EXHIBIT 151

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2.2

BARCLAYS

To	The Directors
From	Lawrence Dickinson
cc:	Mark Harding
Date	18 March 2008
Subject	Board Meeting – papers to follow

Memo

Please find attached the following paper ahead of the Board Meeting on 20 March 2008:

Item 2.2
Capital Management Update

Item 2.3
Project Oscar
This item has been withdrawn from the agenda for the time being.

Many thanks

Lawrence Dickinson
Company Secretary

2008 Capital Plan Update

March 2008

Executive summary

- The Group's capital policy translates into a target tier 1 ratio of 7.25% and an equity tier 1 ratio of 5.25%.
- As at 31 December 2007, the Group's tier 1 ratio was 7.6% and the equity tier 1 ratio was 5.1% on a Basle II basis.
- Our STP, prepared in November 2007, predicted a tier 1 ratio of 7.7% and an equity tier 1 ratio of 5.1% at 31 December 2008. Due to timing differences in capital raising, the plan showed a tier 1 ratio of 7.4% and an equity tier 1 ratio of 4.9% at 30 June 2008.
- As a result of the more demanding market environment, we are now faced with a larger capital demand. Accordingly, we have increased our planned capital issuance. The current projected ratios for 30 June 2008 are 6.9% and 4.5% respectively. Additional capital raising planned via a placing to two institutions with whom we are negotiating strategic alliances would increase this to 7.4% and 5.0%.
- Our current plans indicate year end ratios of 7.4% and 4.8% respectively. As you are aware, we have been in discussion with the FSA about the level of capital ratios. Over the last week, it has become clear that their focus has moved from the tier 1 ratio to the equity tier 1 ratio and accordingly we are developing plans which seek to achieve our target equity tier 1 ratio of 5.25% by the 31 December 2008. We will discuss these plans with you in due course.
- Our work is focusing on capital demand and in particular RWA usage. The work is considering the relative returns on RWAs and the mechanisms available to us to ensure we maximise return on RWA. We are also working to optimise the use of RWAs under the Basle II regime which was introduced in January 2008.
- An important consideration of our capital planning is the headroom we retain over the regulatory capital requirements. We consider the headroom in terms of additional RWAs that we have the ability to add to the capital demand or the reduction in capital supply through losses incurred. Our capital plans indicate that at its minimum, the headroom RWA capacity is £19 billion and the available reduction in core equity is £1.2 billion. At 30 June 2008, with the additional capital raising the capacity increases to £56 billion and £4.5 billion respectively.

Executive summary (continued)

- Our stress testing of the capital plan has identified that under a severe economic downturn scenario there is in 2008 a reduction in PBT of £2.7 billion. Our work indicates that the capital plan is able to cope with such a stress given the PBT reduction occurs over 2008 rather than at a point in time.
- Our stress testing work has caused us to analyse the likely-hood of a one-off shock. We've asked ourselves what is the maximum amount of money in a stress scenario that we could expect to lose in one month between now and the end of June. The answer is £850 million pre tax (or £600 million post tax). This should be compared with the minimum equity capacity of £1.2 billion noted above.
- Notwithstanding the conclusions of our work on the short term capital plan, the Group has moved into a period of capital constraint. This has necessitated a change in approach in capital demand planning from an "absolute" capital allocation model to one of "relative return". This has resulted in a need for a different process which is being designed for introduction into the 2008 MTP process starting in this May.

Introduction

- The purpose of this paper is to update the Board with our current capital policy, the current and projected capital position and our short and medium term plans for managing the Group's capital base. Specifically the paper has been prepared to:
  - To reconfirm the Group's current capital policy (page 5)
  - To restate the capital plan as set out in the short term plan (STP) prepared in November 2007 and update it for our current best views of capital demand taking account of changes in the markets (pages 6 to 7)
  - To identify short term responses to capital demand changes and show the capacity for withstanding further market shocks (pages 9 to 10)
  - To review the stress-testing to which the capital base has been subjected (pages 11 to 17)
  - To set out the work in progress in changing the Group's capital planning processes to reflect a more capital constrained environment (page 18)

The Group's capital and dividend policies remain unchanged

- We seek to maintain sufficient capital to maximise the efficiency of our balance sheet with the following objectives:
  - To maintain a strong double AA credit rating
  - To maintain sufficient capital to meet the Group's risk appetite and economic capital requirements
  - To provide capital resources for organic growth
  - To pay dividends in line with our policy
  - To undertake small inorganic transactions
  - Finally to consider share buybacks with any surplus
- This translates into a target tier 1 capital ratio of 7.25% and an equity tier 1 ratio of 5.25%
- The FSA has set minimum total capital requirements in the form of individual capital guidance (ICG) for the Barclays PLC Group and Barclays Bank PLC Solus ratio
- The Federal Reserve Bank requires Barclays PLC to exceed a 6% tier 1 ratio and a 10% total capital ratio to remain "well capitalised". In practice the Federal Reserve Bank requirements are more binding than those of the FSA.
- Our dividend policy remains:
  - To achieve dividend growth in line with the long term growth of underlying profits
  - To be twice covered by profits after tax and minority Interests
- At 31 December 2007 our tier 1 ratio was 7.6% (on a Basle II basis), the equity tier 1 ratio was 5.1% and the dividend of 34p was twice covered by profit after tax and minority interests

The original STP capital plan assumed a minimum RWA capacity of £21bn in February and an 4.89% June equity ratio with flexibility to bring forward or raise further subordinated capital.

Capital Plan

Capital Plan	Floor	Target	Dec 07	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Dec 08
			Actual	Forecast						
GRCB Total RWAs (£bn)			162	162.9	164.7	166.6	168.2	170.0	173.4	178.4
IBIM Total RWAs (£bn)			190.8	203.2	203.4	203.6	203.8	204.0	198.6	204.1
Group Centre RWAs (Incl central override)			1.0	4.0	3.8	3.6	3.4	3.3	(0.8)	(6.0)
Total Group RWAs (STP)			353.8	370.1	371.9	373.8	375.5	377.4	371.2	376.5
Capital Issuance & Redemptions			FY	← 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%	5.09%	4.90%	4.58%	4.53%	4.58%	4.66%	4.89%	5.14%
Tier 1 Ratio – (Fed)	6.0%		7.35%	7.04%	6.66%	6.76%	6.80%	6.90%	7.18%	7.61%
Tier 1 Ratio – (FSA)		7.25%	7.56%	7.19%	6.93%	7.01%	7.04%	7.12%	7.39%	7.74%
Risk Asset Ratio	10%	11.0%	11.24%	10.9%	10.6%	11.0%	11.0%	11.2%	11.6%	12.0%
Minimum RWA capacity over Fed floors			44.0	31.6	21.5	35.7	37.3	46.7	58.5	73.3

Capital Plan (STP)

- All numbers are on a Basle II basis
- 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.

Given an updated flightpath of RWAs from Barclays Capital and other movements in capital, the revised capital plan shows the equity ratio at 4.5% at June 08.

Capital Plan

			Dec 07	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08
			Actual	Actual	Flash	Forecast			
GRCB Total RWAs (£bn)			162.0	162.5	164.9	167.0	170.6	172.5	176.0
IBIM Total RWAs (£bn)			190.8	203.0	212.7	216.1	221.0	222.8	221.8
Group Centre RWAs			1.0	0.9	2.5	2.5	2.5	2.5	2.4
Total Group RWAs			353.8	366.4	380.1	385.6	394.1	397.8	400.3
Capital Issuance & Redemptions			FY	← Monthly Movements →					
Capital Redemptions (£m)			(985)			(445)			
Capital Issuance (£m)			5,809	1,377	1,000	100	1,000	1,000	
Ratios	**Floor**	**Target**							
Equity Ratio		5.25%	5.09%	4.94%	4.40%	4.39%	4.38%	4.45%	4.53%
Tier 1 Ratio – (Fed)	6.0%		7.35%	7.10%	6.39%	6.36%	6.62%	6.69%	6.78%
Tier 1 Ratio – (FSA)		7.25%	7.56%	7.33%	6.67%	6.62%	6.81%	6.86%	6.93%
Risk Asset Ratio	10%	11.0%	11.24%	11.28%	10.65%	10.49%	10.61%	10.86%	10.92%
Minimum RWA capacity over Fed floors			44.0	46.9	24.5	18.9	24.1	34.4	37.0
Max reduction in core equity Fed floors			4.0	3.4	1.2	1.2	2.1	2.3	2.6

Changes to the Plan

- Barclays Capital RWA flight path updated to reflect market conditions.
- Marking to market of Own Credit in P&L £560m (post tax) Feb '08 year to date does not qualify as capital.

Lower tier 2 raising

- Raise £100m of lower tier 2 capital in March 2008. Redemptions in March have already been offset through Jan and Feb issuance.

Further preference share capital issuance in April

- Upsize the US Retail preference share issue in April to $2bn.

Further subordinated capital issuance in May

- Flexibility to accelerate into April given known market appetite, but subject to market conditions to derive a competitive price.
- Raise £1,000m of Upper Tier 2 (UT2) from the US market at spreads of c370bp above mid swaps.
- 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.

All numbers calculated on a Basel II basis.

Through the market disruption the Group has raised £8.9bn of subordinated capital, however the continued volatility and investor appetite makes further proposed issuance more expensive.

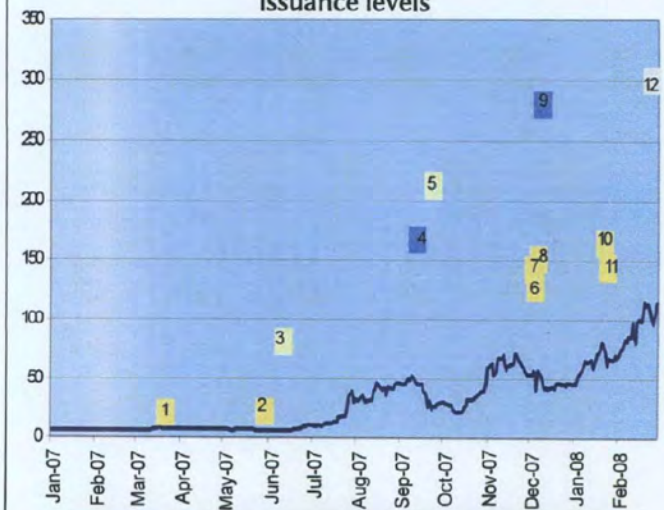
Institutional Preference Shares and Upper Tier 2 – March '08

- 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 issued rumoured to be HSBC which will also 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 8% this equates to mid swaps + 300bps which is higher than the 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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To target an equity ratio of 5.0% for June 2008, the Group needs to reduce RWAs by £38bn or increase equity by £1.9bn. Work is in progress to raise this capital by 30 June.

Capital Plan

	Floor	Target	Dec 07 Actual	Jan 08 Actual	Feb 08 Flash	Jun 08 Forecast	Jun 08 Revised
GRCB Total RWAs (£bn)			162.0	162.5	164.9	176.1	176.1
IBIM Total RWAs (£bn)			190.8	203.0	212.7	221.8	221.8
Group Centre RWAs			1.0	0.9	2.5	2.4	2.4
Total Group RWAs			353.8	366.4	380.1	400.3	400.3
Capital Issuance			FY	← Monthly Issuance →			
Capital Issuance (£m)			5,809	1,377	1,000		1,900
Ratios	**Floor**	**Target**					
Equity Ratio		5.25%	5.09%	4.94%	4.40%	4.53%	5.01%
Tier 1 Ratio – (Fed)	6.0%		7.35%	7.10%	6.39%	6.78%	7.34%
Tier 1 Ratio – (FSA)		7.25%	7.56%	7.33%	6.67%	6.93%	7.41%
Risk Asset Ratio	10%	11.0%	11.24%	11.28%	10.65%	10.92%	11.40%
Minimum RWA capacity over Fed floors			44.0	46.9	24.5	37.0	56.0
Max reduction in core equity to Fed floors			4.0	3.4	1.2	2.6	4.5

- We are in active conversations with a Japanese bank and a Korean Insurance Company to enter into strategic partnerships which would include them taking equity stakes in Barclays for £1bn-£2bn collectively.
- We are also planning to release equity tier 1 through changing the ESAS hedge from equity to a derivative. This is estimated to have the impact of releasing some £500m.
- We are also reviewing RWA usage across the Group

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

BARC-ADS-01544658

The proposed capital issuance re-builds the Group RWA capacity for June 2008 which rolls forward to Dec 2008.

Capital Plan

			Jun 08	Jul 08	Aug 08	Dec 08
			Forecast	Forecast	Forecast	Forecast
GRCB Total RWAs (Incl. GRCB Centre) (£bn)			176.1	175.0	174.1	174.7
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			400.3	403.7	401.5	399.2
Capital Issuance & Redemptions			←	Monthly	→	H2
Capital Redemptions (£m)				(645)		(645)
Capital Issuance (£m, including ABSA)			1,900		333	2,000
Ratios	**Floor**	**Target**				
Equity Ratio		5.25%	5.01%	4.87%	4.80%	5.20%
Tier 1 Ratio - (Fed)	6.0%		7.34%	7.17%	7.09%	7.72%
Tier 1 Ratio - (FSA)		7.25%	7.41%	7.25%	7.19%	7.81%
Risk Asset Ratio	10%	11.0%	11.40%	11.05%	11.09%	11.95%
Minimum RWA capacity over Fed floors			56.0	42.3	43.6	77.7
Maximum reduction in core equity			4.5	4.0	3.7	5.8

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
- The impact of Sirius, Equator, Telescope on RWAs and capital resources have been absorbed within existing RWA forecasts. The ability of the Businesses to do this will be challenging

The Group's stress testing of the capital plan

- The revised capital plan gives an indication of the capacity to withstand further downside shocks. The next pages describe the results of the stress testing we undertake of the Group's balance sheet and the impact on planned performance. From this, it is possible to determine the impact on tier 1 capital.
- We refer to a moderate downturn scenario and a severe downturn scenario
- While our current economic projections suggest that a moderate downturn is the most likely scenario, we have for the purposes of this exercise considered on the severe downturn
- The severe downturn anticipates the following impact on the Group's Profits before tax and economic profit

	Profit before tax		Economic profit	
£'bn	Plan	Downturn	Plan	Downturn
2008	7.7	5.0	2.1	0.2
2009	8.8	5.6	2.5	0.0
2010	10.1	7.3	2.7	0.6

- The following pages highlight the impact on capital and the possible response in terms of RWA reduction or dividend change.

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

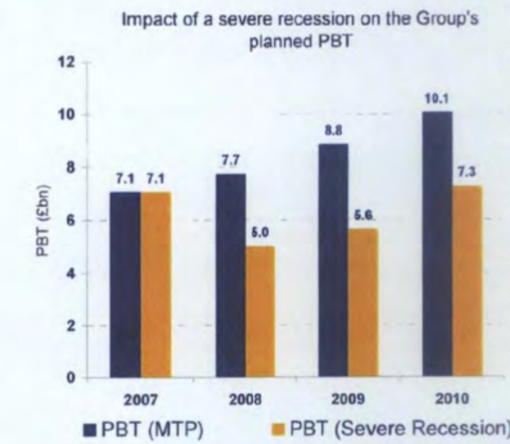
- Following further surges in energy prices, increasing global prices and a generalised re-appraisal of risks, a severe global downturn develops.
- United Kingdom:
  - Interest rates rise to 7% to counter the impact on inflation of a further surge in energy and commodity prices arising from strong global 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).
  - 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 also reinforces the macro-economic downturn. Lenders increasingly seek to restrict credit to high risk segments of the market.
- United States:
  - Global pressures and a weak dollar force interest rates to rise to 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.
- Continental Europe:
  - Europe suffers from high borrowing costs and low exports. The refi rate increases to 5.5%
  - Downturns develop in major Euro zone economies. Spain is especially affected.
- Africa and Middle East:
  - Economic growth falters as export markets dry up. A house price correction in South Africa affects credit risk in the retail book.
  - UAE sees 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.

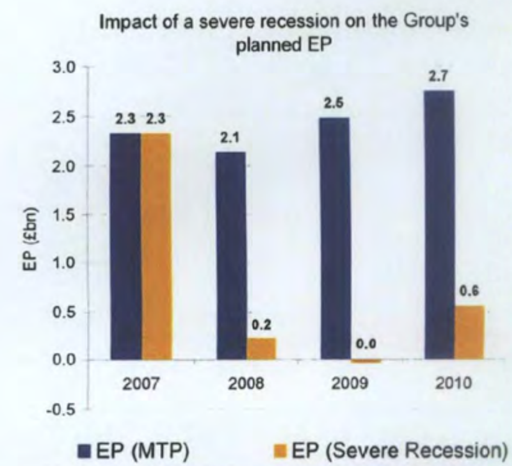
Summary of variables

	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%

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
  - Reducing annual dividend
- **Tier 1 and Risk asset ratios** are maintained close to internal targets.





