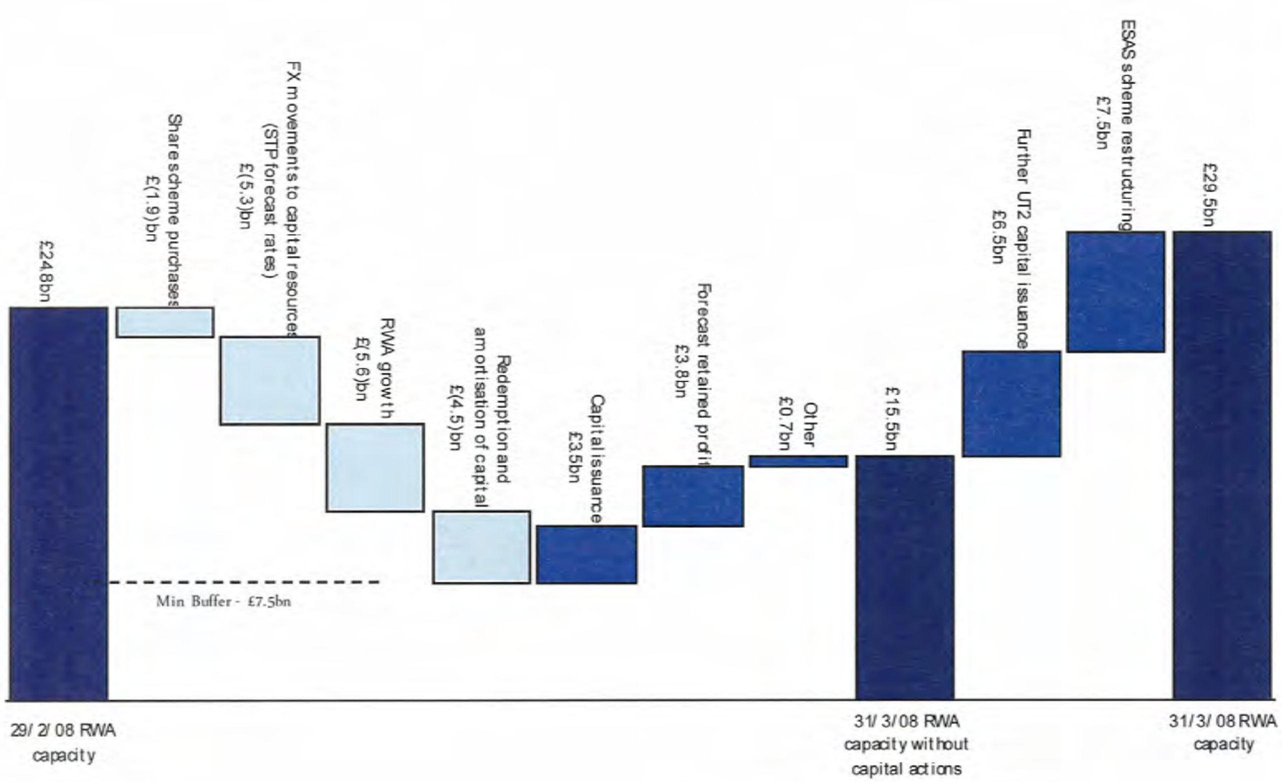
The Group RWA capacity through March remains tight until further capital raising is complete and profit generated.

Movement in RWA capacity above Fed 10% floor - 29/2/08 to 31/3/08



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.

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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	Jan 08	Feb 08	Jun 08	Jun 08
			Actual	Actual	Flash	Forecast	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

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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	Jul 08	Aug 08	Dec 08
			Forecast	Forecast	Forecast	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

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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			Jan-08				Incremental Change			Incremental Cost	
	Amount outstanding £m	Pre-tax Margin	Post tax Margin	Amount outstanding £m	Pre-tax Margin	Post tax Margin	% change	Amount issued £m	Pre-tax Margin	Post tax Margin	Impact on PBT £m	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)

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EXHIBIT 150

FILED UNDER SEAL

From: Le Blanc, Robert: Group Risk (LDN) [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=LEBLANCR]
Sent: Friday, March 14, 2008 11:43:10 AM
To: Plews, Jean: Group Risk (LDN)
Subject: FW: Capital Meeting with FSA Meeting
Importance: High
Attachments: FSA meeting 030308.ppt; Mar 08 Presentation FSA final.ppt

ppa colour and bind please

Robert

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PA: Jean Plews +44 - 20 - 7773 - 2956
jean.plews@barcap.com

From: Fowden, Rupert: Barclays Treasury (LDN)
Sent: 14 March 2008 11:31
To: Lucas, Chris: Barclays PLC; Varley, John: Barclays PLC; Clackson, Patrick: Finance (LDN); Le Blanc, Robert: Group Risk (LDN); Stone, Jonathan: Barclays Treasury (LDN)
Subject: Capital Meeting with FSA Meeting
Importance: High

Gentlemen

Ahead of the FSA meeting later today, please find attached soft copies of :

1 The stress testing presentation given to the FSA on the 3rd March

2 Yesterday's capital presentation to ExCo, updated for the FSA

Jon Stone will bring printed copies to the meeting.

Kind regards

Rupert

FSA meeting 030308.ppt   Mar 08 Presentation FS...

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Document Produced in Native Format

Stress Testing Update

3 March 2008

Agenda

The objective of this meeting is to give the FSA clearer view of the various approaches to stress testing performed at Barclays, their results, consistency and impact on the capital plan.

1. Describing our stress testing approaches
2. Results and consistency
3. Summary of the capital plan (based on the annual stress testing severe scenario)
4. Forward planning given current economic outlook

Executive Summary

- The Group's stress testing incorporates three categories:
  - Group Wide Stress Tests:
    - Risk Appetite Financial Volatility 1:7 and 1:20
    - Annual stress tests (scenario based)
  - Risk Type Bespoke Tests
    - Wholesale Credit stress tests
    - Traded Market stress tests
  - Regulatory Capital Tests
- The three approaches are complementary; they allow us to examine stress performance from various angles
- Their results send broadly consistent messages about our predicted performance through a stress
- The annual stress tests indicate that our capital buffers are sufficient to maintain capital adequacy
- In light of the current economic developments, the Group is considering its early warnings and resultant reaction strategy

There are several different stress testing processes designed to capture macro and specific stresses over short and long-term durations.

Stress category	Group-Wide Tests		Risk Type Bespoke Tests	RWA Sensitivity Test
Name of process	**Risk Appetite Financial Volatility**	**Annual stress tests**	**Include: -Wholesale Credit Stress Tests -Traded Market Stress Tests**	**Pillar 1 RWA stress testing (FSA)**
Purpose	To verify that the financial volatility of the Group remains within the risk appetite of the Group, for the purpose of the Medium Term Plan (MTP)	Internal: Shape overall Group strategy by assessing sensitivity of MTP to adverse business conditions and the mitigation plans that businesses would put in place. FSA: Part of the ICAAP, helps the FSA set capital guidance	The **Wholesale Credit Stress Test** inform the strategic decisions of the Wholesale Credit Risk Management Committee (WCRMC). The **Traded Market Stress Tests** monitor the traded market risks within Barclays Capital.	Fulfils a regulatory requirement by providing information on the volatility of IRB RWAs.
Results terminology	"1:7" and "1:20" appetite utilisation	"Moderate downturn" and "Severe downturn"[1] Stress Test results	Risk-Type Specific Stress Testing Results (Wholesale, Traded Product)	Pillar 1, (or pro-cyclicality) stress testing results
Description of output	Utilisation of the Group's appetite, expressed as PBT performance.	Forecast P/L, B/S and capital under the scenarios	Credit and market stress test results are expressed as P/L impacts.	Increase in IRB RWAs in a "1:25" environment
Typical severity	BAU, "1:7", "1:20" and EC level sensitivities	The "severe" downturn is judged to be at least as acute as the worst expected economic downturn over a typical 25-year period	The scenarios depict significant events that could develop in the near future. The Traded Product tests aim for "1 in 5" scenarios	Worst credit environment for each portfolio in 25 years
Audience	ExCo, BRC, FSA	ExCo, BRC, FSA	Relevant committees (WCRMC, ExCo as appropriate)	FSA
Overview of process	Group Risk use statistical analyses to assess Barclays risk of under-performance	ExCo and BRC agree scenarios which are then parameterised by Risk; businesses derive P/L and B/S projections given the scenarios.	WCRMC agree wholesale credit scenarios that are then quantified by the business risk functions. BarCap GFRM design the Traded Market Risk scenarios and derive the results.	Group Risk derives the scenarios and results
Frequency	Appetite set annually and reviewed quarterly	Annual	Wholesale Credit: Quarterly Traded Products: Fortnightly.	Annual

The three approaches are complementary; their differences allow us to examine stress performance from various angles.