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 '08 position.

Severe Scenario Plan
Takes the impact of the severe scenario within the Group stress test 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.

To retain a capital ratio of 4.6% and the dividend at 2007 rates would require a cut in RWAs of 10% from the original MTP.

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
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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 and assumes business RWA growth is delivered, reducing the dividend to maintain the equity ratio at 4.6%.

To retain a capital ratio of 4.6% and an RWA growth of 29% over the MTP period would require a dividend cut of 22% from the 2007 base.

Event driven stress testing

- In addition to the stress testing of the capital base for moderate and severe economic downturn, the Group also considers the businesses which may give rise to significant short-term volatility in PBT. Short term is defined as within one month.
- The businesses or positions which have the potential for PBT volatility under a severe stress scenario are:
  - Super senior CDO positions - £4.5 billion at end of February 2008
  - Alt A mortgage positions - £3.9 billion at end of February 2008
- Conversely the following businesses are regarded as having more limited potential for PBT volatility even under a severe stress scenario:
  - Leveraged finance - £7.5 billion at end of February 2008
  - Whole loans - £3.2 billion at end of February 2008
  - Monoline exposures - £2.0 billion at end of February 2008
- Stress-testing of super senior and Alt A positions show that, on a severe basis, there could be a reduction of PBT of up to £850 million after adjusting for associated costs.
- While we believe it to be unlikely that the stresses will develop within a single month, if it did develop, the amount is of a scale which is manageable against the lowest forecast capital surplus at any individual date
- If the stress event was to occur over a longer period of time, the profit generating ability of the Group would further mitigate any potential exposure

The Group would require other actions to reduce capital ratios

- Current stress testing indicates a minimum equity tier 1 ratio of 4.6%
- Following the ABSA acquisition the equity tier 1 ratio fell similarly to 4.6% but was rebuilt to 5.2% within 2 years
- Actions to rebuild the ratio would include:
    - Disposal of non-core businesses
    - More significant cost reduction program
    - More severe reduction in RWAs
    - Focus on higher returning RWAs
    - Issuance of equity through private placements or scrip dividends

Capital management – changes to the planning process

- In addition to the work being undertaken on the short term plan, it is evident that the Group is entering into a period of greater capital constraint than has been the case in the past
- Accordingly we are changing the capital management and planning processes. These changes which will be introduced for the 2008 MTP process include:
  - Enhancing the management of RWA limits throughout the business
  - Clarifying the treatment of goodwill (and reserve movements) with respect to both RWA limits and on-going capital performance management
  - Clarifying responsibility for management of capital policy between the centre, clusters and the businesses with clusters
  - Re-establishing economic profit as the primary capital-related performance metric including simplifying its calculation at a business level
  - Harmonising regulatory and economic capital frameworks
  - A review of the return on regulatory capital at a business unit level to ensure optimal allocation of capital across businesses and annual plans

Appendix

The annual impact of the increase in cost of capital since June 2007 is £58m on PBT, and £73m on attributable profit.

Change in cost of capital issuance

	Jun-07			Feb-08				Incremental Change			Annualised Incremental Cost	
WACC	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%	5.48	3.83
Upper Tier 2	3,469	0.93%	0.65%	4,465	1.41%	0.99%	33.8%	996	3.07%	2.15%	21.27	14.89
Lower Tier 2	8,595	0.41%	0.29%	11,644	0.67%	0.47%	39.4%	3,049	1.42%	0.99%	30.87	21.61
Blended non equity capital	19,602	1.24%	0.87%	25,595	1.65%	1.15%		5,988	3.00%	2.10%	57.62	72.86

Notes
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 1.15% 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)

EXHIBIT 152

FILED UNDER SEAL

From: Varley, John: Barclays PLC [/O=BZW/OU=EUROPE/CN=BARCLAYSGROUP/CN=RETAIL.VARLEYJ1]
Sent: Thursday, March 20, 2008 11:29:50 PM
To: Le Blanc, Robert: Group Risk (LDN); marcus.agius@barclays.com; chris.lucas@barclays.com; Diamond, Bob: Barclays Capital
Subject: Re: Em to callum

Thanks for the rapid response robert.
I don't think marcus should make reference to a number. I don't want to get more boxed in than we already are. I can see there are plusses and minuses, but the minuses of doing this outweigh the plusses.
John

-----Original Message-----
From: Le Blanc, Robert : Barclays Capital
To: Varley, John : Group Exec; marcus.agius@barclays.com <marcus.agius@barclays.com>; chris.lucas@barclays.com <chris.lucas@barclays.com>; Diamond, Bob : Barclays Capital
Sent: Thu Mar 20 23:11:56 2008
Subject: Re: Em to callum

John

Only input I would add is to ask if we want to refer to the steer that Hector gave us at the end of the meeting; that they will be expecting us to be moving toward our target of 5.25. (Please remember that Callum also added that they are reserving judgement on whether they might ask for more.) Marcus referring to 5.25 may be too specific for a note to Callum however it would a) show that we got the message and b) allow us to reiterate that 5.25 remains our target (and not a higher number).

Robert

----- Original Message -----
From: Varley, John: Barclays PLC
To: marcus.agius@barclays.com <marcus.agius@barclays.com>; chris.lucas@barclays.com <chris.lucas@barclays.com>; Diamond, Bob: Barclays Capital; Le Blanc, Robert: Group Risk (LDN)
Sent: Thu Mar 20 22:27:29 2008
Subject: Em to callum

Marcus

Herewith a draft note for you to send to callum. You'll see I'm copying to chris, bob and robert to give them the opportunity to input before you transmit. I quite like the idea of transmission over the holiday weekend, which will make a point.

"Callum

I wanted to make contact again following our last conversation.

You will know that there has been much subsequent dialogue between our teams. That dialogue, and the written material supporting it, was presented

EXHIBIT NO. 486
DATE: 11/13/15
Reporter - Laurie A. Collins

to the board risk committee, and then to the full board, this week.

John indicated to hector on wednesday that our intention is to do more work ahead of our april board meeting in response to the points made by julian adams and mark wharton to john last week, (which were reiterated by hector on wednesday). This will enable us to come back to the fsa after the april board meeting with proposals as to our capital plan that are directed at addressing your concerns.

There will be supervening discussion between the fsa and barclays teams: this will include the continuation of a briefing of hector next week that started on wednesday.

My intention would be, if you are agreable to this, to visit you again shortly after our team has been back to yours with the revised capital plan.

Marcus"

John

EXHIBIT 153

FILED UNDER SEAL

From: Agius, Marcus: Barclays PLC [/O=BZW/OU=EUROPE/CN=BARCLAYSGROUP/CN=RETAIL.MARCUSA]
Sent: Friday, March 21, 2008 5:46:16 PM
To: Varley, John: Barclays PLC; Diamond, Bob: Barclays Capital; Lucas, Chris: Barclays PLC; Le Blanc, Robert: Group Risk (LDN)
Subject: Final copy as sent

Callum

I wanted to make contact again following our last conversation.

You will know that there has been much subsequent dialogue between our teams, in particular directed at analysing further our risks and our post stress loss. That dialogue, and the written material supporting it, was presented to our board risk committee this week, and then to the full board yesterday. On both occasions there was a thorough discussion.

John indicated to Hector on Wednesday that our intention is to do more work ahead of our April board meeting in response to the points made by Julian Adams and Mark Wharton to John last week, (which were reiterated by Hector on Wednesday). This will enable us to come back to the FSA after the April board meeting with proposals as to our capital plan that are directed at addressing address your concerns.

There will be supervening discussion between the FSA and Barclays teams: this will include the continuation of the briefing of Hector next week which started on Wednesday and has improved the alignment of views regarding risks and potential stress loss.

My intention would be, if you are agreeable to this, to visit you again shortly after our team has been back to yours with the revised capital plan.

Happy Easter,

Marcus

EXHIBIT
PENGAD 800-631-6989
PLX
438
5NOV15 DB

EXHIBIT 154

FILED UNDER SEAL

From: Spinale, Anthony: Barclays Capital [/O=BZW/OU=EUROPE/CN=LDN AD USERS/CN=USERS/CN=SPINALEA]
Sent: Tuesday, April 08, 2008 8:23:26 PM
To: Diamond, Bob: Barclays Capital; del Missier, Jerry: Barclays Capital (NYK); Ricci, Rich: Barclays Capital; Clackson, Patrick: Finance (LDN)
CC: Sherwood, Helen: Barclays Capital (LDN); Reynolds, Allana: Barclays Capital (LDN); Simmons, Lisa-Marie: Barclays Capital (NYK); Stanley-Johns, Jacqui: Barclays Capital
Subject: Barclays Capital Strategy Update Q1 2008 v0 55.ppt
Attachments: Barclays Capital Strategy Update Q1 2008 v0 56.ppt

Attached is a revised barcap strat deck based on our discussion today.
Allana is faxing it to bob and rich for delivery later tonight.
Pls let me know a time we can run thru it tomorrow.

Barclays Capital
Strategy Updat...

Document Produced in Native Format

BARCLAYS CAPITAL

Barclays Capital – Update

Board Meeting

17th April 2008

Executive Summary

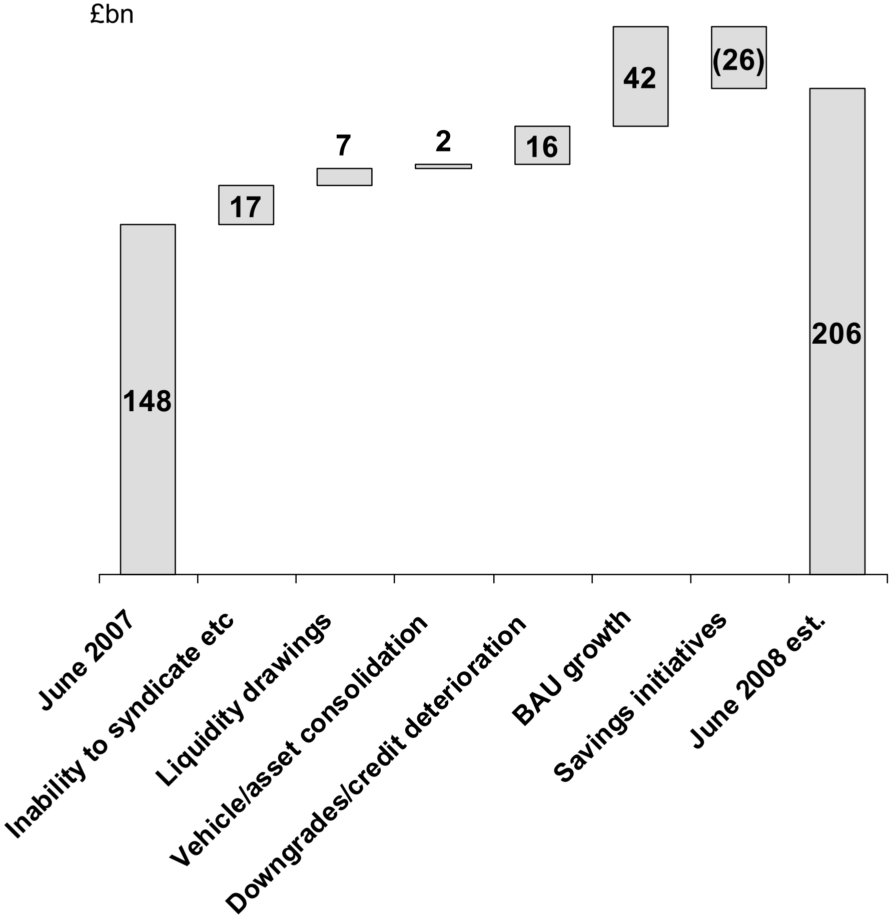
- Difficult market conditions are continuing across the investment banking and investment management industry
  - Sub prime excesses will take time to work out
  - Leveraged markets remain fragile as they struggle to clear deal overhang
  - Short term liquidity is improving but restoring normal market dynamics will take time
- We remain confident of our business model and the opportunities going forward
- We expect to emerge from this downturn in a strengthened competitive position, ready to progress our organic growth portfolio, e.g.:
  - Expand regional scale in Asia & Africa
  - Drive synergies across Barclays
  - Invest to drive step changes in key businesses, such as the US, Commodities and Prime Services
  - Take advantage of structural opportunities, such as the emergence of Sovereign Funds
- Organic growth will be underpinned by continued focus on leveraging our strong foundations – namely a disciplined approach to risk and cost management and scaleable platforms
- Finally, we will continue to apply a principled approach to strategic opportunities – and our track record with Absa Capital, plus the progress we are making on China serve as good examples
- In navigating through 2008’s challenges, we have intensified our RWA management programme and are in the process of reviewing our cost base and investment priorities

Contents

2008 YTD

Difficult market conditions have had negative impact on our RWA and capital position

Barclays Capital RWAs
£bn



- Difficult market conditions continue to impact the investment banking and investment management sector

- These market conditions had a direct impact on the RWAs of a number of businesses - primarily Primary Credit, Principal Credit and Fixed Income Credit due to the following broad factors:
  - inability to syndicate, securitise or sell down loans and warehoused assets (£17bn);
  - drawings on liquidity facilities (£7bn);
  - consolidation of certain vehicles / assets (£2bn);
  - downgrades of securities/credit deterioration (£16bn).

- As a result, RWAs under Basle II expected to hit £206bn by H1-end (H1 budget £184.4bn). Q1 RWAs will be £200bn. Year end budget is £188.5bn
  - £42bn increase as a result of market conditions

- Management actions including applying collateral, model development, data remediation etc., have delivered (£26bn) of RWA savings

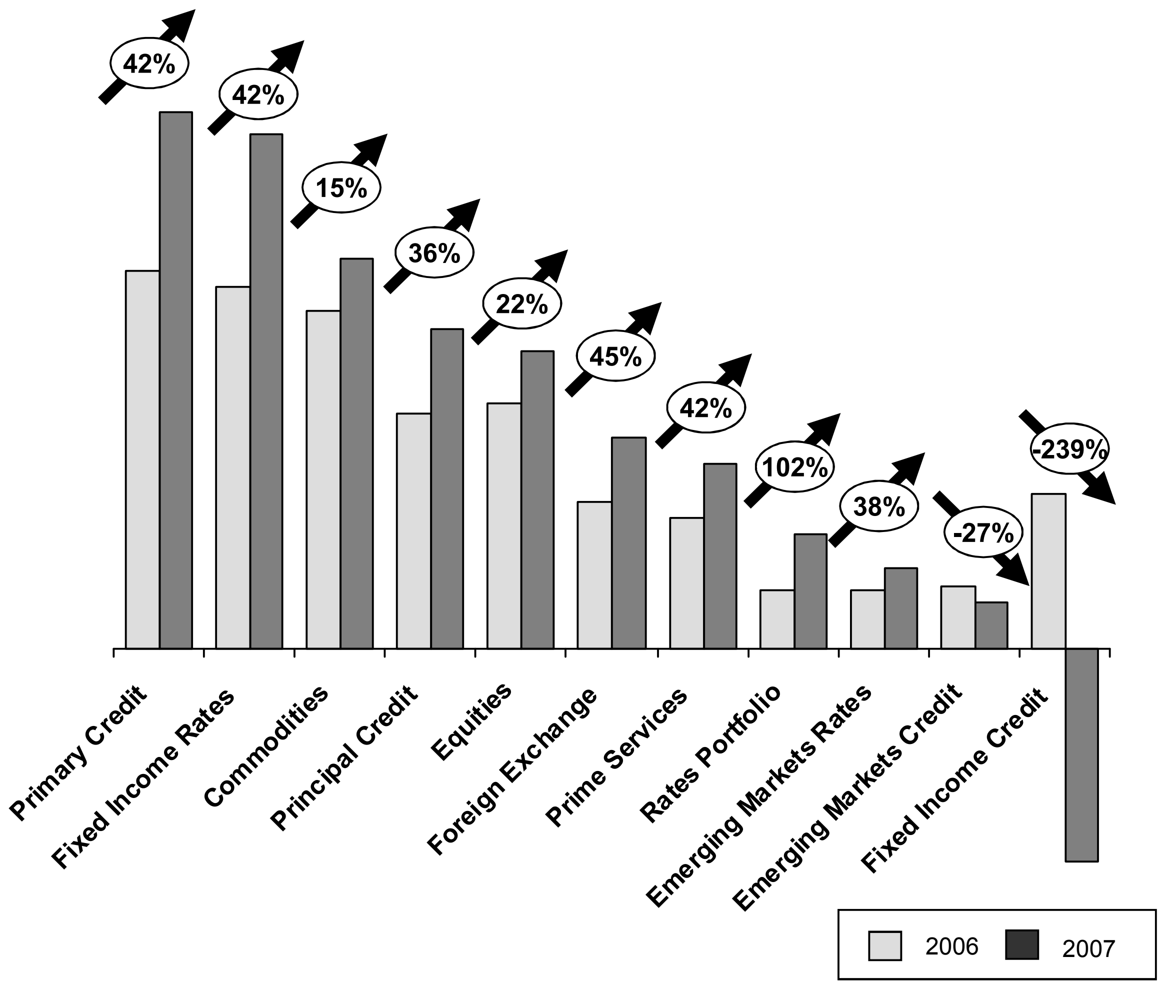
As a result, return on RWAs in 2007 was lower than in the past across a number of businesses