Type of stress test		Key differences with group-wide stress test
Group-level	**Risk Appetite Financial Volatility**	At an equivalent severity level, we expect stressed PBT derived from Financial Volatility Risk Appetite should be **lower** than stressed PBT derived from Group-wide stress tests because of the differences in approach (statistical versus scenario-based). Credit losses should, however, be more in-line in the two processes. **(see Appendix for more details)**
Risk Type Bespoke Tests	**Wholesale Credit Stress Tests**	The **Wholesale Credit** tests depict very specific scenarios in particular geographies that reflect current concerns of management. Where scenarios are compatible with a downturn, they can be compared to group-wide stress testing results.
	Traded Market Stress Tests	The Traded Market stress tests feature a series of non-additive scenarios that specifically relate to the traded book of Barclays Capital and unfold in days, not years. While we do not expect the results to be comparable to the Group-wide stress tests, the market scenarios can be incorporated into the wider downturn scenarios.
RWA Sensitivity Tests	**Pillar 1 RWA stress testing (FSA)**	The RWA pattern from the group-wide stress tests is different to that implied by the Pillar 1 RWA stress tests because of different underlying assumptions: Following guidance by the FSA we have assumed that all our capital calculations were “Point-in-Time”, whereas some of our capital calculations follow a “through-the-cycle” approach (which produces more stable RWAs). The Pillar 1 test includes no time dimension and effectively assumes that the business goes un-managed during the stress. The Pillar 1 tests assumes the worst environment in 25 years for each portfolio, while the Pillar 2 test assumes an economic downturn judged to be as severe as would occur once in 25 years, which implies some diversification.

Risk Appetite Financial volatility returns statistical 1:7 and 1:20 outcomes for various risk types, which are then aggregated to provide a Group view.

	2008		2009		2010	
	1:7	1:20	1:7	1:20	1:7	1:20
MTP Total Income After Op. Costs - starting point (a)	**10,373**	**10,373**	**11,673**	**11,673**	**13,345**	**13,345**
Extra business risk loss	443	682	498	768	570	878
Extra market risk loss	570	800	625	870	675	940
Extra operational risk loss	500	510	530	540	565	575
Expected impairment	2,621	2,621	2,808	2,808	3,272	3,272
Extra impairment	1,434	2,344	1,812	2,862	1,868	3,068
Total impairment	4,055	4,965	4,620	5,670	5,140	6,340
Total loss (b)	**5,568**	**6,957**	**6,273**	**7,848**	**6,950**	**8,733**
PBT (a-b)	**4,805**	**3,416**	**5,400**	**3,825**	**6,395**	**4,612**

The annual stress testing exercises are based on scenarios, such as economic downturns. The tables below describe the "moderate downturn scenario".

1. Narrative

In this scenario, inflation proves hard to tame, affecting over-indebted consumers and asset prices. The slow-down is moderate but affects all economies to a certain extent.

In the United Kingdom:

- Inflation is more stubborn than is widely recognised and the Bank of England raises interest rates to 6.5% and has to maintain them at that level for a while.
- The raising of interest rates causes a cyclical slowdown in the economy, with growth of just 0.5% in 2009. House prices decline by about 9% over 2008-2009.
- Corporate profits come under pressure, negatively affecting asset prices and employment. Profits and salary growth decline.

In the United States:

- The United States suffer similar pressures to the UK, such that the Fed has to raise interest rates to 6.5% as in the UK.
- The housing market fails to recover, with the sub-prime sector particularly affected. This reduction in households' wealth along with moderately increasing unemployment causes personal consumption growth (70% of US GDP) to decline significantly. As a result, GDP growth dips below 1%.

In Continental Europe:

- Inflation affects Europe, where the ECB continues its rate tightening policy such that the refi rate increases to 5% (a 25% increase from current levels). Spain suffers particularly from a housing market slowdown (as housing drives a large proportion of GDP)
- The decline in US personal consumption eventually affects European exports and confidence.

In Emerging Markets:

- South Africa is affected by low demand for non-oil commodities, and by the continuation of the repo rate tightening. GDP growth declines and other African countries are similarly affected by increasing costs of finance. Other emerging markets suffer their worst year in 10 in terms of credit conditions.

Financial markets

- Stock prices perform poorly because of higher cost of finance and a high risk premium.
- Long bond rates are very high because of an increase in the risk premium, as the outlook for inflation is uncertain.
- Corporate risk spreads are persistently high, close to 2003 levels.