	RWAs - BII (£bn)	Income / BI RWAs	Income / BII RWAs		Evaluation
	Spot Dec 2007	Ave 02-06	2007	2008B	
SCM/Private Equity	6.8	12.5%	22.4%	19.2%	✓+
Foreign Exchange	2.8	9.0%	16.9%	17.7%	✓+
Commodities	10.5	3.8%	8.4%	9.5%	✓+
Emerging Markets Rates	2.2	4.9%	8.3%	14.4%	✓+
Fixed Income Rates	14.5	4.1%	8.0%	9.7%	✓+
Prime Services	6.7	17.4%	6.2%	6.8%	✓
Equities	12.4	3.2%	5.4%	6.3%	✓+
ABSA Capital	7.1	n/a - acquisition	3.8%	4.4%	✓
Primary Credit	28.3	7.6%	4.3%	3.8%	✓
Rates Portfolio	11.9	3.2%	2.2%	1.5%	✓−
Emerging Markets Credit	5.5	2.2%	1.9%	4.0%	✓−
Principal Credit	40.5	1.4%	1.8%	1.4%	✓−
Fixed Income Credit	27.3	0.9%	<0%	<0%	✓−
Central	1.8				
TOTAL	**178.2**	**4.0%**	**4.0%**	**4.4%**	
Return on Regulatory Capital		**22%**	**24%**	**TBC**	

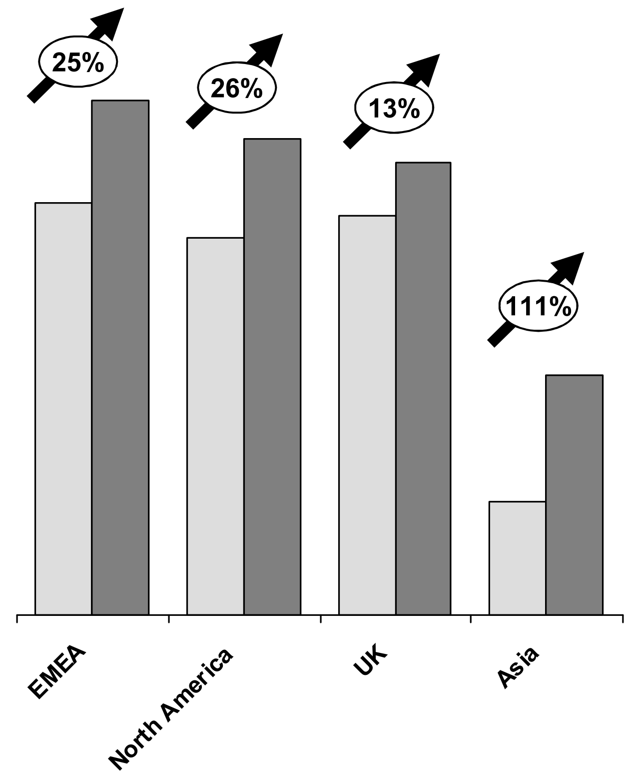
Contents

2007 performance provided a solid foundation to drive further growth across products and regions

Net Income by Product
£m



Client Franchise Contribution by Region
£m



Achieving our plans in 2008 and beyond rests on three pillars

Sustained organic growth	• Scale up existing businesses – including cross Barclays synergies • Seize breakout opportunities
Effective Resource Management	• Scaleable platforms with sustained cost and risk discipline • Capital constraints • Infrastructure synergies • Talent and culture
Principled approach to strategic opportunities	• Strategic fit • White spaces that maximize synergies • Disciplined business assimilation

Organic growth will draw on a portfolio of opportunities

Scaling Up

Regionalisation
- Asia
- Africa

Barclays synergies
- Wealth
- BGI
- Commercial Banking

Breakout

Step Change
- US
- Commodities
- Alternative assets (PIA & BPE)
- Prime Services

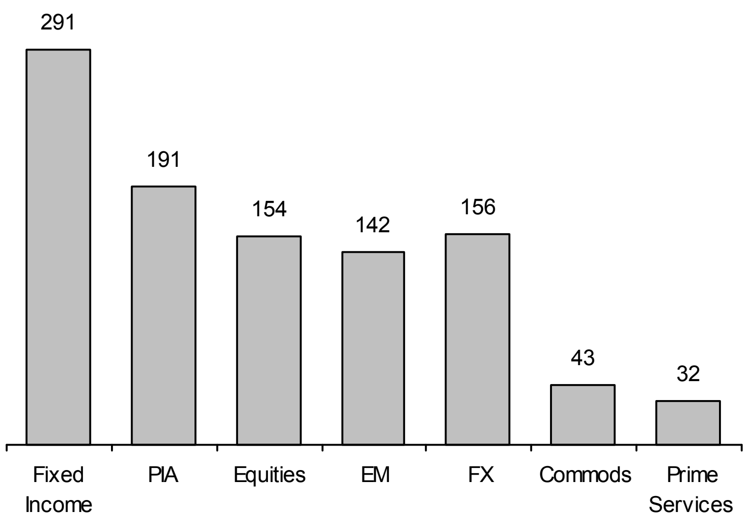
Structural Opportunities
- SWF
- Residential mortgages
- Structured credit

Asia is a key example of our efforts to drive regional growth based on global products

In 2007 BarCap continued its growth plans

- BarCap accounted for 75% of Barclays Asia income
- IB&IM accounted for 95% of Barclays Asia income

Barclays Capital Asia income 2007
£m



	Fixed Income	PIA	Equities	EM	FX	Commods	Prime Services
YoY Growth	**435%**	**14%**	**102%**	**33%**	**153%**	**22%**	**10%**

2008 Outlook and initiatives

- Build on market leading business in India and continue monetising in Japan
- Leverage relationships in China
- We have developed very strong relationships across government bodies, financial institutions and major corporates:
  - Government bodies
    - GIC (Govt of Singapore Inv Corp)
    - SAFE (Peoples Bank of China)
  - Financial institutions
    - Temasek
    - Norinchukin Bank
    - Sumitomo Trist & Banking
    - Shin Kong Life Insurance Co Ltd
  - Major corporates
    - Reliance Communication Ventures Ltd
    - Samsung Corporation
    - Publishing & Broadcasting Ltd

We see substantial potential to realise revenue synergies by cooperating across Barclays

Working with BGI

- Continued build out of iPath – Exchange Traded Note programme
  - Surpassed $5.0bn of investments since June 2006 launch
  - 12 new iPath ETNs launched during 2007 (16 total)
- Joint work in coverage of clients in key markets – including Sovereign Funds in the Middle East and Asia

Working with Wealth

- Continued progress in distribution of structured products to High Net Worth client base
  - Structured products sales via JV with Barclays Capital more than doubled in 2007 (vs. 2006)
- Launched FX JV between Wealth and Barclays Capital
  - Volume of BarCap FX through Wealth increased close to 30% in 2007 (vs. 2006)
- Ecommerce platform
  - BARX brand is leveraged by Barclays Stockbrokers
  - BARX Investor Solutions has been white labelled for retail structured notes

Working with BCB

- Making strong progress across interest rates and FX sales to Commercial Banking Customers
  - Overall Corporate Risk Advisory revenues have increased by a CAGR of 25% over the last 4 years
  - Strongest growth (CAGR of 48% over last 4 years) came from FX Derivatives

Still much more to be gained

Despite challenging markets, the US remains a focus for step change

2008 Outlook

- Several competitors are retrenching In the US – presenting a clear opportunity to win market share
- So far we have seen:
  - Strong flow platform established
  - Build out of Commodities business
  - Good progress in Leveraged Finance
- Going forward we expect:
  - Corporate funding environment to improve with time
  - Structured credit to evolve and present new opportunities
- 2008 is a transition year for credit
  - Mortgages
  - Structured credit

Overall see 2008 as a year to invest in our US businesses & win market share

- Invest to expand our businesses across product areas:
  - Leveraged Finance
  - Investment grade debt capital markets
  - Commodities - especially physical power and gas trading
  - Equities
  - Fixed Income
  - FX
  - Prime Services
- Also expect to expand geographic footprint:
  - Grow business in Canada
  - Establish office in Houston, Texas

We also see alternative assets as a key area to step up growth through a combination of 'build' and 'buy'

Overview of Barclays Private Equity (BPE) & Principal Investment Advisory (PIA) businesses

- 2007 revenues £320m
- Economic capital £800m, ROEC 44%
- Total AuM £5bn, including BPE recently launched fund for €2.5bn EUR
- Investors include important SWF's and institutional clients
- Alternatives are growing rapidly as an asset class and will continue to do so with the emergence of Sovereign Wealth Funds
- Providing clients with access to a world class alternatives platform is key to the development of the IBIM franchise
- Progress made with Qatari Investment Authority on bank and housebuilder baskets

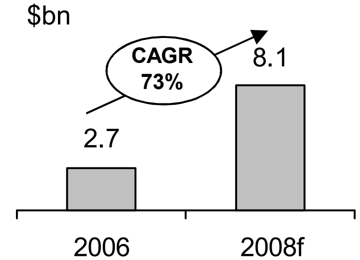
Plan is to expand business through build and buy strategy

- ***Build*** out of existing businesses
  - PIA and Commodities PIA (CPIA) to be leveraged with third party money
  - New team in India to be built
- ***Buy*** minority stakes in Private Equity businesses
  - Likely in US mid cap space
  - Replicate the success we are having with the NGP relationship

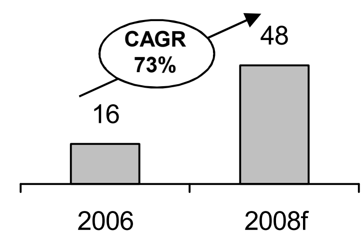
Case study for Commodities Principal Investment Advisory:

Investment in Natural Gas Partners (NGP) demonstrates the strength of the business's "Buy" strategy

AuM
$bn



Management fee income
$m



Background

- Barclays owns 40% of NGP (since Oct '06) – one of the top ranked private equity investors in north American oil and gas businesses
- 29% Return on Equity in 2007

Deal news

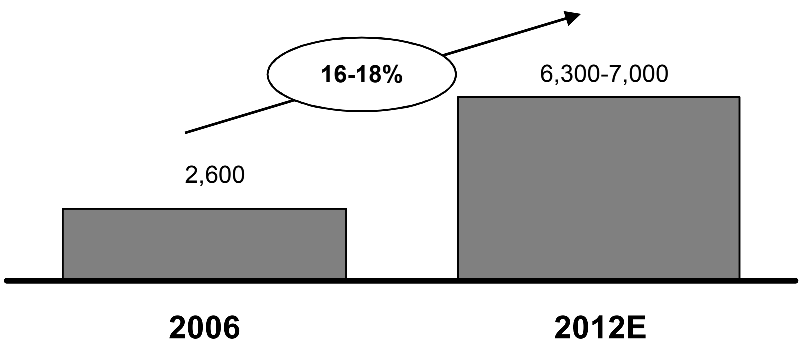
- Invested in partnership with them on Chrysaor (North Sea) and Imagin (US Coal)
- Barclays raised c.$500m for NGP Midstream & Resources from our clients. Barclays Pension and Barclays Wealth invested

Looking forward

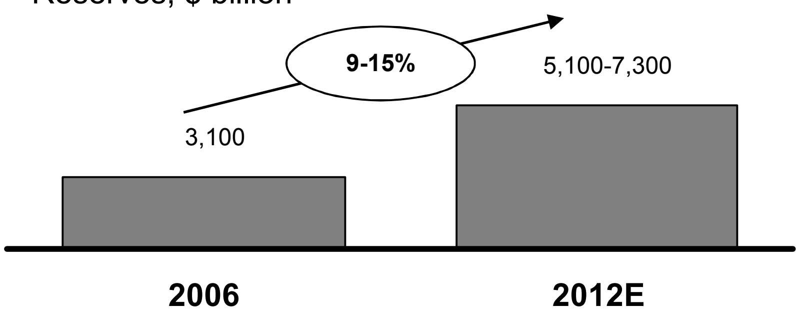
- NGP currently raising flagship fund NGP IX
  - Targeting $4bn AuM
  - Barclays coordinating non US investor meetings
- Expect Barclays to raise c.$300m for NGPIX from our clients.

Sovereign funds – due to their very rapid growth – present a large structural opportunity across IB&IM

Sovereign Funds
AuM, $ billion



Asian central banks
Reserves, $ billion



BARCLAYS CAPITAL

- Alternative assets
- Equity placement advisory
- Co-investment opportunities

BARCLAYS GLOBAL INVESTORS

- Alternative investments
- Scientific active
- Index / cash

BARCLAYS WEALTH

- Private financing opportunities
- Other private banking services

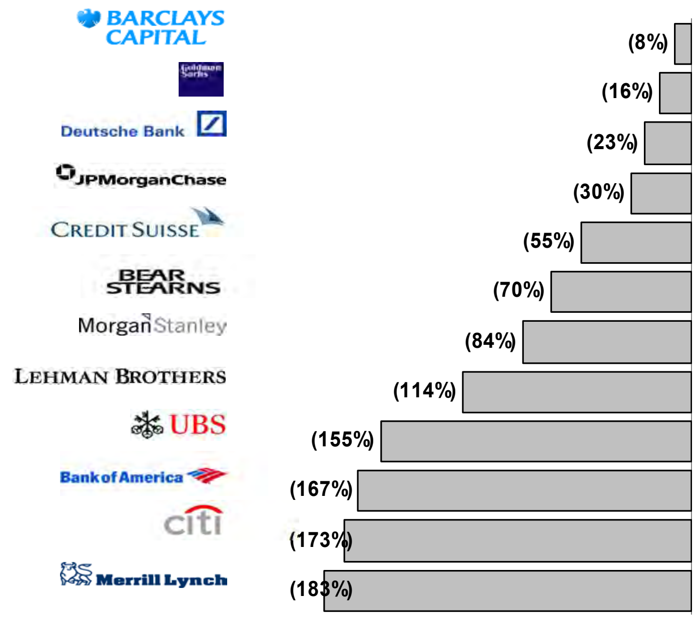
Cost and risk management will need to be robust to support top-line growth in the current volatile environment…

Robust Risk Management & Control

We have a very robust risk management and control framework

- Early identification of major risks and exposures – e.g., in the current crisis - enabling us to take mitigating action
- Transparency to the market - and high reporting standards
- Our focus on risk management and control as an integral part of our culture – reflected for instance in monthly Risk Review meetings with senior risk managers and management

2007 Trading Income Growth vs. DVaR growth – JAWS



Managing costs & improving efficiency

Our principle is fund growth as we go - by constantly looking for efficiency opportunities that will allow us to free up further resource for investment

Example: Project "TopCat", initiative launched to address firm-wide costs and create cost flexibility through 2008

- Reviewing major spend and investment items in light of changed environment
- Identified £200m in annual cost savings to-date across front and back office
- Next phase is to identify an additional £80m in cost savings

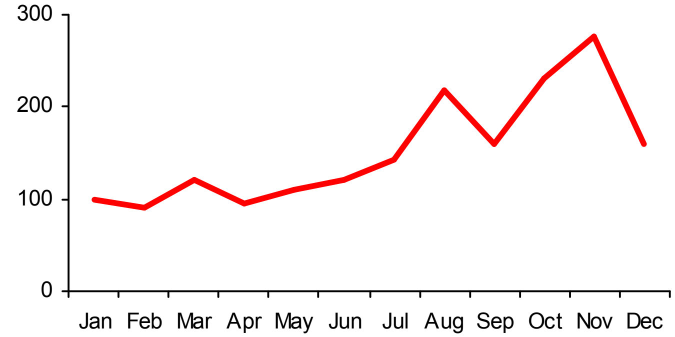
…and scaleable platforms will be a key enabler for this…

"Build to Last"

Key focus area for IT and Ops; especially in delivering STP capabilities across asset classes

- Robust Infrastructure allowed us to seize revenue opportunities in 2007 even as volumes peaked
- "Build to Last" has also served us well in coping with the increased complexity of our business