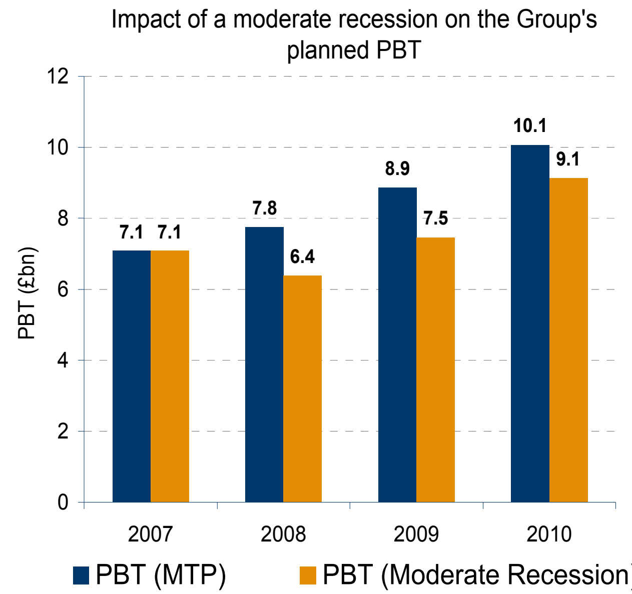
2. Summary of variables

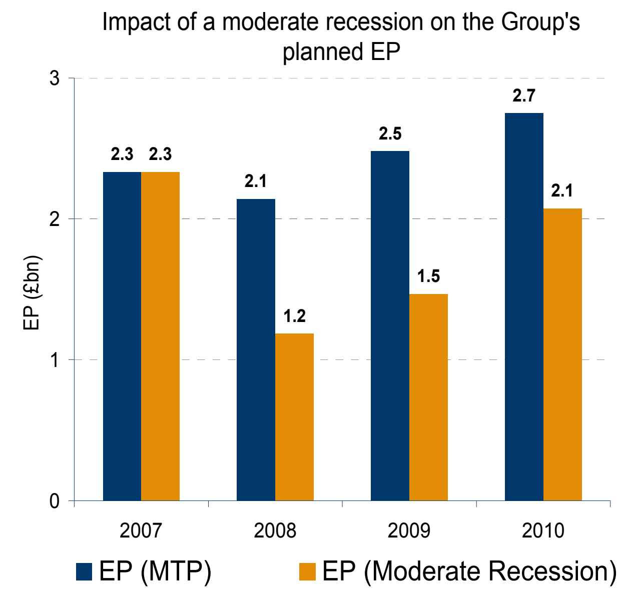
	Scenario 2008	2009	2010	Recent position	MTP 2009
GDP growth:					
UK	1.5%	0.5%	1.5%	3.0%	2.5%
US	2.2%	0.7%	3.0%	1.8%	2.5%
France	2.0%	1.0%	0.5%	1.3%	1.9%
Germany	2.0%	1.5%	0.5%	2.5%	n.a.
Spain	2.0%	1.0%	0.5%	4.0%	2.5%
South Africa	3.9%	3.2%	3.4%	5.1%	4.7%
Policy interest rates:					
UK	6.5%	6.5%	6.0%	5.8%	6.0%
US	6.0%	6.5%	6.0%	5.3%	5.0%
Euro area	4.5%	5.0%	3.5%	4.0%	4.5%
S. Africa (avg prime rate)	13.5%	14.1%	13.6%	13.5%	12.6%
House prices:					
UK	-3.0%	-6.0%	0.0%	11.2%	3.0%
Spain	2.0%	0.0%	-5.0%	5.8%	n.a.
South Africa	6.9%	2.5%	4.7%	14.5%	9.8%
Financial Markets					
Gilt 5-yr yield	6.5%	6.0%	5.5%	5.0%	5.4%
Euro Gov 5-yr yield	5.0%	4.8%	4.5%	4.3%	4.7%
Treasury 5-yr yield	6.0%	5.5%	4.8%	5.3%	5.5%
FTSE 100	-5.0%	-10.0%	10.0%	6.0%	4.8%
STOXX 50	-5.0%	-10.0%	10.0%	12.0%	4.2%
S&P 500	-5.0%	-10.0%	10.0%	14.0%	4.9%

In our annual stress testing exercise, a moderate downturn scenario would see PBT drop by £3.7bn (14%) over the three years. EP would decline by 36% over the same period

The key outputs of the 2007 moderate downturn stress test are:

- **PBT** is £3.7bn (14%) below Plan over the three years, roughly equally attributable to IBIM and to GRCB:
    - **Income** is £3.0bn lower than Plan (MTP projection: £86.6bn) over the three years. More than one third of this reduction in income occurs in the first year of the downturn as a result of lower non-interest income in IBIM
    - **Operating costs** are reduced by £2.6bn across the three years (£1bn lower in 2008 and 2009), offsetting roughly 85% of the reduction in income
    - **Impairment** is £3.2bn (37%) above plan over the three-year period, peaking at £4.3bn in 2009 (0.32% of assets compared to 0.20% under Plan). 56% of this figure is accounted for by IBIM, and 44% by GRCB
- **Economic Profit** falls £2.6bn (36%) below plan over 2008-2010, recovering to 25% below Plan in 2010
- The results assume that the businesses **mitigate** £1.8bn of the PBT impact over 2008-2010 (equivalent to £1.3bn of EP); most of the PBT and EP benefit occurs from 2010 due to time lags between identifying the problem and generating the benefit
- Planned dividend growth is achieved
- The equity ratio falls to 4.9% reflecting lower retained profit without offsetting reduction in RWAs. The Tier 1 Ratio and Risk Asset Ratio reduce marginally, but remain ahead of targets





The tables below describes the “severe downturn scenario”, which includes a market dislocation at the outset.

1. Narrative

Following further surges in energy prices, increasing global prices and a generalised re-appraisal of risks, a severe global downturn develops.

In the United Kingdom:

- The Bank of England has to raise interest rates to 7% to counter the impact on inflation of a further surge in energy and commodity prices arising from strong global demand and the rapid waning of the previous favourable benefits to costs of globalisation. This leads to a severe slowdown, with the economy contracting by 1.3% in 2009 (commensurate with the “trough” of the early 1990s downturn).
- Sharply rising interest rates encourage a reappraisal of previously low risk premia; the credit channels are restricted as lenders seek to reduce exposure to high risk segments. The inability of highly indebted corporates to refinance their debts reinforces the macro economic downturn as defaults and unemployment rise substantially.
- The substantial increase in unemployment, squeeze on incomes, declining wealth of households (due to falling house prices and declining financial markets) also reinforces the macro-economic downturn. Lenders increasingly seek to restrict credit to high risk segments of the market.

In the United States:

- Global pressures and a weak dollar force the Fed to act, and interest rates peak at 6.8%.
- Consumer spending stalls in real terms, and mortgage market weakness extends to the prime sector and unemployment doubles.
- The corporate sector is under stress and a number of high-profile defaults occur.

In Continental Europe:

- Europe suffers from high borrowing costs and low exports. The refi rate increases to 5.5% (a 38% increase from current levels).
- downturns develop in major Euro zone economies. Spain is especially affected.

In Africa and Middle East:

- In Africa and the Middle East, economic growth falters as export markets dry up. A house price correction in South Africa affects credit risk in the retail book.
- In the middle east (UAE) various property projects are put on hold. Other emerging markets suffer their worst year in 25 in terms of credit conditions.

Financial markets

- Strong increase in Asian currencies as central banks move away from US assets.
- Severe generalised increase in cost of financing, disruptions in credit derivatives markets.
- Weak performance in equities with large index falls in 2008-09.

2. Summary of variables

	Scenario 2008	2009	2010	Recent position	MTP 2009
GDP growth:					
UK	0.5%	-1.3%	0.5%	3.0%	2.5%
US	2.0%	-0.5%	2.5%	1.8%	2.5%
France	1.0%	-0.5%	1.0%	1.3%	1.9%
Germany	0.5%	-1.0%	1.0%	2.5%	n.a.
Spain	2.0%	-2.0%	1.0%	4.0%	2.5%
South Africa	3.0%	1.4%	1.8%	5.1%	4.7%
Policy interest rates:					
UK	6.5%	7.0%	6.5%	5.8%	6.0%
US	6.0%	6.8%	6.5%	5.3%	5.0%
Euro area	4.5%	5.5%	4.0%	4.0%	4.5%
S. Africa (avg prime rate)	13.9%	16.1%	17.3%	13.5%	12.6%
House prices:					
UK	-10.0%	-10.0%	-5.0%	11.2%	3.0%
Spain	5.0%	-10.0%	-5.0%	5.8%	n.a.
South Africa	3.1%	-5.4%	-1.4%	14.5%	9.8%
Financial Markets					
Gilt 5-yr yield	7.0%	6.5%	6.0%	5.0%	5.4%
Euro Gov 5-yr yield	5.8%	5.3%	5.0%	4.3%	4.7%
Treasury 5-yr yield	6.5%	6.0%	5.3%	5.3%	5.5%
FTSE 100	-10.0%	-20.0%	0.0%	6.0%	4.8%
STOXX 50	-10.0%	-20.0%	0.0%	12.0%	4.2%
S&P 500	-10.0%	-20.0%	0.0%	14.0%	4.9%

The tables below describe the “severe downturn scenario”, which includes a market dislocation at the outset (continued).

A market dislocation would occur at the beginning of 2008, triggered by the credit derivatives closing for a day in an environment of spreads widening. The economic impact is that liquidity dries up in the market. The effect on the market is mixed for bonds and the USD. Credit, stocks and commodities are weak.	
Interest Rates	This gives rise to a funding problem. Borrowing becomes difficult. Flight to quality and borrowing restrictions net out and the curve does not steepen
Foreign Exchange	Repatriation flows from current account surplus nations. EM currencies collapse
Credit	Credit market will show drastic widening for lower rated credit
Equities	Equities will become fundamentally weaker across the board
Commodities	Commodities generally weaken sharply apart from precious metals which become stronger

The severe scenario takes a wide view of what an "economic downturn" is: neither the real economy nor the financial markets function properly. This means that severe adverse performance occurs in almost every part of the business, since all of our sources of income are affected (see appendix for scenario details).