Example FX: MM 2007 Monthly Volumes
Index, 100=Jan 2007



Location strategy

Our location strategy is designed to reduce concentration risk while accessing diverse, global talent pools

- Regionalisation is a core growth component
- Infrastructure is a key enabler to expanding our regional footprint

Location strategy has driven cost efficiency:

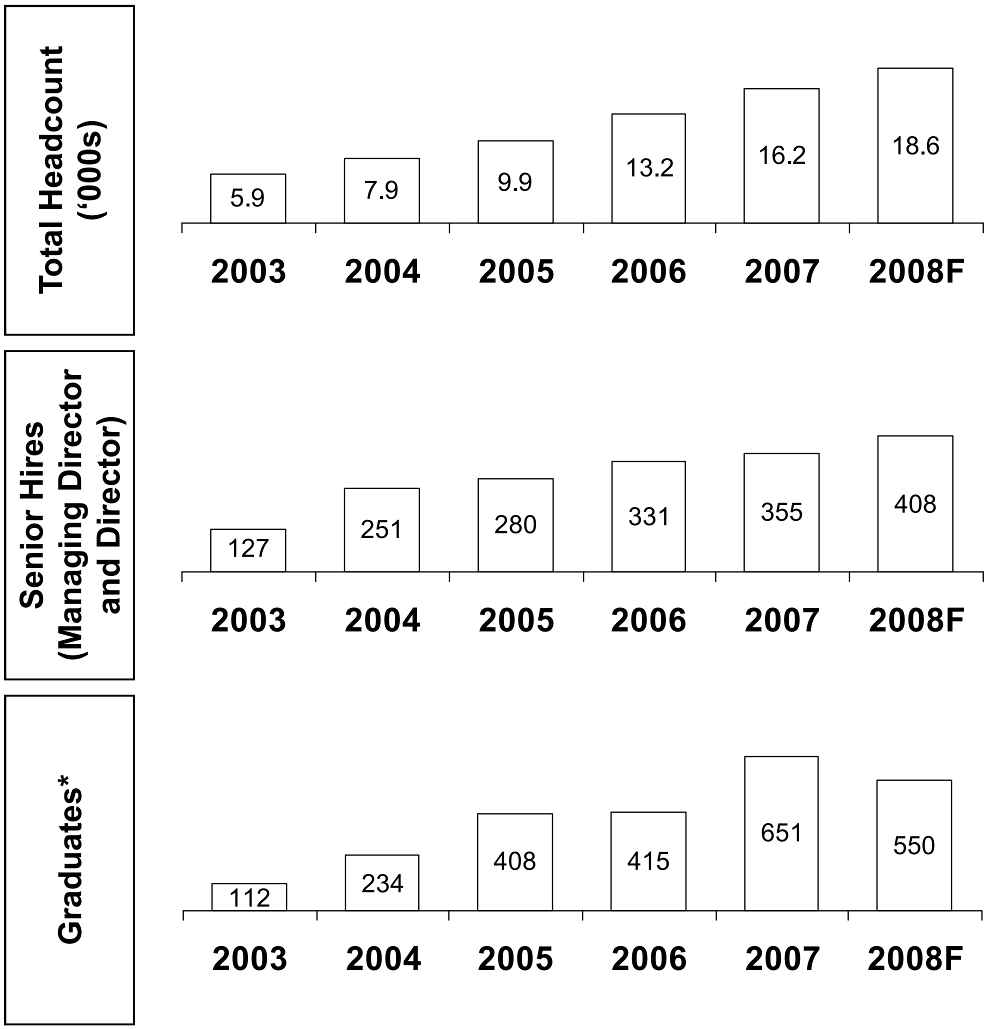
- Singapore is a hub for back office functions – IT, Operations and Finance
- By the end of 2007 we had migrated approximately 1,500 people to Singapore
- Since the process started in 2004, we have had cumulative savings of £64m

…and should enable us to us share infrastructure with Barclays Wealth and BGI in order to extract synergies

Platform synergies	BarCap	Wealth	BGI	Description/Examples
Real estate	✓	✓	✓	• Russia: Our new rep office will be primarily BarCap, with Wealth taking some seats, reducing overheads and providing Wealth access to a fast growing market • IBIM businesses co-located in Singapore
Technology	✓	✓	✓	• Datacentres: IBIM share facilities in London and BarCap & BGI share facilities in Tokyo and the US west coast, reducing marginal costs • Integrated platforms: Transitioned Wealth onto BarCap HR and Finance platforms • Groupwide Global Technology Sourcing has achieved £156m in savings since 2006
Branding, marketing, corporate communication	✓	✓	✓	• Combined marketing effort across Group ensures consistent branding approach & message for all clusters. Demonstrated through the success of the US branding programme (21 awards won in 2006-2007) & leveraging of sponsorships

Talent & Culture	BarCap	Wealth	BGI	Description/Examples
Risk Management	✓	✓	✓	• Working together to leverage capabilities: During the market upheavals BarCap PCG worked closely with BGI to revalue impaired SIV positions • Senior infrastructure management transferred from BarCap into Wealth
Recruitment	✓	✓	✓	• Topgrading: A common approach to recruiting and performance management enforces consistency • Recruitment: Joint events reduce costs, allow us to tap the broader talent market, and reinforce our shared brand equity

Underpinning our growth strategy is talent acquisition and retention - for which our grad program is key



Comments

- Maintaining our differentiator around talent and culture is key
- We have a first-class grad recruiting team and spend a lot of time and energy on ensuring we have a strong pipeline of new hires
- In 2007 we made approximately 650 campus hires (excluding summer interns) – a 6 times increase since 2003
- The acceptance rate for the Infra Grad Programme is 90% -- we are now clearly positioned as an employer of choice

* excludes summer interns

Absa Capital has delivered year on year revenue growth of 49%

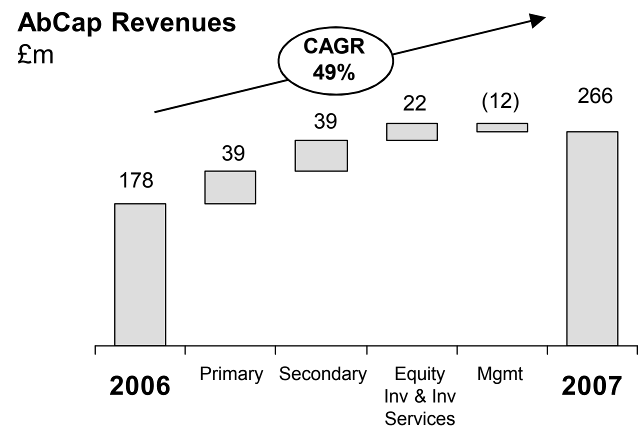
Barclays Capital works with Absa Capital to deliver increasingly successful results

Business synergies

- Successfully transformed Absa Capital business model to align with BarCap business model
- Implemented a dedicated Absa Capital infrastructure organisation
- Good progress on the Absa Capital / BarCap technology integration
- Implementation of BarCap processes and methodologies where appropriate
- Established close organisational and senior management linkages across Absa Capital and BarCap

Talent management

- Aggressive talent upgrading and development across front office and infrastructure areas
- Absa Capital Exco enhanced with BarCap personnel
- Launched the inaugural Absa Capital graduate recruitment programme



2007 successes

- Revenue growth of 49% and PBT growth 118%
- Became the 3rd largest investment bank in SA by revenue (up from 4th place in 2006)
- Received multiple industry awards
- Led or participated in a number of landmark transactions in SA
- Introduced a number of product “firsts” in to the SA market

Future plans

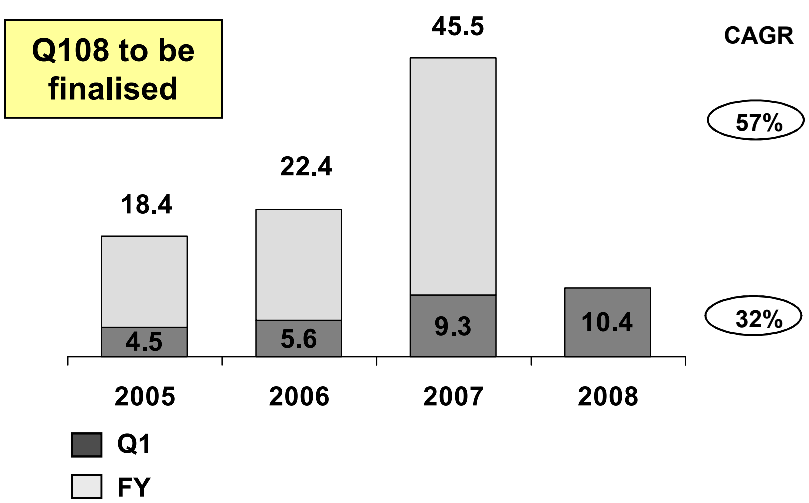
- Become the leading investment bank in SA by revenue and PBT (by 2010)
- Strongly expand business in the rest of Sub-Saharan Africa

We are making good progress across China, leveraging the strategic partnership with CDB

China Business

- Branch presence in Shanghai and Taiwan
- In process to secure RMB license next year
- Built partnership with New China Trust & Investment Co. (NCT) - in process of acquiring ~20% of NCT with option to increase further
- Deepened relationship with CDB, resulting in some landmark deals in China

China Client Franchise Contribution (£m)



CDB Strategic Partnership Progress

- **Commodities Co-operation**
  - MOU for a Strategic Alliance on Commodities signed in September 2007
  - Continue to make progress in developing a commodities business plan with CDB
  - Ongoing senior level engagement between banks
- **Risk Management and Financing**
  - In Dec 2007, Barclays Capital executed what is believed to be the first Credit Default Swap referencing a Chinese bank loan
    - Transaction is a milestone in the development of the Chinese credit derivatives market
    - Will help establish Barclays' position and reputation as the market leader in the Chinese credit derivatives space
  - Barclays Capital and CDB have been jointly mandated to arrange a ~US$260m term loan financing for a power plant development
    - This is a sovereign level financing guaranteed by the Ministry of Finance of Indonesia
    - Example of how Barclays and CDB can leverage combined product expertise and balance sheet strength in order to win mandates from a target client
- **ETFs**
  - Working on joint plans to distribute Exchange Traded Funds, in particular our iShares product, through the client base of CDB

Contents

We are pursuing several parallel efforts to alleviate capital constraints and create growth capacity

- RWAs required to support current revenue objectives is estimated to reach £206 in H2 2008 (versus a year end target of £188.5bn).

- To meet this constraint, we are intensifying our RWA management program, including the following key measures:
  - Steering businesses toward RWA scaleable/efficient structures where possible
  - Establishing tight RWA budgets with management teams
  - Driving improvements in reporting to support stronger RWA management
  - Accelerating model development for areas where, under Basel 2, we are still having to use the Standard Method

Managing our remaining credit exposures is a key strand of this effort

Barclays Capital credit market positions & related RWAs

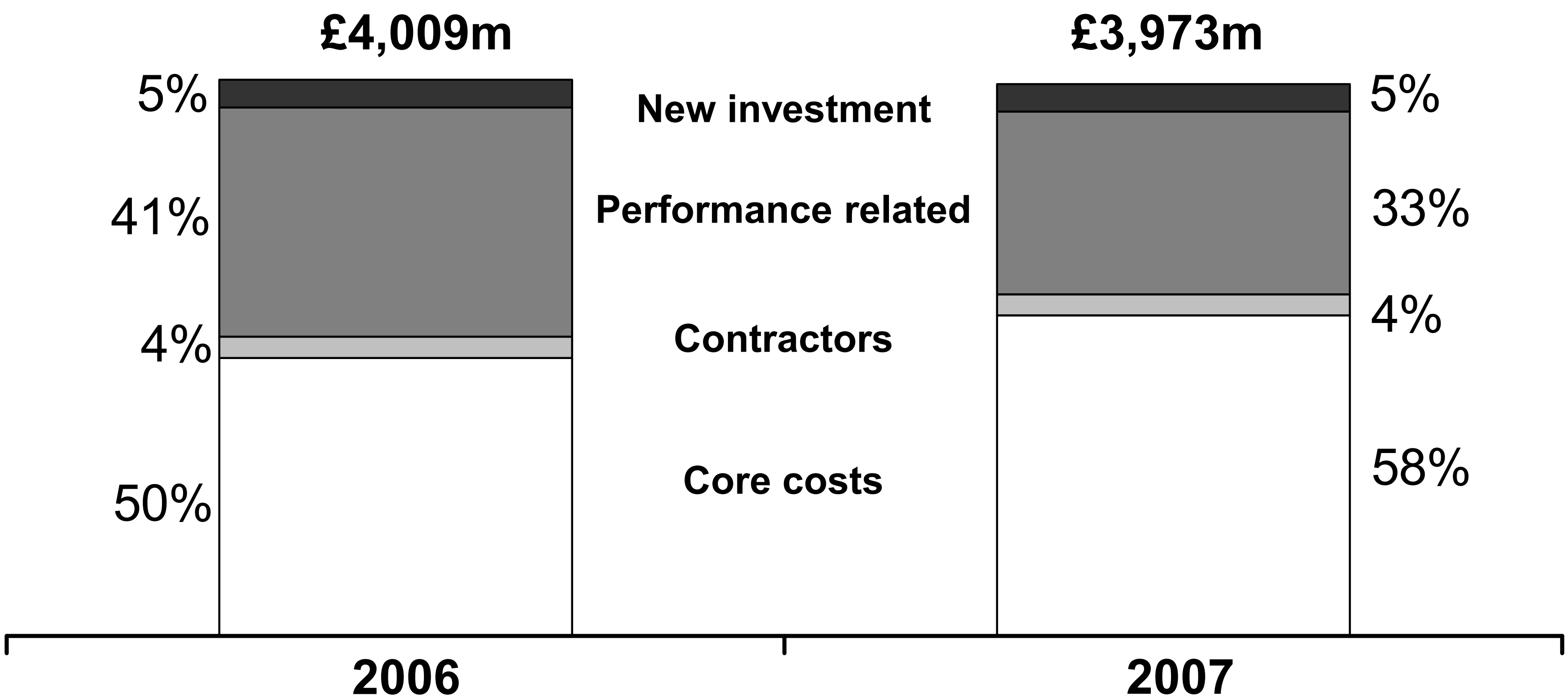
ABS CDO Super Senior	June 30 2007 (£)	Dec 31 2007 (£)	Feb 29 2008 (£)
High Grade	6,151	4,869	4,444
Mezzanine	1,629	1,149	1,016
Exposure before hedging	7,780	6,018	5,460
Hedges	-348	-1,347	-937
Net ABS CDO Super Senior	**7,432**	**4,671**	**4,523**
Other US subprime			
Whole loans	2,900	3,205	3,209
Other direct and indirect exposures	3,146	1,832	1,854
Other US subprime	**6,046**	**5,037**	**5,064**
Alt - A	3,760	4,916	4,859
Monoline insurers	140	1,335	2,044
Commercial mortgages	8,282	12,399	12,348
SIV-Lite liquidity facilities	692	152	82
Structured Investment Vehicles	925	590	554
Leveraged Finance			
Drawn Leveraged finance positions	7,317	7,368	7,315
RWAs related to these credit exposures	xxx	xxx	xxx

Awaiting these #s

In navigating the current turmoil, we also recognise the need for continued disciplined risk management …

	Challenges	Mitigation / Action
Markets	• Continued liquidity crunch	• Reduce dependency on unsecured liquidity by sourcing alternative secured funding while extending maturity profile of unsecured liabilities
	• Contagion across asset classes	• Continue diversification of our business has allowed us to balance losses in some areas with gains in others
	• Financial turmoil hitting real economy	• Develop operational flexibility to enable us to react quickly to changing circumstances
	• Continued closure of US mortgage securitisation market	• Amend underwriting criteria to meet FHA requirements to allow us to sell to FHA and other agencies • For non-FHA-confirming mortgages, underwrite to third party Whole Loan purchasers specifications to allow us to sell to these firms
Operations	• Stressed infrastructure	• Continue to control infrastructure processes, and build strong Business Recovery capability • Put in place derivatives architecture steering committee ➢ Data standardisation has started, scheduled for completion end 2008 ➢ Established standard communication structure between F/O and B/O ➢ Centralised data warehouse is under implementation
	• 'Rogue trader'	• Establish team culture, controls and daily monitoring of trading businesses • Tighten trader mandates, stop-loss & escalation processes
Business execution	• Increased reputational risk	• Continue to maintain good relationships & active dialogue with clients & regulators and develop tighter internal controls
	• Increased operational risk	• Develop operational flexibility to enable us to react quickly to changing circumstances • Continue to review processes & reporting to improve risk reporting, client valuations & to reflect cost of funds & term of assets
	• Increased market risk	• Maintain business model focussed on risk management, financing & client-driven business to enable out-performance in tougher markets, though we will still be negatively impacted • Incorporate stress tests and new risk measures to reflect new market conditions

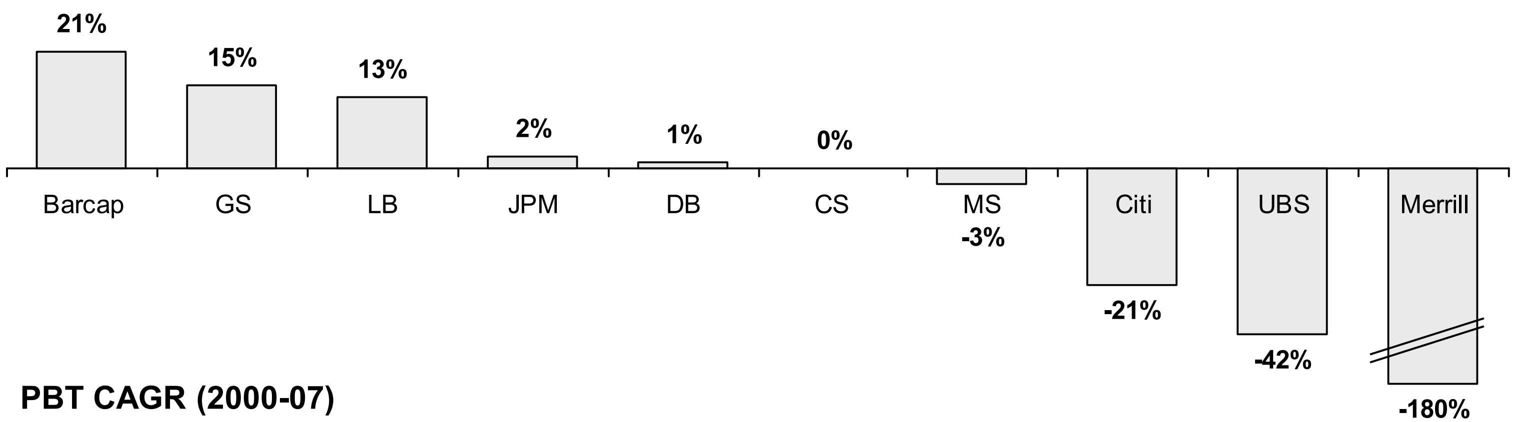
…as well as cost management, which will be helped by the flexibility of our cost base



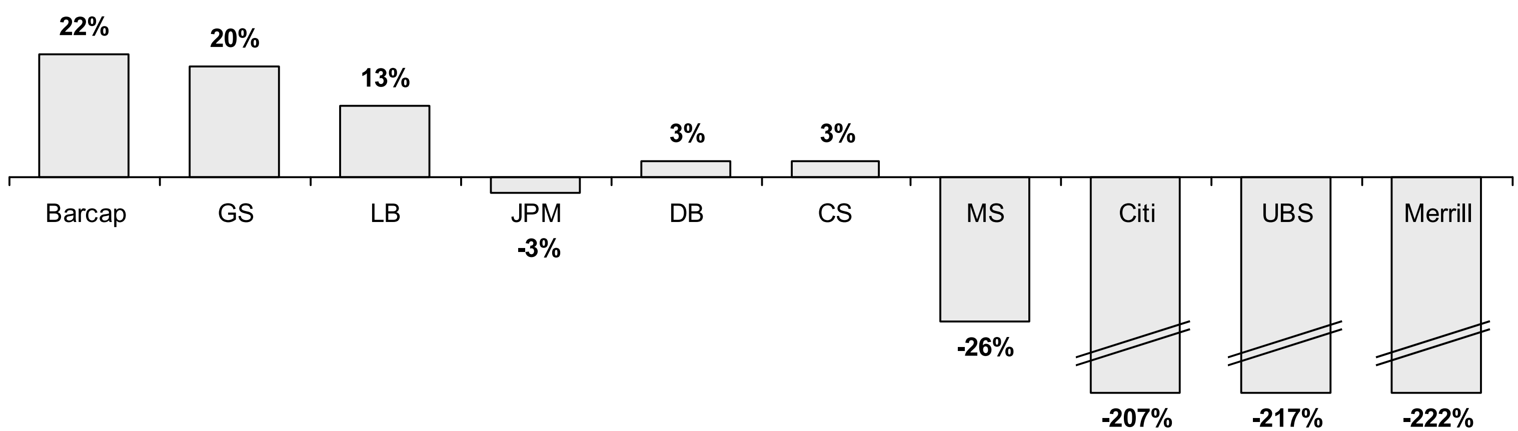
Contents

Through 2007, we have maintained growth rates ahead of our competitors in both revenue and PBT terms

Net Income CAGR (2000-07)

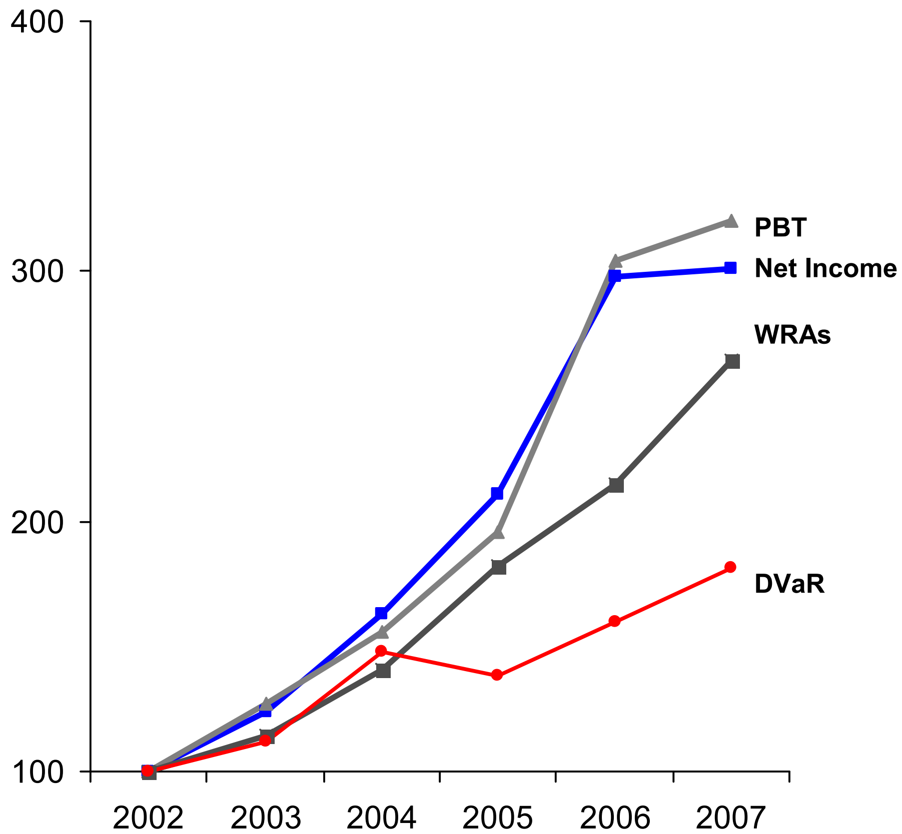


PBT CAGR (2000-07)

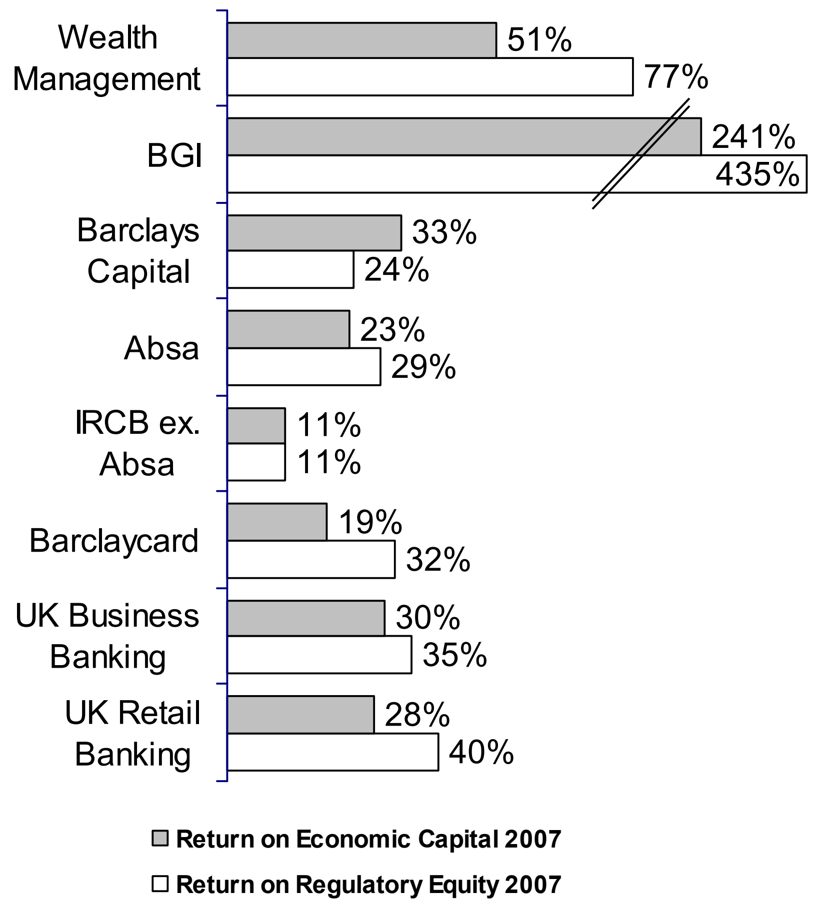


Despite challenges, we delivered returns of 33% on economic capital and 24% on regulatory equity

Barclays Capital – Index of Net Income, PBT and risk measures 2002-2007



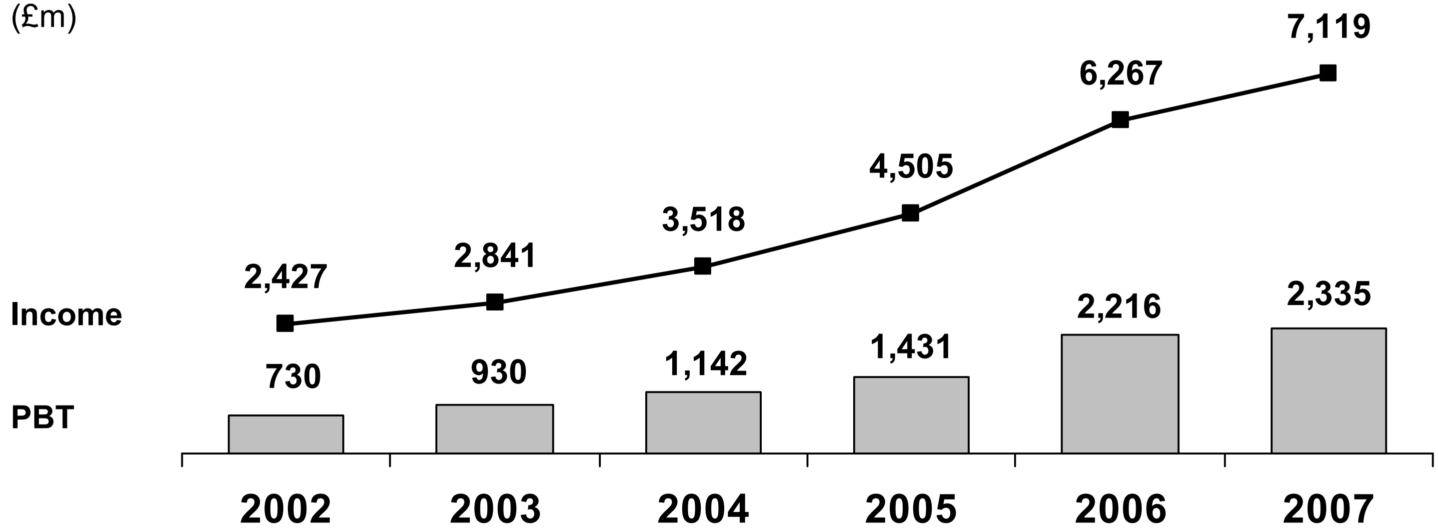
2007 returns by cluster across Barclays Group



Appendix

This performance in challenging market conditions reflects the continued resilience of our business model

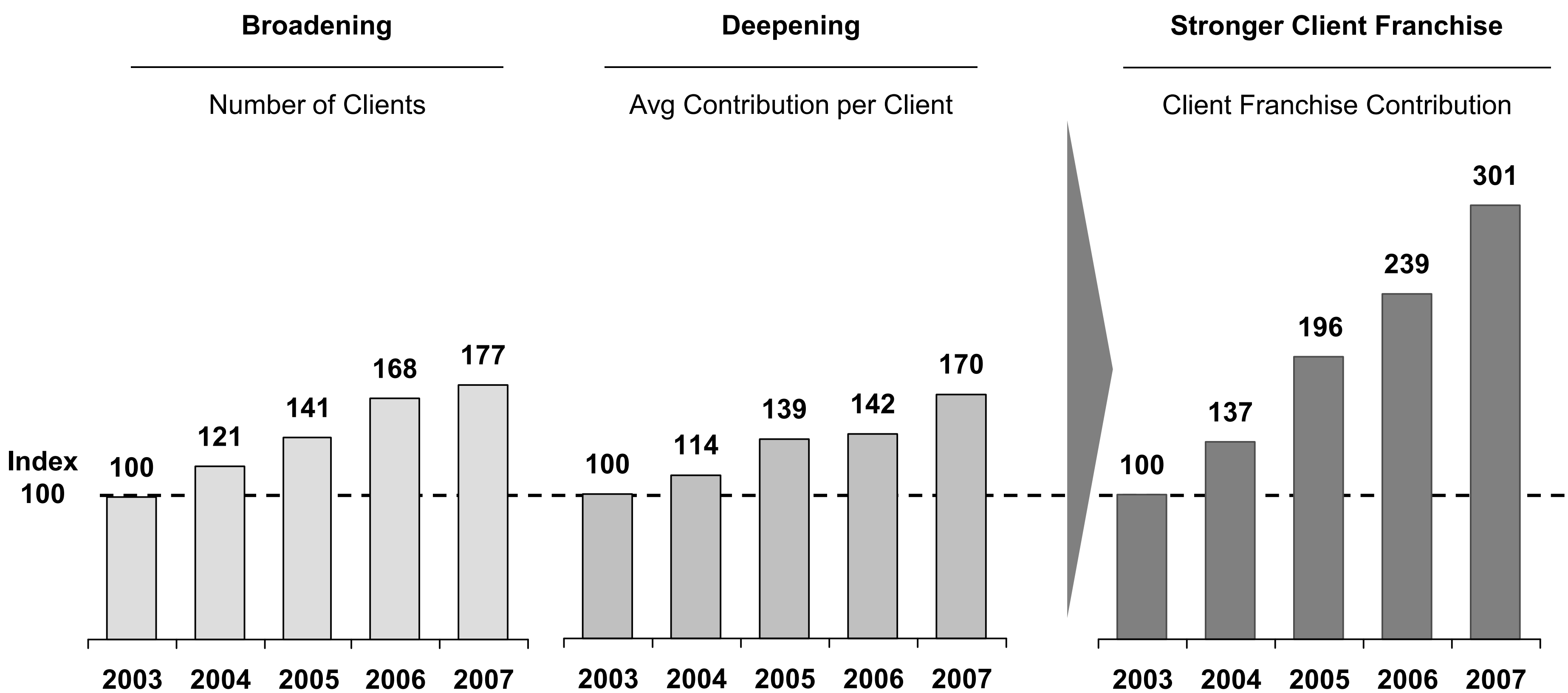
2002-2007 Investment Banking Income & PBT
(£m)



	2002	2003	2004	2005	2006	2007
Interest Rates	*Down*		*Up*	*Up*	*Up*	*Down*
Credit Spreads	*Up*	*Down*	*Down*	*Down*	*Down*	*Up*
Volatility	*Up*	*Down*	*Down*	*Down*	*Down*	*Up*
Equity Markets	*Down*	*Up*	*Up*	*Up*	*Up*	
M&A activity	*Down*		*Up*	*Up*	*Up*	*Up*
Inflation	*Down*		*Down*	*Up*	*Up*	*Up*

Our model continues to be client-centric, focused on broadening and deepening client relationships