Severe downturn:

1. This is preceded by a **market dislocation/liquidity** event, triggered by the credit derivatives closing for a day as spreads are widening.
2. Because the rate of inflation is far above target levels, Central Banks fear an "inflationary spiral" and continue to **raise rates**.
3. A **severe downturn** ensues so that markets do not recover and the economy enters a long period of adverse performance. This characterised by:

- Negative GDP growth in 2009 (-0.5% in the US, -1.3% in the UK)
- Funding costs persistently higher
- Large declines in house prices (-23% in the Halifax Index: In the US the OFHEO index would decline by 5% (2007:-0.3%, first negative figure in history)
- Large declines in values of commercial property (-22% in UK)
- Large declines in equity prices (28% globally)
- Higher unemployment (+50% in UK)

Effects on Investment Banking / Investment Managemen t

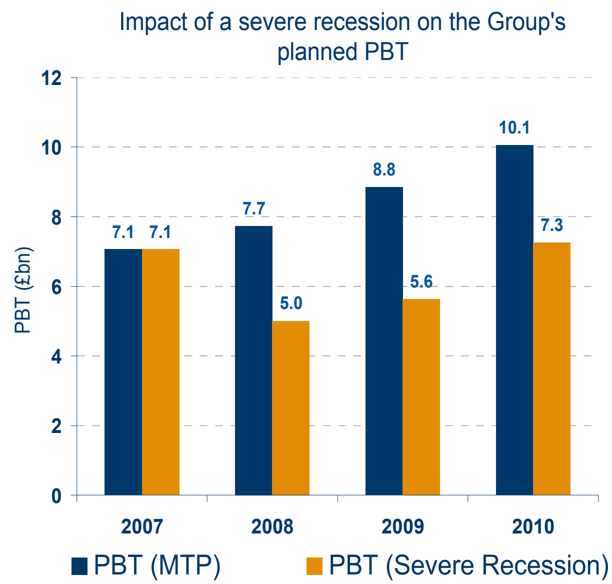
- Increased wholesale credit losses due to:
  - Lower interest cover
  - Declines in collateral values
  - Market dislocation causes BarCap to take additional assets on Balance Sheet which then become impaired
  - The adverse credit environment and market dislocation trigger large losses in the bridge and underwriting books
- Lower revenue due to:
  - Losses in mark-to-market positions caused by the market / economic environment.
  - Trading losses
  - Lower assets under management leading to lower fees in BGI / Wealth
  - BGI ability to earn above-market returns is impaired

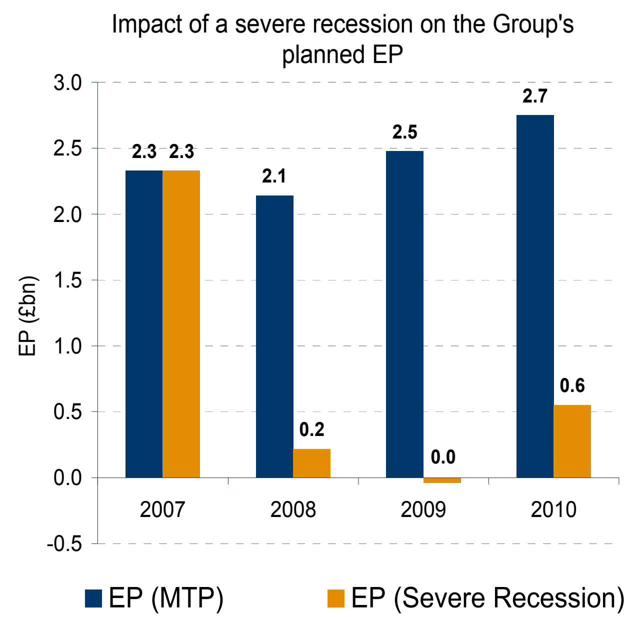
Effect on Retail and Commercial Banking

- Increased wholesale credit losses due to:
  - Lower interest cover
  - Declines in collateral values
- Increased retail credit losses due to:
  - Lower house prices
  - Higher unemployment
  - Higher cost of living (interest rates and inflation)
- Lower revenue due to:
  - Lower lending volumes
  - Lower take-up of non-interest yielding products

Our annual stress testing indicates that in the severe downturn we would continue to make positive PBT but this would be £8.8bn (33%) below Plan over the three years. Without management action the equity ratio would fall below 4.6%.

- **PBT** is £8.8bn (33%) below Plan over the three years, roughly equally attributable to IBIM and to GRCB:
  - **Income** is £6.9bn (8%) lower than Plan over the three years. One third of this reduction in income occurs in the first year of the downturn as a result of lower non-interest income in IBIM
  - **Operating costs** are reduced by £5.0bn across the three years, offsetting roughly three-quarters of the reduction in income. 67% of the cost reductions are made in IBIM where the cost base is very sensitive to revenue
  - **Impairment** is £6.6bn (76%) above plan over 2008-2010, peaking at £5.7bn in 2009 (0.41% of assets, compared to 0.20% under Plan). The increase arises equally in IBIM and GRCB.
- **Economic Profit** falls £6.6bn (90%) below plan (to £0.7m) over three years. EP (which goes slightly negative in 2009) is affected more severely by downturn than profit because economic capital, and hence the capital charge, does not fall in line with reductions in profit
- Without management action, the **equity ratio** would fall below 4.6%, the minimum ratio established by the annual risk appetite review. Options to manage the equity ratio include:
  - Managing down risk weighted assets (page 19)
  - Reducing annual dividend (page 20)
- **Tier 1 and Risk asset ratios** are maintained close to internal targets.

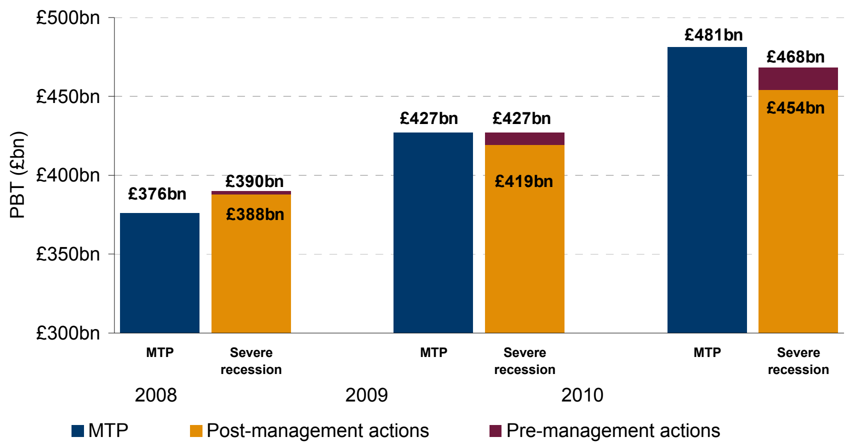




Private & Confidential

The pattern of RWA growth in the annual stress test severe scenario is broadly as expected; RWAs initially increase above Plan levels while in later years management actions and a less favourable environment for lending growth causes growth to decline.

The impact of management actions on RWAs in a severe recession



Increase (Decrease) in RWAs Compared to Plan in the Severe Scenario, by Business

	2008	2009	2010
UK Business Banking	£0.3bn	(£7.5bn)	(£13.2bn)
UK Retail Banking	(£0.6bn)	(£2.9bn)	(£5.6bn)
Barclaycard	£2.0bn	£1.4bn	(£0.6bn)
Western Europe	(£2.3bn)	(£4.3bn)	(£5.8bn)
Emerging Markets	(£1.0bn)	(£4.1bn)	(£7.2bn)
Absa	£2.8bn	£0.3bn	(£1.1bn)
Barclays Capital	£12.0bn	£12.3bn	£12.6bn
Barclays Global Investors	(£0.5bn)	(£0.5bn)	(£0.6bn)
Wealth Management	(£0.6bn)	(£2.5bn)	(£5.2bn)
Total	**£11.7bn**	**(£0.3bn)**	**(£13.6bn)**

- During the first year RWAs would increase by £12bn (3%) as more assets would come onto the balance sheet in Barclays Capital following the market dislocation. Barclaycard and Absa show increased assets compared to Plan because of the point-in-time nature of the RWA calculations.
- From the second year the GRCB businesses drive a reduction in the growth rate of RWAs compared to Plan by curbing lending growth in order to contain the impairment charge.