Example: North America Region



Appendix

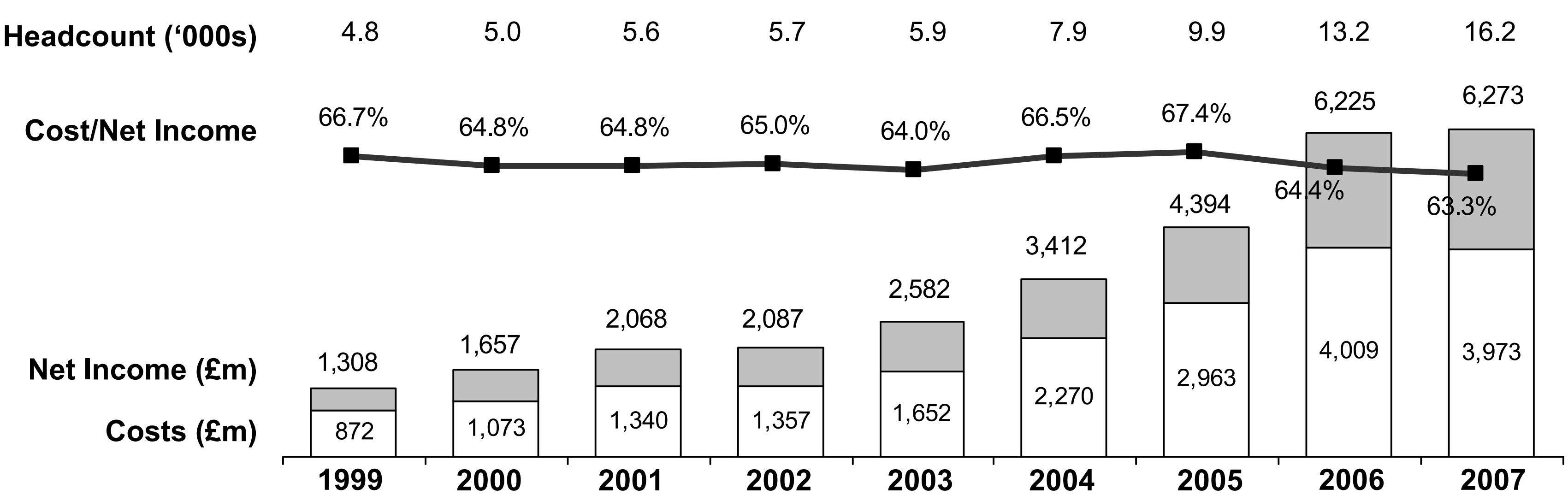
In 2007, Barclays' write-downs of £1.6b were at the lower end of the peer group

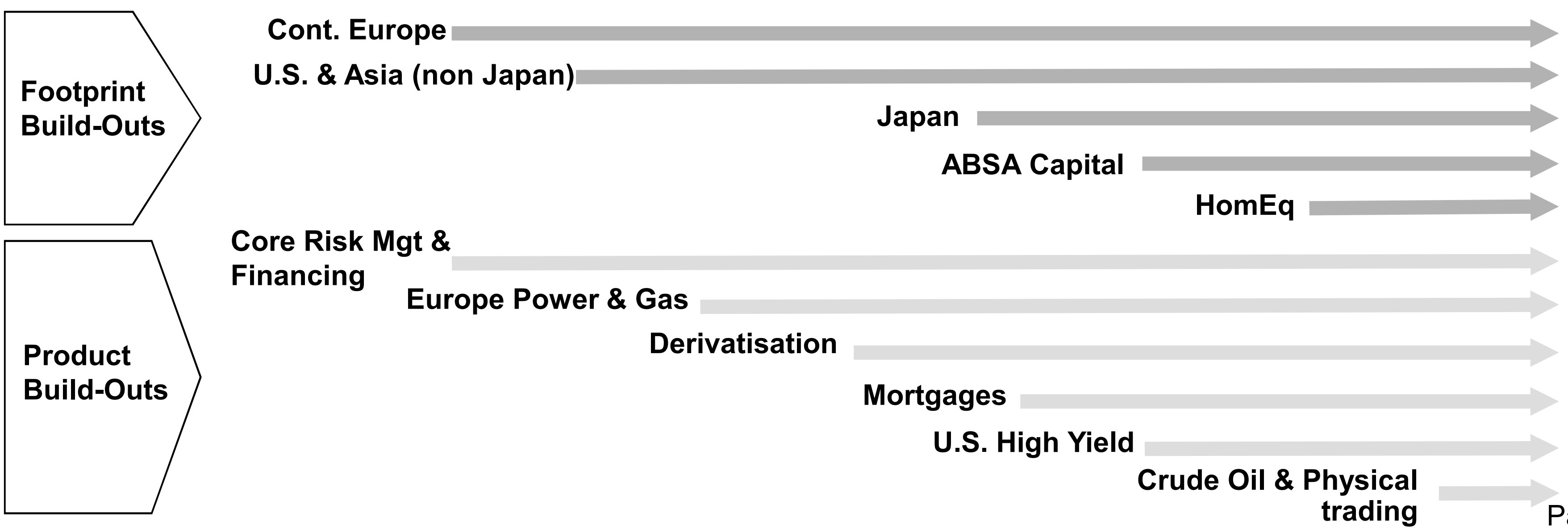
Total 2007 Peer Group Losses (£bn)

Bank	Investment Bank	Reserve/ Central	Fraud	Sub-total Losses	Consumer Banking	Total Losses
Citi	11.0			11.0	3.6	14.5
Merrill Lynch	11.6			11.6		11.6
UBS	9.0	0.3		9.3		9.3
Soc Generale	1.8		3.4	5.1		5.1
Morgan Stanley	5.0			5.0		5.0
Bank of America	3.3			3.3	0.9	4.2
Credit Agricole	2.8			2.8		2.8
RBS	1.9	0.8		2.7		2.7
JPMorgan	1.1			1.1	1.0	2.1
HSBC	1.1	(1.5)		(0.5)	2.6	2.1
Barclays	1.6			1.6		1.6
Deutsche Bank	1.6			1.6		1.6
Bear Stearns	1.2			1.2		1.2
Credit Suisse	1.0			1.0		1.0*
Lehmans	0.9			0.9		0.9
BNP Paribas	0.7			0.7	0.1	0.8
Goldman Sachs	0.7			0.7		0.7
Total	**56.2**	**(0.4)**	**3.4**	**59.2**	**8.2**	**67.3**

* Includes £0.5b of losses (CHF 1.2b) disclosed after CS results announcement and related to 2007; total additional losses disclosed after the results ran to CHF 2.9b

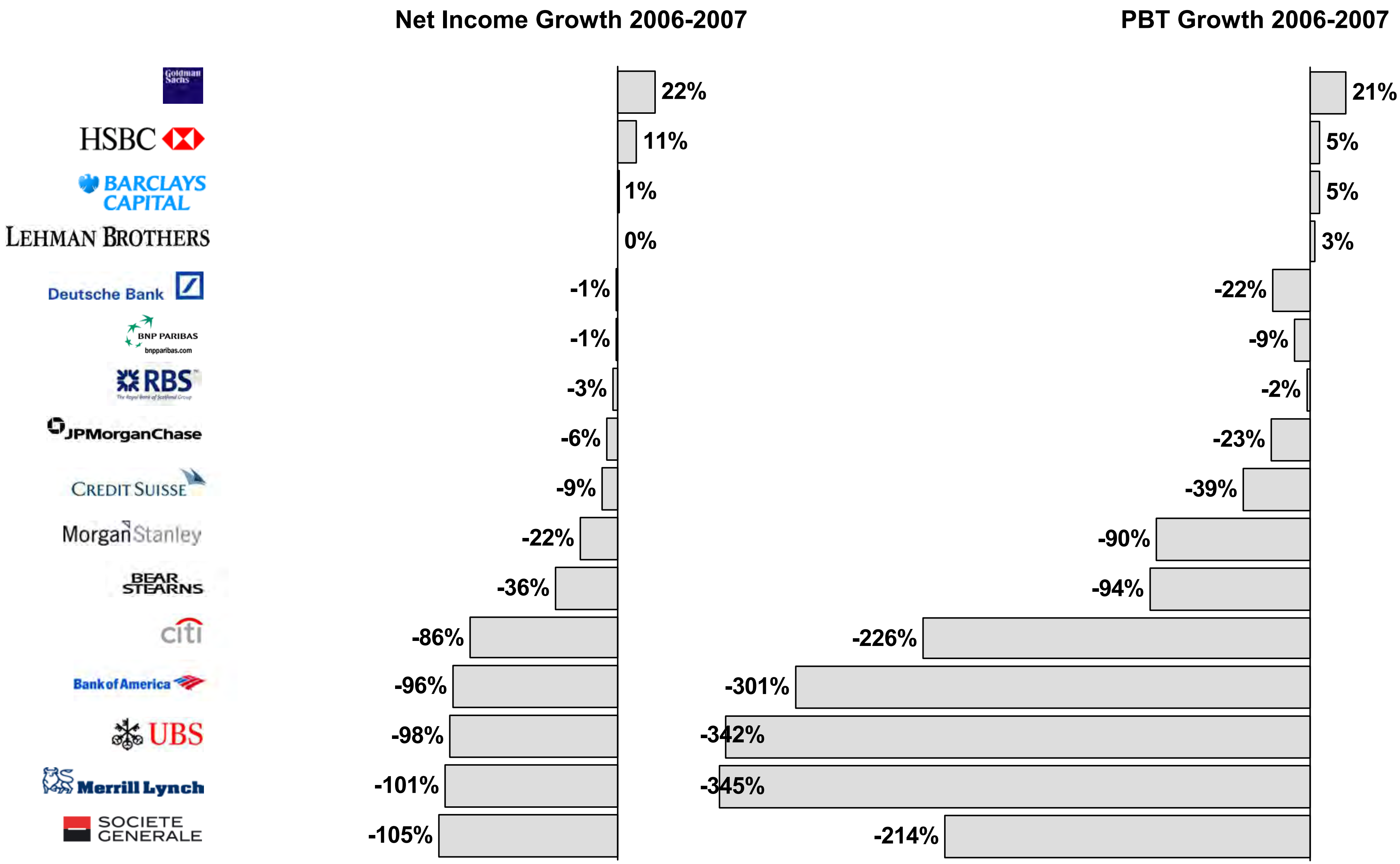
Management of operating costs continues to be based on a pay as you go philosophy to ensure sustainability





Appendix

Overall, in 2007, we were one of three banks to report positive Net Income and PBT growth…



Appendix

… and although in 2007 our DVaR grew faster than Trading Income, the discrepancy was the lowest in our peer group

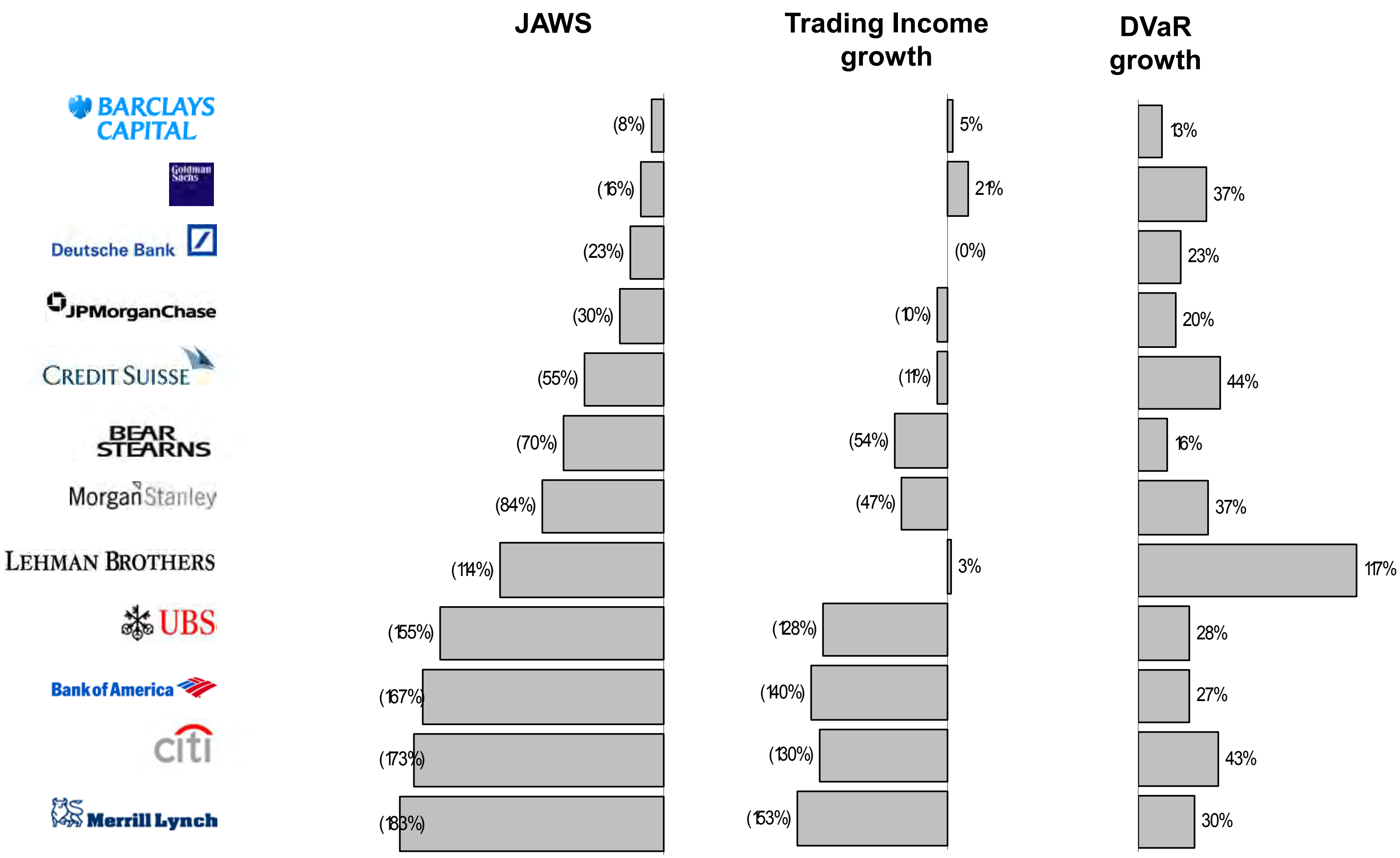


EXHIBIT 155

FILED UNDER SEAL

PAPER FOR BOARD MEETING ON THURSDAY 17 APRIL 2008

Agenda Item No.

2.4

TO:	The Directors
FROM:	Bob Diamond, Jerry del Missier and Rich Ricci
DATE:	11 April 2008
SUBJECT:	GROWTH POTENTIAL IN BARCLAYS CAPITAL

BARCLAYS CAPITAL

Barclays Capital – Update

Board Meeting
17 April 2008

Executive Summary

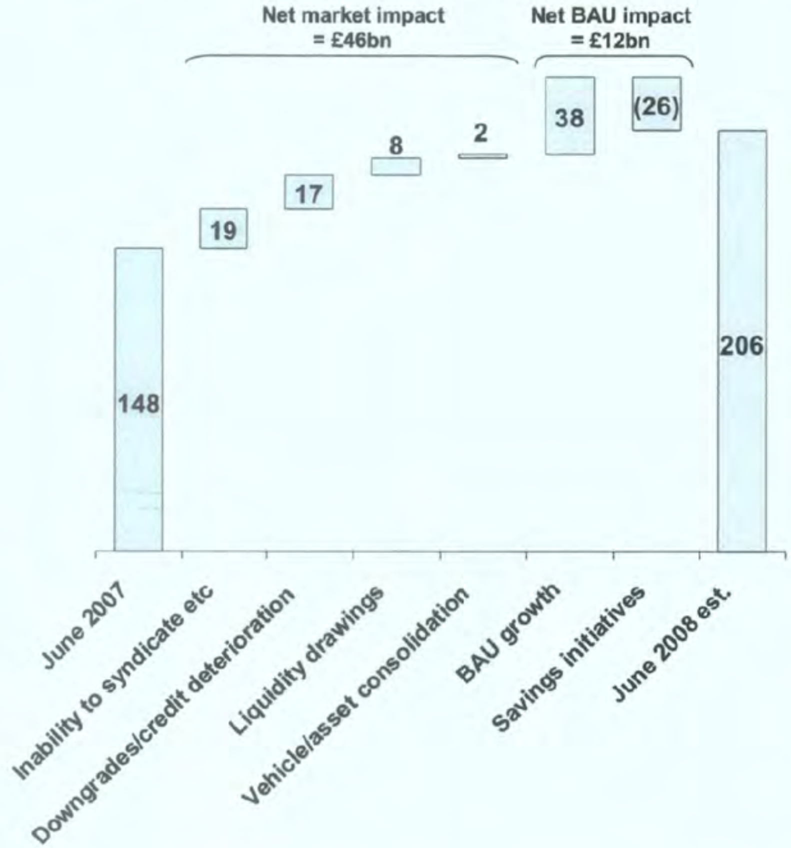
- Difficult market conditions are continuing across the investment banking and investment management industry
  - Sub prime excesses will take time to work out
  - Leveraged markets remain fragile as they struggle to clear deal overhang
  - Short term liquidity is improving but restoring normal market dynamics will take time
  - Banking industry continues to experience capital challenges
- YTD performance for Barclays Capital will be covered in the FD's monthly report
- In navigating through 2008's challenges, we have intensified our RWA management program and are in the process of reviewing our cost base and investment priorities
- We remain confident of our business model and the opportunities going forward
- We expect to emerge from this downturn in a strengthened competitive position, ready to progress our organic growth portfolio, e.g.:
  - Expand regional scale in Asia & Middle East/Africa
  - Drive synergies across Barclays
  - Invest to drive step changes in key businesses, such as the US, Commodities and Prime Services
  - Take advantage of structural opportunities, such as the emergence of Sovereign Funds and the China opportunity, driven by the CDB strategic partnership
- Organic growth will be underpinned by continued focus on leveraging our strong foundations – namely a disciplined approach to risk and cost management and scaleable platforms
- Finally, we will continue to execute on strategic opportunities driven by other areas of the Group (e.g. Absa, Russia) in addition to also finding bolt-on opportunities (e.g. brokerage in China, Prime Services)

Contents

2008 YTD

Difficult market conditions have had negative impact on our RWA and capital position

Barclays Capital RWAs
£bn



- Difficult market conditions continue to impact the investment banking and investment management sector
- These market conditions had a direct impact on the RWAs on a number of businesses - primarily Primary Credit, Principal Credit and Fixed Income Credit
- In total, market conditions added £46bn RWAs to our balance sheet due to the following broad factors:
  - inability to syndicate, securitise or sell down loans and warehoused assets (£19bn);
  - downgrades of securities/credit deterioration (£17bn);
  - drawings on liquidity facilities (£8bn);
  - consolidation of certain vehicles / assets (£2bn).
- Net BAU RWA impact was £12bn, comprising of:
  - BAU growth (£38bn);
  - Management actions including applying collateral, model development, data remediation etc. (£26bn)
- As a result, RWAs under Basle II are expected to hit £206bn by H1-end (H1 budget £184bn)
  - Flexibility to manage to the June forecast is subject to further work and dependent on the attitude of the FSA
  - Q1 RWAs will be £200bn. Year end budget is £189bn
- We are also working in Group ExCo on the assumption that the H1 RWA number across the group will have to be lower than currently forecast

2008 YTD

As a result, return on RWAs in 2007 was lower than in the past across a number of businesses

	RWAs - BII (£bn) Spot Dec 2007	Income / BI RWAs Ave 02-06	Income / BII RWAs 2007	Income / BII RWAs 2008B	2007/08 Income/RWAs vs. Ave 02-06
SCM/Private Equity	6.8	12.5%	22.4%	19.2%	⇧
Foreign Exchange	2.8	9.0%	16.9%	17.7%	⇧
Commodities	10.5	3.8%	8.4%	9.5%	⇧
Emerging Markets Rates	2.2	4.9%	8.3%	14.4%	⇧
Fixed Income Rates	14.5	4.1%	8.0%	9.7%	⇧
Prime Services	6.7	17.4%	6.2%	6.8%	⇩
Equities	12.4	3.2%	5.4%	6.3%	⇧
ABSA Capital	7.1	n/a - acquisition	3.8%	4.4%	n/a
Primary Credit	28.3	7.6%	4.3%	3.8%	⇩
Rates Portfolio	11.9	3.2%	2.2%	1.5%	⇩
Emerging Markets Credit	5.5	2.2%	1.9%	4.0%	⇔
Principal Credit	40.5	1.4%	1.8%	1.4%	⇔
Fixed Income Credit	27.3	0.9%	<0%	<0%	⇩
Central	1.8				
TOTAL INCOME / RWAs	**178.2**	**4.0%**	**4.0%**	**4.2%**	
PBT / RWAs		**1.3%**	**1.3%**	**1.4%**	
RETURN ON REGULATORY CAPITAL		**22%**	**24%**	**20%**	

Contents

We are pursuing several parallel efforts to alleviate capital constraints and create growth capacity

- RWAs required to support current revenue objectives are estimated to hit £206bn by 08 H1-end (versus a year end target of £189bn).
  - Flexibility to manage to the June forecast is subject to further work and dependent on the attitude of the FSA
- To meet this constraint, we are intensifying our RWA management program, including the following key measures:
  - Manage prioritisation to ensure efficient allocation of RWAs to growth opportunities and scaleable structures – clearly a topical issue for investors
  - Establishing tight RWA budgets with management teams
  - Driving improvements in reporting to support stronger RWA management
  - Accelerating model development for areas where, under Basel 2, we are still having to use the Standard Method
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Managing our remaining credit exposures is a key strand of this effort

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SIV-Lite liquidity facilities	692	152	82
Structured Investment Vehicles	925	590	554
Leveraged Finance			
Drawn Leveraged finance positions	7,317	7,368	7,315
Est. RWAs related to these credit exposures	£38.9bn	£54.4bn	£58.1bn

In navigating the current turmoil, we also recognise the need for continued disciplined risk management …

	Challenges	Mitigation / Action
Markets	• Continued liquidity crunch	• Reduce dependency on unsecured liquidity by sourcing alternative secured funding while extending maturity profile of unsecured liabilities
	• Contagion across asset classes	• Continue diversification of our business has allowed us to balance losses in some areas with gains in others
	• Financial turmoil hitting real economy	• Develop operational flexibility to enable us to react quickly to changing circumstances
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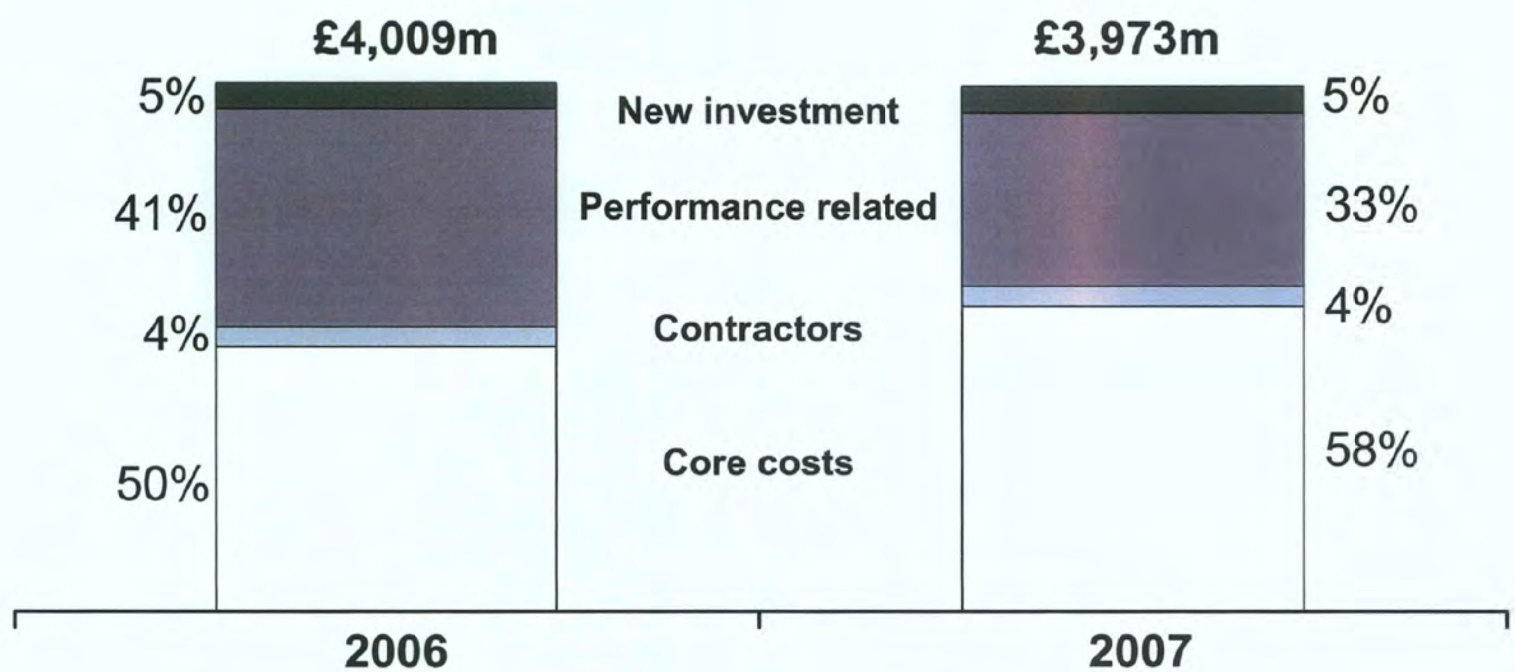

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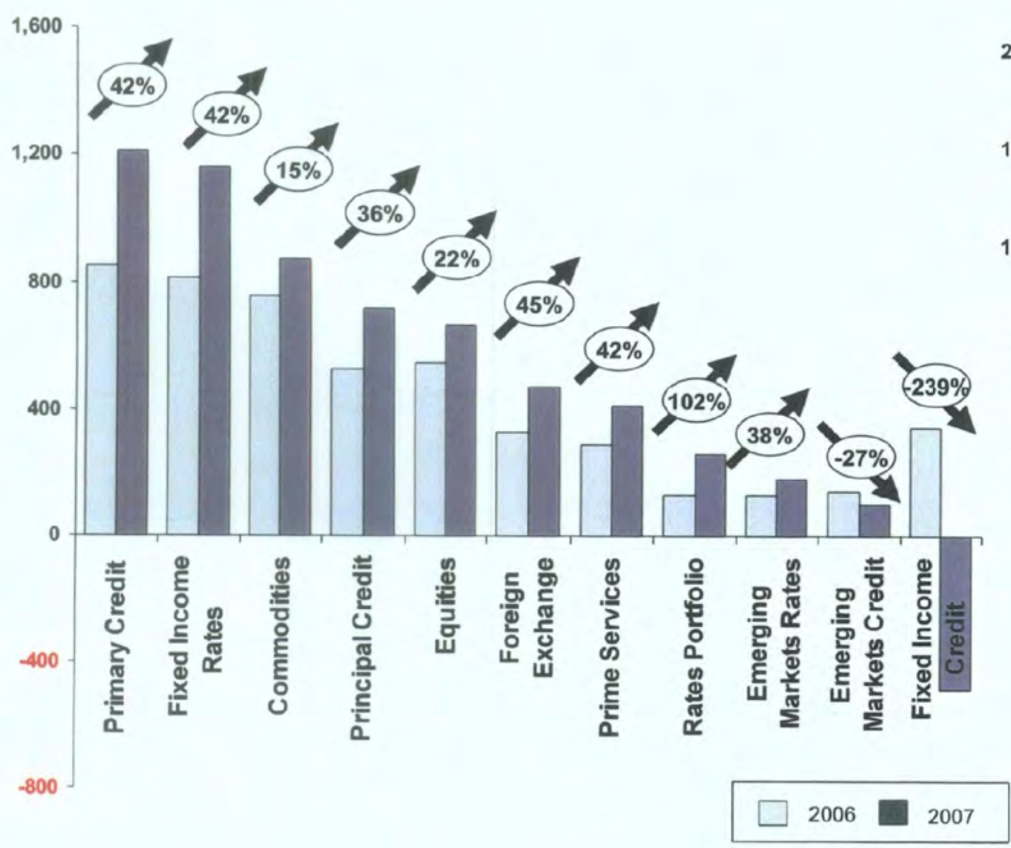
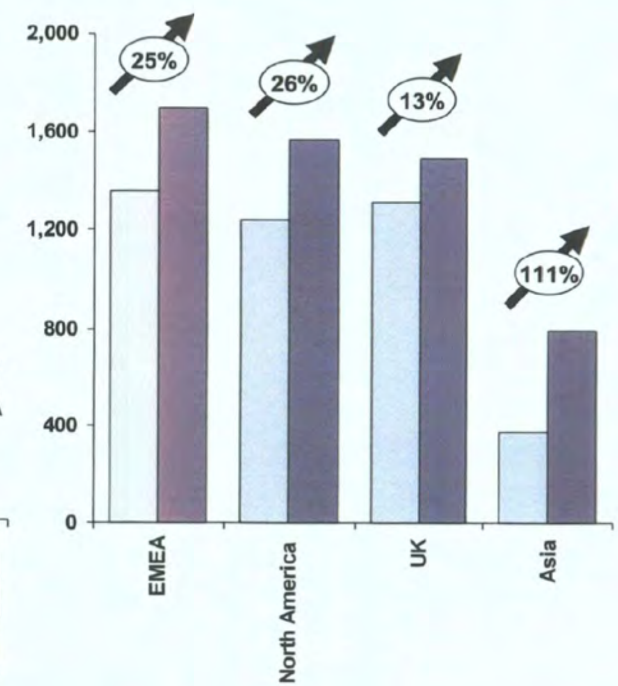
2007 performance provided a solid foundation to drive further growth across products and regions

Net Income by Product
£m



Client Franchise Contribution by Region
£m



Achieving our plans in 2008 and beyond rests on three pillars

Sustained organic growth
- Scale up existing businesses – including cross Barclays synergies
- Seize breakout opportunities

Effective Resource Management
- Scaleable platforms with sustained cost and risk discipline
- Capital constraints
- Infrastructure synergies
- Talent and culture

Principled approach to strategic opportunities
- Strategic fit
- White spaces that maximize synergies
- Disciplined business assimilation

Organic growth will draw on a portfolio of opportunities while ensuring continued adherence to Earn, Invest, Grow

Scaling Up

Regionalisation
- Asia
- Middle East / Africa

Barclays synergies
- Wealth
- BGI
- Commercial Banking

Breakout

Step Change
- US
- Commodities
- Alternative assets (PIA & BPE)
- Prime Services

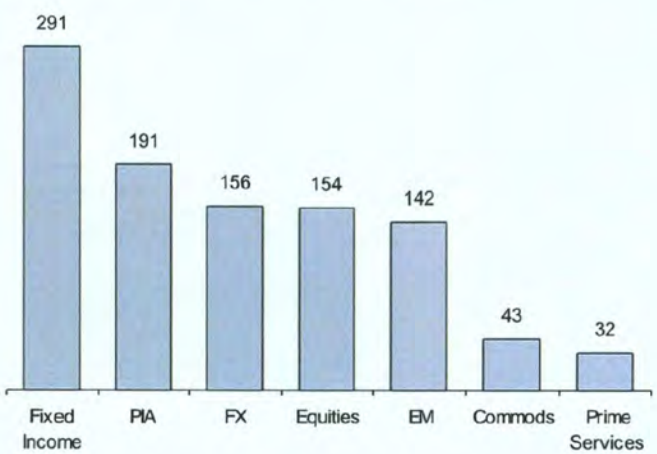
Structural Opportunities
- SWF and China/CDB opportunity
- Residential mortgages
- Structured credit

Asia is a key example of our efforts to drive regional growth based on global products

In 2007 BarCap continued its growth plans

- BarCap accounted for 75% of Barclays Asia income
- IB&IM accounted for 95% of Barclays Asia income

Barclays Capital Asia income 2007
£m



	Fixed Income	PIA	FX	Equities	EM	Commods	Prime Services
YoY Growth	**435%**	**14%**	**153%**	**102%**	**33%**	**22%**	**10%**

2008 Outlook and initiatives

- Build on market leading business in India and continue monetising in Japan
- Leverage relationships in China
- We have developed very strong relationships across state-owned entities, financial institutions and major corporates:
  - State-owned entities
    - GIC (Govt of Singapore Inv Corp)
    - SAFE (Peoples Bank of China)
    - Temasek (Singapore)
  - Financial institutions
    - Axis Bank (India)
    - Norinchukin Bank (Japan)
    - Sumitomo Trist & Banking (Japan)
    - Shin Kong Life Insurance Co Ltd (Taiwan)
  - Major corporates
    - Reliance Communication Ventures Ltd (India)
    - Samsung Corporation (Korea)
    - Publishing & Broadcasting Ltd (Australia)

We see substantial potential to realise revenue synergies by collaboration across Barclays

Working with BGI

- Continued build out of iPath – Exchange Traded Note programme
  - Surpassed $5.0bn of investments since June 2006 launch
  - 12 new iPath ETNs launched during 2007 (16 total)
- Joint work in coverage of clients in key markets – including Sovereign Funds in the Middle East and Asia