Details by Business on next page

The pattern of RWA growth in each business depends on lending strategy, the market environment, the behaviour of customers and whether the RWA calculation accounts for the current position in the credit cycle.

Increase (Decrease) in RWAs Compared to Plan in the Severe Scenario, by Business

Business	2008	2009	2010	Comment
UK Business Banking	£0.3bn	(£7.5bn)	(£13.2bn)	Lending growth is curtailed to contain the impairment charge; RWA growth decreases as well as the calculation is mostly through-the-cycle (though a conservative "add-on" was included)
UK Retail Banking	(£0.6bn)	(£2.9bn)	(£5.6bn)	Lending growth decreases, especially in the Home Finance businesses.
Barclaycard	£2.0bn	£1.4bn	(£0.6bn)	Assets increase as customers seek to "draw down" their credit lines. The calculation of RWAs is also "point-in-time". These effects cause RWAs to increase above Plan levels in the first two years of the downturn.
Western Europe	(£2.3bn)	(£4.3bn)	(£5.8bn)	Lending growth decreases. RWAs decrease in line with lending as the calculation follows the "Standardised" approach.
Emerging Markets	(£1.0bn)	(£4.1bn)	(£7.2bn)	Lending growth is curtailed. RWAs decrease in line with lending as the calculation follows the "Standardised" approach.
Absa	£2.8bn	£0.3bn	(£1.1bn)	Lending growth decreases, but the calculation of RWAs is partly "point-in-time", so that RWAs increase in the first years of the downturn.
Barclays Capital	£12.0bn	£12.3bn	£12.6bn	The market dislocation causes assets to come onto the balance sheet (as in the summer 2007 experience), causing RWAs to increase above Plan in 2008. The growth pattern is similar to that of the MTP thereafter.
Barclays Global Investors	(£0.5bn)	(£0.5bn)	(£0.6bn)	Assets under management decrease.
Wealth Management	(£0.6bn)	(£2.5bn)	(£5.2bn)	Lending growth is curtailed. RWAs decrease in line with lending as the calculation follows the "Standardised" approach.
Total	**£11.7bn**	**(£0.3bn)**	**(£13.6bn)**	

The annual stress test severe downturn scenario is wide ranging and considers many of the issues covered by the risk-type bespoke stress tests.

Wholesale Credit Tests examples

Scenarios analysed recently	Affected portfolios	Typical credit loss per year	Considered in annual stress test severe scenario?
US slowdown impacts UK-based export businesses	UK Commercial	£3m - £5m	✔
Effect of a tightening of the availability of credit on the UK household sector.	UK Commercial	£30m - £85m	✔
Effect on UKBB Financial Sponsors Leveraged book of difficulties in customers' ability to service debt	UK Commercial	£40m - £60m	✔
The first order effects of a slowdown in the property and construction sector due to the impact of a slowing housing market on housebuilders and residential investment & development	UK Commercial	£10m - £25m	✔
Effect on the UAE corporate book of a sudden and significant geopolitical event with global implications - for example, military action on Iranian targets	UAE Wholesale Book	£50m - £110m	✕
Falling Iberian residential property prices – caused for example by high inflation and interest rates	Spain Wholesale Book	£60m - £170m	✔
Default on medium-size loan (e.g. management buyout of a small professional business)	Wealth Loan Book	£10m - £12m	✔
Default on large exposure in Wealth (e.g. draw-down of revolving facility and default, or call on letter of credit with depreciated collateral)	Wealth Loan Book	£20m - £30m	✔

Traded Market Tests examples

Scenarios analysed recently	Impact in most recent report*	Considered in annual stress test severe scenario?
Appetite for US assets decreases: China rebalances reserves and announces change in reserve strategy	-£102m	✕
Energy crisis: Sudden oil price increase to $125	+£372m	✕
Far East tensions: For instance, China-Taiwan conflict or North-South Korea conflict	-£80m	✕
Terror event in the US/Europe	+£91m	✕
Liquidity Crisis in inflationary scenario: Credit derivatives market closes on a day in an environment of spread widening	+£162m**	✔

* The impact of adverse events on market risk losses can be positive or negative, depending on the trading position of Barclays Capital at the time the test is performed.
**At the time the group-wide stress scenario was designed, this market stress test predicted a loss to Barclays Capital.

The Pillar 1 RWA stress testing analysis implies the volatility of RWAs in Barclays IRB portfolios will be 31%. At total Group level, this equates to 18% increase in RWAs.

		Base case IRB RWAs (£m)		Stressed IRB RWAs (£m)		
Cluster	**Portfolio**	**Including securitisations**	**Excluding securitisations**	**Excluding securitisations**	**Including securitisations**	**Change**
Barclaycard	Barclaycard Branded Cards	2,211	7,565	9,655	4,301	94.5%
	Monument	980	980	1,251	1,251	27.6%[1]
	Masterloan	701	701	895	895	27.6%[1]
	Barclays Branded Loans	6,478	6,478	8,268	8,268	27.6%[1]
	FirstPlus	3,958	3,958	5,182	5,182	30.9%
Barclays Capital	Banking Book	52,894	52,894	71,535	71,535	35.2%
	Trading Book	20,302	20,302	28,358	28,358	39.7%
UK Banking	Home Finance	9,342	10,738	15,282	13,886	48.6%
	Personal Customers	648	648	827	827	27.6%[1]
	Premier Customers	112	112	143	143	27.6%[1]
	Small Business	7,927	7,927	10,125	10,125	27.7%[1]
	Medium Business and Agri.	14,509	14,509	15,348	15,348	5.8%
	Larger Business	53,668	62,168	75,431	66,931	24.7%
Absa	Home Finance	6,086	6,086	8,661	8,661	42.3%
	Retail	5,703	5,835	7,640	7,508	31.7%[1]
	Equities	780	780	780	780	0.0%[2]
	Wholesale	7,653	7,653	10,350	10,350	35.2%
Central Functions	Treasury	967	967	1,308	1,308	35.2%
Group total		**194,919**	**210,301**	**271,039**	**255,657**	**31.2%**

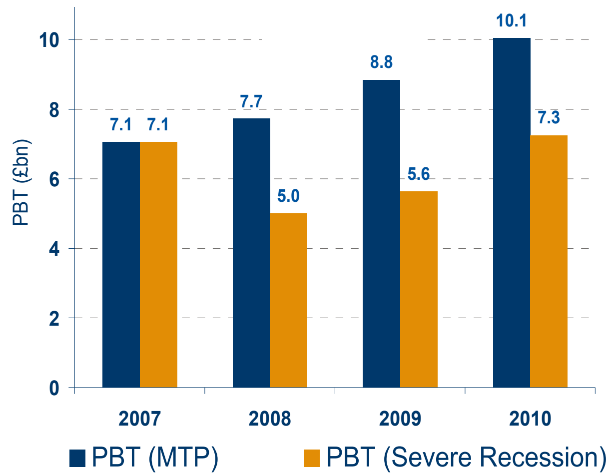
[1] Includes the RWA-equivalent impact of increased impairment on capital supply

[2] Although an IRB portfolio, not subject to rating migration

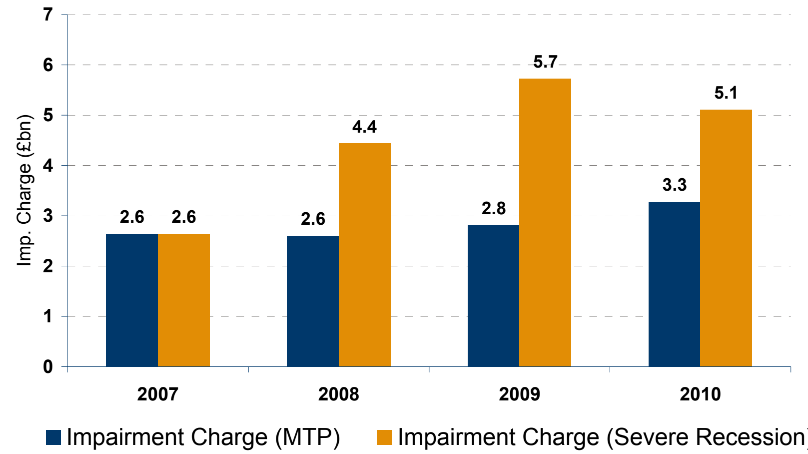
Whilst not directly comparable, the results of different categories of stress tests provide reassurance that the group-wide results are consistent.

Group-wide Stress Testing

Impact of severe downturn on Planned PBT



Impact of severe downturn on Planned Impairment Charge



Other Stress Tests

Results of other stress testing streams support the broad conclusions of the group-wide tests:

Financial Volatility Risk Appetite	Over 2008-10 the 1:20 measures imply PBT of £3.4bn-£4.6bn, extra credit losses of £2.3bn-£3.1bn and extra market risk losses of £0.8bn-£0.9bn. The **Group-wide stress test** ("severe downturn") shows PBT of £5.0bn-£7.3bn and extra credit losses of £1.8bn-£2.9bn. The PBT in the two exercises are quite different. This is because in Risk Appetite, "1:20" refers Barclays-specific projection, i.e. the worst result in 20 years caused by major risk types. Annual stress testing looks at the effect of a generic downturn which mainly affects credit and market risks.
Traded Market Risk	The "Liquidity Crisis in inflationary scenario" was assumed to be a trigger of the group-wide severe downturn scenario and to directly affect BarCap. Including the scenario was found to create very small incremental losses as BarCap already makes pessimistic assumptions in its Group-wide stress testing calculations.
Wholesale Credit Risk	A scenario depicting a Spanish property price collapse implies that wholesale credit losses for Spain could increase to 3x to 9x Plan levels. The group-wide stress tests depict a global downturn that would severely affect property markets, and results for Spain show losses increasing 4x to 8x Plan levels.
Pillar 1 RWA	The Pillar 1 calculation assumes that the RWAs for all portfolios are based on a "point-in-time" approach. This is the main reason why the increase in RWAs implied by the Pillar 1 stress calculation is much higher than the one implied by the Group-wide stress calculation. If the Pillar 1 analysis is modified such that wholesale RWAs are calculated using a "through-the-cycle" approach, the group-wide increase in RWAs is about 5%, which is closer to the increase in RWAs shown in the first year of the Group-wide stress results.

The stress testing results include the effects of projected management actions.

GRCB	**BCB** would initially focus on constantly reviewing caps/hold levels on key sectors to assess whether they are comfortable with risk mixture and pricing strategy. Support Risk Control Units to identify early breaches of covenants and tighten Early Warning List Policy. As a stress crystallises book growth could be reduced and income strategy would be geared toward existing relationships and non-debt. Defensive strategies would include raising additional collateral, managing "early warning list" cases and exiting unsatisfactory cases.
	Barclaycard would initially monitor key risk indicators in key markets. It would contain growth in the affected portfolios and re-price where appropriate. Operating efficiency would be improved and collections activity would be increased.
	UK Retail Banking would closely monitor and escalate issues to senior management as the stress would develop. The mitigating actions are centred around restricting high-risk assets growth, reducing operating costs and deploying additional collections resources.
	Western Europe would contain book growth/cut costs as appropriate.
	Emerging Markets would severely curtail balance sheet growth to contain impairment.
IBIM	**Barclays Capital** would put in place Crisis reporting and management procedures, and continual stress testing would be used to uncover sectors or portfolios giving concern. In appropriate portfolios, limits to counterparties would be tightened. Sale or dispersal of risk would also be sought. Tighter controls on originations would be implemented and the number of underwritings/bridge loans might be reduced.
	Barclays Global Investors would initially escalate risks to the Global Risk and Compliance Committee (GRCC) for discussion and recommend actions to the Executive Committee (ExCo) for approval and implementation. BGI would also focus on operating cost reduction; in the moderate scenario costs are cut by 10% of the revenue shortfall in the first year, and by 50% of the shortfall in the second year.
	Wealth would cut costs but also review credit limits in the highest risk segments and raise more collateral as is feasible.

Capital Plans are based on the annual stress testing severe downturn scenario. Illustration 1: Holding dividend steady whilst constraining RWA growth.

Capital Plan - Base Case

	Dec-07	Jun-08	Dec-08	Dec-09	Dec-10
Capital Issuance	5,809	3,750	5,000	5,000	5,000
Securitisations (reduction in RWAs)	(6,951)	(847)	(4,307)	(5,333)	(1,557)
Retained profit after tax and MI	4,417	2,316	4,723	5,311	5,912
Total Adjusted Common Equity	17,659	18,479	19,629	22,302	25,094
Total Tier 1 Capital After Deductions	27,473	27,842	29,475	34,260	38,482
Net Capital Base	42,818	43,741	45,391	52,414	58,813
Net Total RWAs	352,870	369,638	375,529	427,229	480,790
Equity Ratio	5.0%	5.0%	5.2%	5.2%	5.2%
Total external gross dividend for the year	(2,269)		(2,463)	(2,791)	(3,129)

Capital Plan - Severe Scenario

	Jun-08	Dec-08	Dec-09	Dec-10
Capital Issuance	3,450	4,700	4,000	4,000
Securitisations (reduction in RWAs)	(847)	(4,307)	(5,333)	(1,557)
Retained profit after tax and MI	1,400	2,300	3,000	3,900
Total Adjusted Common Equity	17,562	17,771	18,438	19,853
Total Tier 1 Capital After Deductions	26,753	27,309	29,967	32,130
Net Capital Base	42,179	42,580	46,708	50,025
Net Total RWAs	381,638	386,749	404,238	431,497
Equity Ratio	4.6%	4.6%	4.6%	4.6%
Total external gross dividend for the year		(2,269)	(2,269)	(2,269)

Base Case
Capital plan reflects the end of January position

Severe Scenario Plan
Takes the impact of the severe scenario within the Group stress test (pages 12-14) and assumes that dividends are maintained at 2007 levels but that RWA growth is contained further to maintain the equity ratio at 4.6%.

Securitisations and Capital issuance are considered fungible, if we do less securitisation, we would look to increase issuance.

Capital Plans are based on the annual stress testing severe downturn scenario. Illustration 2: Continuing RWA growth whilst reducing dividend.

Capital Plan - Base Case

	Dec-07	Jun-08	Dec-08	Dec-09	Dec-10
Capital Issuance	5,809	3,750	5,000	5,000	5,000
Securitisations (reduction in RWAs)	(6,951)	(847)	(4,307)	(5,333)	(1,557)
Retained profit after tax and MI	4,417	2,316	4,723	5,311	5,912
Total Adjusted Common Equity	17,659	18,479	19,629	22,302	25,094
Total Tier 1 Capital After Deductions	27,473	27,842	29,475	34,260	38,482
Net Capital Base	42,818	43,741	45,391	52,414	58,813
Net Total RWAs	352,870	369,638	375,529	427,229	480,790
Equity Ratio	5.0%	5.0%	5.2%	5.2%	5.2%
Total external gross dividend for the year	(2,269)		(2,463)	(2,791)	(3,129)

Capital Plan - Severe Scenario

	Jun-08	Dec-08	Dec-09	Dec-10
Capital Issuance	3,450	4,700	4,000	4,000
Securitisations (reduction in RWAs)	(847)	(4,307)	(5,333)	(1,557)
Retained profit after tax and MI	1,400	2,300	3,000	3,900
Total Adjusted Common Equity	17,562	17,807	19,122	20,879
Total Tier 1 Capital After Deductions	26,753	27,309	29,967	32,130
Net Capital Base	42,179	42,580	46,708	50,025
Net Total RWAs	381,638	387,529	419,229	453,790
Equity Ratio	4.6%	4.6%	4.6%	4.6%
Total external gross dividend for the year		(1,800)	(1,800)	(2,000)

Base Case
Capital plan reflects the end of January position

Severe Scenario Plan
Takes the impact of the severe scenario within the Group stress test (pages 12-14) and assumes business RWA growth is delivered, reducing the dividend to maintain the equity ratio at 4.6%.

Securitisations and Capital issuance are considered fungible, if we do less securitisation, we would look to increase issuance

The Group would drive other management actions beyond what the Businesses have incorporated in their stress testing results.

- The Group maintains close control on capital demand by businesses and has demonstrated that it can rebuild capital ratios. Following the acquisition of ABSA, we rebuilt our equity ratio from 4.6% to 5.3%, equivalent of reducing RWAs by c£30bn over an 18 month period.

- To sustain a 4.6% equity ratio throughout a severe stress, whilst maintaining consistent dividend payments, RWAs would be reduced by £22bn over a 3 year period.

- Prioritisation of actions to reduce RWAs would depend on the exact circumstances prevailing at the time and relative costs of each option. Actions would include the following:
  - Securitisations (e.g. Cards, Business Loans)
  - Optimise capital allocation within the businesses including:
    - Reduction of the £100bn new RWA growth remaining in the severe scenario
    - Reduction of the stock of RWAs (c£350bn) by sale of low yielding assets and/or managing down RWAs (e.g. reducing limits)
  - Disposal of non customer assets (e.g. property)
  - Sale of businesses
- Other actions include reducing costs, (e.g. strategic investment and marketing)
- Group would also have the option to issue more equity capital, either through a Private placement, rights issue or re-introduction of script dividends

A follow-up ExCo meeting will consider actions to mitigate the developing slowdown in growth in advanced economies.

ExCo Request to Businesses:

In light of the current economic outlook - in particular the possibility of a moderate economic slowdown led by the US and UK economies - ExCo asked that Group Risk and the businesses work together to develop an early warning and reaction strategy, to be reported back to ExCo on 13th March.

1. Which areas or portfolios in particular would suffer if there were such a slowdown? Please also consider whether there are markets outside the UK and the US that could be significantly affected.
2. What would be the early warning indicators of economic stress for each of these areas? Please consider both external indicators (eg unemployment, housing starts, retail sales, securitisation performance, etc) and internal indicators (eg watchlists, delinquency rates).
3. What is the trigger zone for these indicators to trigger a change in our risk appetite in these businesses?
4. What further specific adjustments to business would we make if there is a slowdown and these triggers are hit? (e.g. higher LTV's? Lower multiples -> change cutoff threshholds?)
5. What is the estimate of the effects on Revenues and on Impairment?, over what time period?

The businesses are preparing to take specific actions to mitigate the anticipated slowdown in growth in advanced economies.

Businesses have considered potential management actions to respond to a possible moderate stress. The following two pages illustrate potential mitigating actions.

Activity	Early warning indicator	Potential mitigating action	Examples of action for consideration
Wholesale lending	• Widening credit spreads • Falling commercial property values • Increasing watchlist volumes	• Restrict new business flow in riskier sectors (eg leveraged deals, commercial property) • Tighten criteria for new property lending • Increase collateral haircuts	• BarCap: Tighten caps on leveraged deals: Current European caps are £300m junior hold tranches, £2bn subordinated underwriting (including £500m requiring Group Risk sign-off) • Spain: Reduce LTVs from 70% to 60% for offices, prime commercial and hotels
Secured retail lending	• Falling house prices • Increasing delinquencies • Increasing consumer indebtedness	• Tighten scorecard cut-offs • Tighten LTV criteria for new business • Hire additional collections resources	• UKRB mortgages: Reduce high LTV buy-to-let (greater than 75%) from 30% of new business to 15%

Potential mitigating actions (continued)

Activity	Early warning indicator	Potential mitigating action	Examples of action for consideration
Unsecured retail lending	• Increasing delinquency • Falling retail spending • Rising unemployment	• Actively target limit decreases and greatly reduce limit increases • Tighten scorecard cut-offs • Hire additional collections resources	• UKRB Unsecured Loans: Reduce the proportion of new business that is to lower quality customers (below BRG 2) from 50% to 25%
Group-wide		• Reduce strategic investment spend, eg defer the roll-out of new infrastructure • Reduce operating costs	• Absa: Defer the roll-out of the distribution network project • Implement a cost freeze

Appendix

Further details on differences between Risk Appetite Financial Volatility and Annual Stress Testing

Assumption	Financial Volatility	Annual Stress Testing
Probability	• Refers to a result, for instance the worst financial result in seven years, caused by all major risk types. • Refers to a one-year event.	• Refers to business conditions (scenario), for instance a downturn that we expect to occur no more than once every 25 years. The losses are driven mainly by credit and market risks. • Refers to the entire event over many years.
Start point	• The starting point for each year is the previous year's MTP projection.	• The starting point for each year is the previous year's stress projection.
Basis of credit loss calculation	• Credit losses are calculated on a "through-the-cycle" basis.	• Credit losses are calculated on a "point-in-time" basis.
Management assumptions	• Assume that the capital plan is unchanged.	• Assume that the capital plan is modified to keep ratios and capital buffers at acceptable levels.

Downturn scenarios: UK macro variables

		Moderate Scenario				Severe Scenario			
	2006 (a)	2007 (e)	2008	2009	2010	2007	2008	2009	2010
Economic activity - headline indicators									
Real GDP, % change year-on-year	2.8	2.6	1.5	0.5	1.5	2.6	0.5	-1.3	0.5
Consumer price index, % change	2.3	2.4	2.5	2.5	2.2	2.4	3.0	3.5	3.0
Average BoE policy rate	4.60	5.50	6.50	6.50	6.00	5.50	6.50	7.00	6.50
Gilt 5-year yield, %	4.7	5.8	6.5	6.0	5.5	5.8	7.0	6.5	6.0
Gilt 10-year yield, %	4.5	5.6	7.0	5.5	5.5	5.6	7.5	6.0	6.0
FTSE 100, % eoy growth	10.7	5.5	-5.0	-10.0	10.0	5.5	-10.0	-20.0	0.0
Retail consumers' financial position									
Consumer spending, % change	2.0	2.5	2.0	1.0	1.7	2.5	0.7	-0.8	0.0
Average earnings, % change	4.1	4.5	4.5	3.7	3.0	4.5	4.5	4.5	3.5
Compensation of employees, annual sum % change	4.5	4.8	4.5	3.5	3.5	4.8	4.0	3.2	4.5
Claimant Count rate	3.0	2.7	3.2	4.0	3.5	2.7	3.5	5.0	4.0
Unemployment rate	5.4	5.5	6.0	6.6	6.1	5.5	6.6	8.2	7.1
Income gearing %	12.4	14.9	17.7	17.8	16.9	14.9	18.4	19.8	18.1
Corporate customers' financial position									
Gross op. surplus of private non-fin. corps, % change	4.4	10.0	1.0	-1.0	1.0	10.0	-2.0	-5.0	0.0
Income gearing (PNFC) per cent	19.6	23.4	29.0	29.3	27.9	23.4	31.4	33.8	31.4
Property prices									
Halifax index, year-end change, London and SE	10.3	7.0	-3.0	-6.0	0.0	7.0	-12.0	-12.0	-5.0
Halifax index, YE change, UK exc. London and SE	7.6	4.0	-3.0	-6.0	0.0	4.0	-8.0	-8.0	-5.0
Halifax index, YE change, UK	8.5	5.0	-3.0	-6.0	0.0	5.0	-10.0	-10.0	-5.0
Commercial Property Prices % change	12.4	3.0	-5.0	-6.0	-4.0	3.0	-7.0	-12.0	-5.0
Bank lending and margins									
Credit card lending, % growth	-1.5	2.0	0.0	0.0	2.0	2.0	0.0	-8.0	-5.0
Credit card lending margin	11.0	11.0	11.5	11.5	11.5	11.0	12.5	14.0	14.0
Non credit card lending, % growth	3.5	3.0	2.0	2.0	3.0	3.0	2.0	-5.0	-5.0
Non card lending margin	3.0	3.0	3.5	3.5	3.5	3.0	4.0	5.0	5.0
Mortgage lending, % growth	11.5	10.8	5.0	5.0	6.0	10.8	5.0	2.0	3.0
Mortgage lending margin	0.3	0.3	0.5	0.5	0.5	0.3	0.7	1.0	1.0
Growth in lending to corporations	18.6	15.0	6.0	0.0	2.0	15.0	5.0	-5.0	0.0
Corporate lending margin	1.7	1.7	2.0	2.0	2.0	1.7	2.5	2.7	2.5

Downturn scenarios: Global macro variables

		Moderate Scenario				Severe Scenario			
	2006 (a)	2007 (e)	2008	2009	2010	2007 (e)	2008	2009	2010
United States									
Real GDP	3.3	2.4	2.2	0.7	3.0	2.4	2.0	-0.5	2.5
Fed funds rate	5.3	5.3	6.0	6.5	6.0	5.3	6.0	6.8	6.5
CPI (Dec to Dec)	2.5	2.7	2.8	3.0	2.5	2.7	3.5	4.0	3.0
CPI (period average)	3.2	2.6	2.8	2.9	2.7	2.6	3.1	3.8	3.5
Unemployment rate	4.6	5.0	5.5	6.0	6.0	5.0	6.5	7.0	6.0
Debt servicing ratio	14.5	14.8	15.5	16.0	15.5	14.8	17.0	18.0	16.0
OFHEO HPI Index	6.0	5.0	2.0	0.0	5.0	5.0	1.0	-5.0	5.0
Treasury 5-year yield, %	4.7	5.30	6.00	5.50	4.75	5.30	6.50	6.00	5.25
Treasury 10-year yield, %	4.71	5.40	6.50	5.25	4.75	5.40	7.00	5.75	5.25
S&P 500, % eoy growth	13.6	4.4	-5	-10	10	4.4	-10	-20	0
Euro area									
HICP (inflation)	2.2	1.9	2.1	2.3	2.0	1.9	2.5	2.9	2.2
Refinancing rate	3.5	4.3	4.5	5.0	3.5	4.3	4.5	5.5	4.0
Euro gov 5-year yield, %	3.6	4.8	5.0	4.8	4.5	4.8	5.8	5.3	5.0
STOXX 50, % eoy growth	15.1	4.4	-5.0	-10.0	10.0	4.4	-10.0	-20.0	0.0
Spain									
Real GDP, % growth	3.9	3.7	2.0	1.0	0.5	3.7	2.0	-2.0	1.0
Unemployment Rate	8.5	9.0	9.3	9.8	9.0	9.0	10.0	12.0	9.0
House price growth	9.1	5.0	2.0	0.0	-5.0	7.0	5.0	-10.0	-5.0
France									
Real GDP, % growth	2.0	2.4	2.0	1.0	0.5	2.4	1.0	-0.5	1.0
Unemployment Rate	9.0	9.5	9.5	10.0	10.0	9.5	10.0	11.5	10.0
Germany									
Real GDP, % growth	2.8	2.5	2.0	1.5	0.5	2.5	0.5	-1.0	1.0
Unemployment Rate	7.8	8.5	8.5	9.0	9.0	8.5	9.0	10.0	9.0
Italy									
Real GDP, % growth	1.9	1.9	0.6	1.6	1.0	1.9	0.5	-2.0	1.0
Unemployment Rate	6.8	7.0	8.0	9.0	10.0	7.0	10.0	11.0	10.0
South Africa									
Real GDP, % growth	5.6	4.6	3.9	3.2	3.4	4.6	3.0	1.4	1.8
Prime Rate (%)	10.5	13.0	13.5	14.1	13.6	13.0	13.9	16.1	17.3
House Price Growth	15.3	13.0	6.9	2.5	4.7	12.8	3.1	-5.4	-1.4
Exchange rates									
Exchange rate: $/£	2.0	2.1	2.1	1.8	1.8	2.1	2.3	1.9	1.8
Exchange rate: $/€	1.3	1.4	1.5	1.4	1.2	1.4	1.6	1.4	1.2
Exchange rate: £/€	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.7
Exchange rate: €/£	1.5	1.5	1.4	1.3	1.5	1.5	1.4	1.4	1.5

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2008 Capital Plan Update to the FSA

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.

Plan revised to raise £1.75bn 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
- Conclude on £350m of Lower Tier 2 capital

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

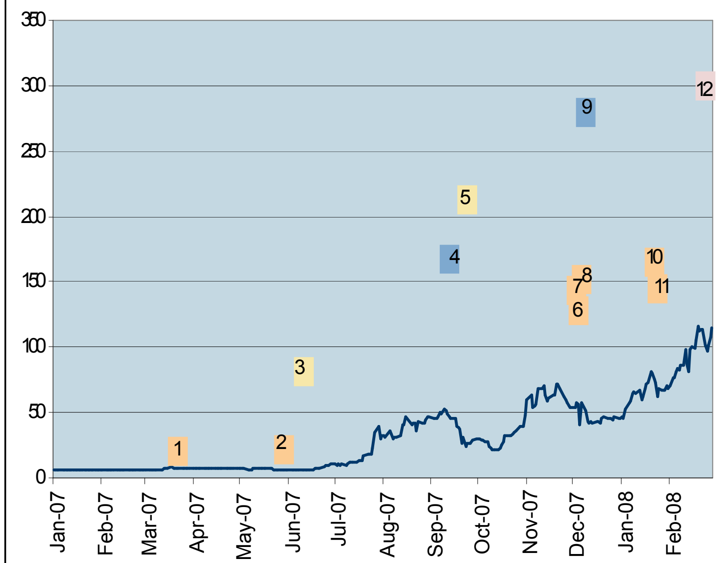
Institutional Preference Shares and Upper Tier 2 – March '08

- 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

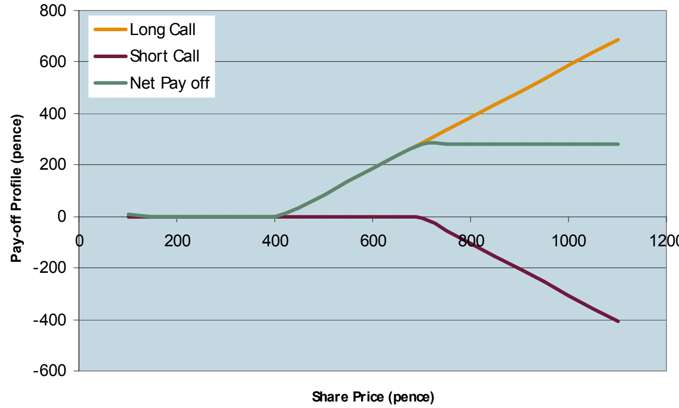
The proposed restructuring of the ESAS stock hedge to a derivative may release up to £750m of equity although with this will be earnings dilutive approx. 1.5p and the Group would have residual risk should the stock price rise over approx. 586p

- 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

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

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

Capital Plan	Floor	Target	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

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)