Working with Wealth

- Continued progress in distribution of structured products to High Net Worth client base
  - Structured products sales via JV with Barclays Capital more than doubled in 2007 (vs. 2006)
- Launched FX JV between Wealth and Barclays Capital
  - Volume of BarCap FX through Wealth increased close to 30% in 2007 (vs. 2006)
- Ecommerce platform
  - BARX brand is leveraged by Barclays Stockbrokers
  - BARX Investor Solutions has been white labelled for retail structured notes

Working with GRCB

BCB

- Made strong progress across interest rates and FX sales to Commercial Banking Customers
  - Overall Corporate Risk Advisory revenues have increased by a CAGR of 25% over the last 4 years
  - Strongest growth (CAGR of 48% over last 4 years) came from FX Derivatives

IRCB Spain

- Barclays Capital and IRCB have partnered in Spain to provide product solutions and services to larger commercial bank clients
  - Over the past 3 years, revenues from this client base have grown approx. 100% annually
  - This growth has been driven by core Barclays Capital financing and risk management products

Still much more to be gained

Despite challenging markets, the US remains a focus for step change

2008 Outlook

- Several competitors are retrenching In the US – presenting a clear opportunity to win market share
- So far we have seen:
  - Strong flow platform established
  - Build out of Commodities business
  - Good progress in Leveraged Finance
- Going forward we expect:
  - Corporate funding environment to improve with time
  - Structured credit to evolve and present new opportunities
- 2008 is a transition year for credit
  - Mortgages
  - Structured credit

Overall see 2008 as a year to invest in our US businesses & win market share

- Invest to expand our businesses across product areas:
  - Leveraged Finance
  - Investment grade debt capital markets
  - Commodities - especially physical power and gas trading
  - Equities
  - Fixed Income
  - FX
  - Prime Services
- Also expect to expand geographic footprint:
  - Grow business in Canada
  - Establish office in Houston, Texas

We also see alternative assets as a key area to step up growth through a combination of 'build' and 'buy'

Overview of Barclays Private Equity (BPE) & Principal Investment Advisory (PIA) businesses

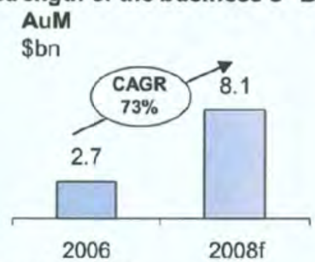
- 2007 revenues £320m
- Economic capital £800m, ROEC 44%
- Total AuM £5bn, including BPE recently launched fund for €2.5bn EUR
- Investors include important SWF's and institutional clients
- Alternatives are growing rapidly as an asset class and will continue to do so with the emergence of Sovereign Wealth Funds
- Providing clients with access to a world class alternatives platform is key to the development of the IBIM franchise
- Progress made with Qatari Investment Authority on bank and housebuilder baskets

Plan is to expand business through build and buy strategy

- ***Build*** out of existing businesses
  - ➢ PIA and Commodities PIA (CPIA) to be leveraged with third party money
  - ➢ New team in India to be built
- ***Buy*** minority stakes in Private Equity businesses
  - ➢ Likely in US mid cap space
  - ➢ Replicate the success we are having with the NGP relationship

Case study for Commodities Principal Investment Advisory:

Investment in Natural Gas Partners (NGP) demonstrates the strength of the business's "Buy" strategy



Background

- Barclays owns 40% of NGP (since Oct '06) – one of the top ranked private equity investors in north American oil and gas businesses
- 29% Return on Equity in 2007

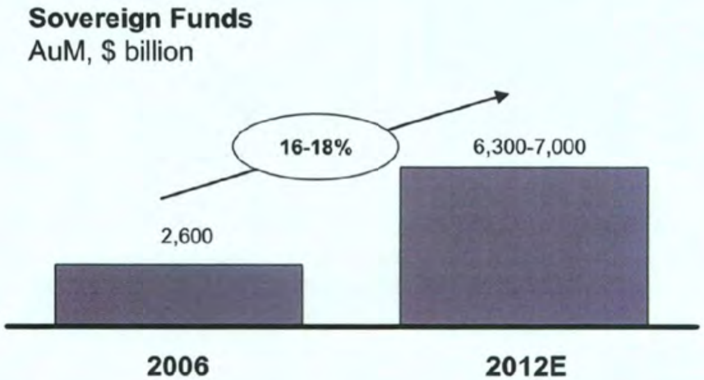
Deal news

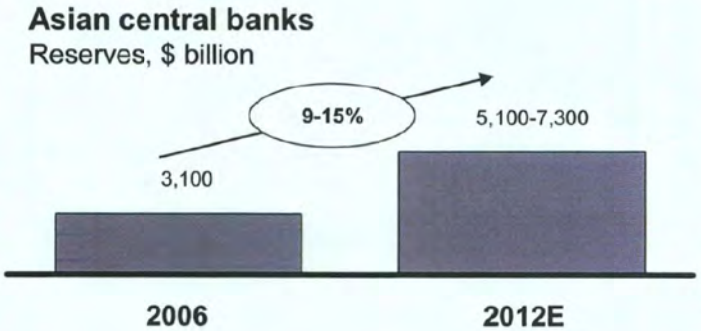
- Invested in partnership with them on Chrysaor (North Sea) and Imagin (US Coal)
- Barclays raised c.$500m for NGP Midstream & Resources from our clients. Barclays Pension and Barclays Wealth invested

Looking forward

- NGP currently raising flagship fund NGP IX
  - ➢ Targeting $4bn AuM
  - ➢ Barclays coordinating non US investor meetings
- Expect Barclays to raise c.$300m for NGPIX from our clients.

Sovereign funds – due to their very rapid growth – present a large structural opportunity across IB&IM





BARCLAYS CAPITAL

- Alternative assets
- Equity placement advisory
- Co-investment opportunities

BARCLAYS GLOBAL INVESTORS

- Alternative investments
- Scientific active
- Index / cash

BARCLAYS WEALTH

- Private financing opportunities
- Other private banking services

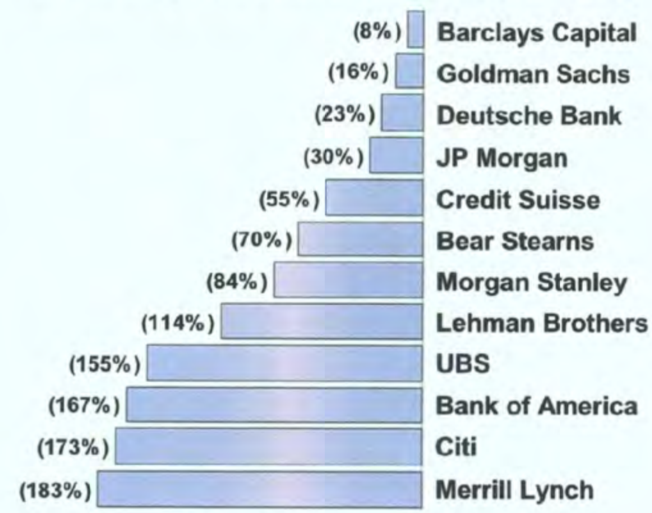
Cost and risk management will need to be robust to support top-line growth in the current volatile environment…

Robust Risk Management & Control

We have a very robust risk management and control framework

- Early identification of major risks and exposures – e.g., in the current crisis - enabling us to take mitigating action
- Transparency to the market - and high reporting standards
- Our focus on risk management and control as an integral part of our culture – reflected for instance in monthly Risk Review meetings with senior risk managers and management

2007 Trading Income Growth vs. DVaR growth – JAWS



Managing costs & improving efficiency

Our principle is fund growth as we go - by constantly looking for efficiency opportunities that will allow us to free up further resource for investment

Example: Project "TopCat", initiative launched to address firm-wide costs and create cost flexibility through 2008

- Reviewing major spend and investment items in light of changed environment
- Identified £200m in annual cost savings to-date across front and back office
- Next phase is to identify an additional £80m in cost savings

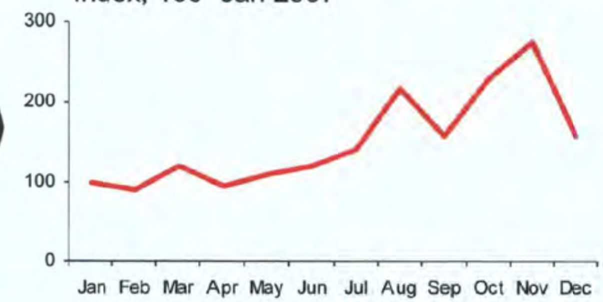
…and scaleable platforms will be a key enabler for this…

"Build to Last"

Key focus area for IT and Ops; especially in delivering STP capabilities across asset classes

- Robust Infrastructure allowed us to seize revenue opportunities in 2007 even as volumes peaked
- "Build to Last" has also served us well in coping with the increased complexity of our business

Example FX: MM 2007 Monthly Volumes
Index, 100=Jan 2007



Location strategy

Our location strategy is designed to reduce concentration risk while accessing diverse, global talent pools

- Regionalisation is a core growth component
- Infrastructure is a key enabler to expanding our regional footprint

Location strategy has driven cost efficiency:

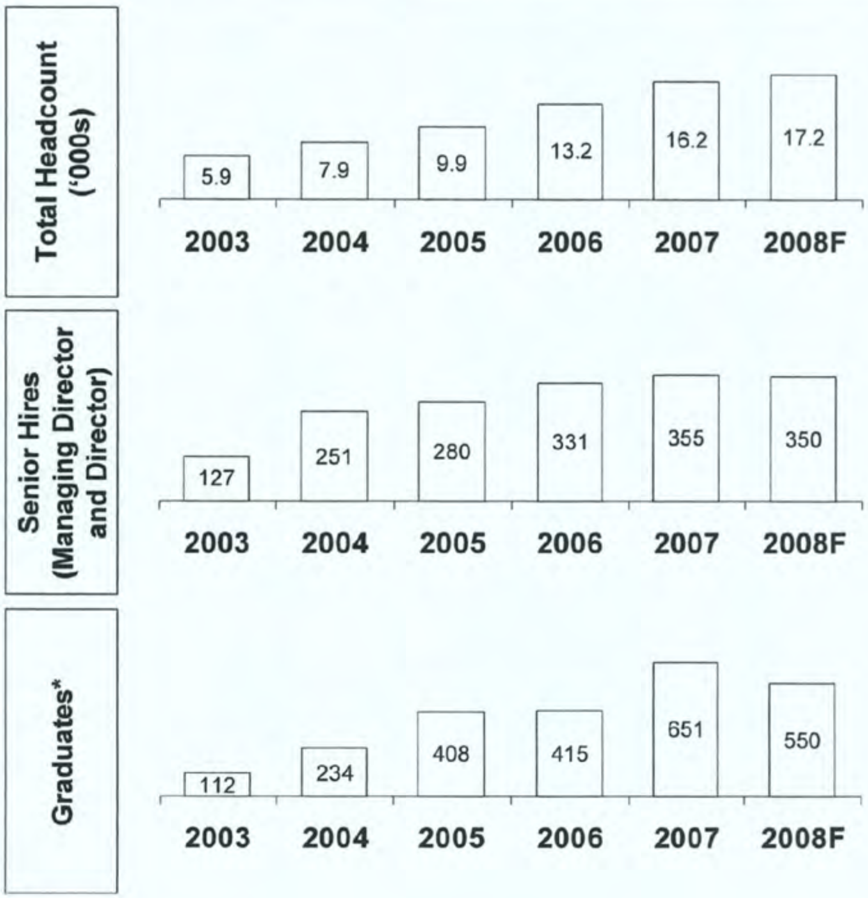
- Singapore is a hub for back office functions – IT, Operations and Finance
- By the end of 2007 we had migrated approximately 1,500 people to Singapore
- Since the process started in 2004, we have had cumulative savings of £64m

…and should enable us to us share infrastructure with Barclays Wealth and BGI in order to extract synergies

Platform synergies	BarCap	Wealth	BGI	Description/Examples
Real estate	✓	✓	✓	• Russia: Our new rep office will be primarily BarCap, with Wealth taking some seats, reducing overheads and providing Wealth access to a fast growing market • IBIM businesses co-located in Singapore
Technology	✓	✓	✓	• Datacentres: IBIM share facilities in London and BarCap & BGI share facilities in Tokyo and the US west coast, reducing marginal costs • Integrated platforms: Transitioned Wealth onto BarCap HR and Finance platforms • Groupwide Global Technology Sourcing has achieved £156m in savings since 2006
Branding, marketing, corporate communication	✓	✓	✓	• Combined marketing effort across Group ensures consistent branding approach & message for all clusters. Demonstrated through the success of the US branding programme (21 awards won in 2006-2007) & leveraging of sponsorships

Talent & Culture	BarCap	Wealth	BGI	Description/Examples
Risk Management	✓	✓	✓	• Working together to leverage capabilities: During the market upheavals BarCap PCG worked closely with BGI to revalue impaired SIV positions • Senior infrastructure management transferred from BarCap into Wealth
Recruitment	✓	✓	✓	• Topgrading: A common approach to recruiting and performance management enforces consistency • Recruitment: Joint events reduce costs, allow us to tap the broader talent market, and reinforce our shared brand equity

Underpinning our growth strategy is talent acquisition and retention - for which our grad program is key



Comments

- Maintaining our differentiator around talent and culture is key
- We will continue to introduce new talent and will balance growth opportunities with the need to deliver performance and manage costs
- Key source of talent will continue to be our grad program which ensures a strong pipeline of new hires
- In 2007 we made approximately 650 campus hires (excluding summer interns) – a 6 times increase since 2003
- The acceptance rate for the Infra Grad Programme is 90% -- we are now clearly positioned as an employer of choice

* excludes summer interns

Absa Capital has delivered year on year revenue growth of 49%

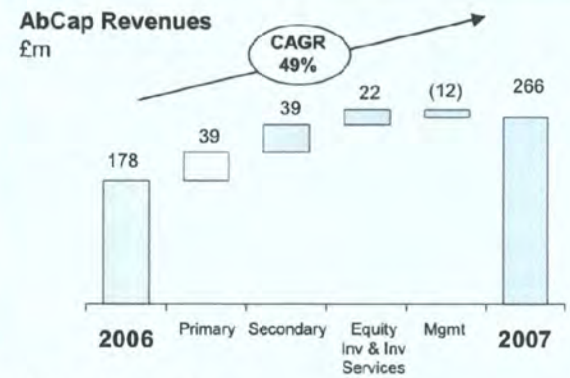
Barclays Capital works with Absa Capital to deliver increasingly successful results

Business synergies

- Successfully transformed Absa Capital business model to align with BarCap business model
- Implemented a dedicated Absa Capital infrastructure organisation
- Good progress on the Absa Capital / BarCap technology integration
- Implementation of BarCap processes and methodologies where appropriate
- Established close organisational and senior management linkages across Absa Capital and BarCap

Talent management

- Aggressive talent upgrading and development across front office and infrastructure areas
- Absa Capital Exco enhanced with BarCap personnel
- Launched the inaugural Absa Capital graduate recruitment programme



2007 successes

- Revenue growth of 49% and PBT growth 118%
- Became the 3rd largest investment bank in SA by revenue (up from 4th place in 2006)
- Received multiple industry awards
- Led or participated in a number of landmark transactions in SA
- Introduced a number of product "firsts" in to the SA market

Future plans

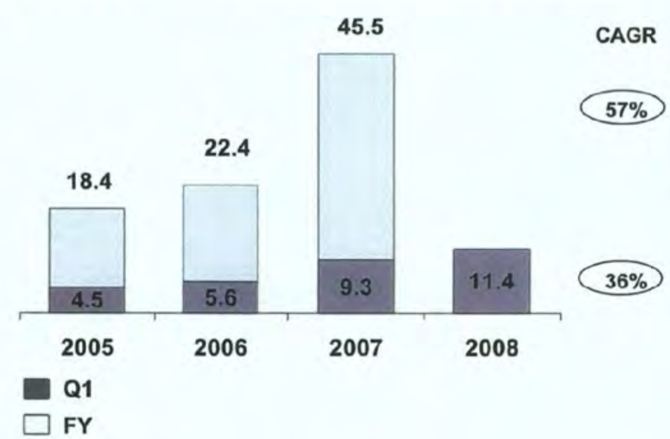
- Become the leading investment bank in SA by revenue and PBT (by 2010)
- Strongly expand business in the rest of Sub-Saharan Africa

We are making good progress across China, leveraging the strategic partnership with CDB

China Business

- Branch presence in Shanghai and Taiwan
- In process to secure RMB license next year
- Built partnership with New China Trust & Investment Co. (NCT) - in process of acquiring ~20% of NCT with option to increase further
- Deepened relationship with CDB, resulting in some landmark deals in China

China Client Franchise Contribution (£m)



CDB Strategic Partnership Progress

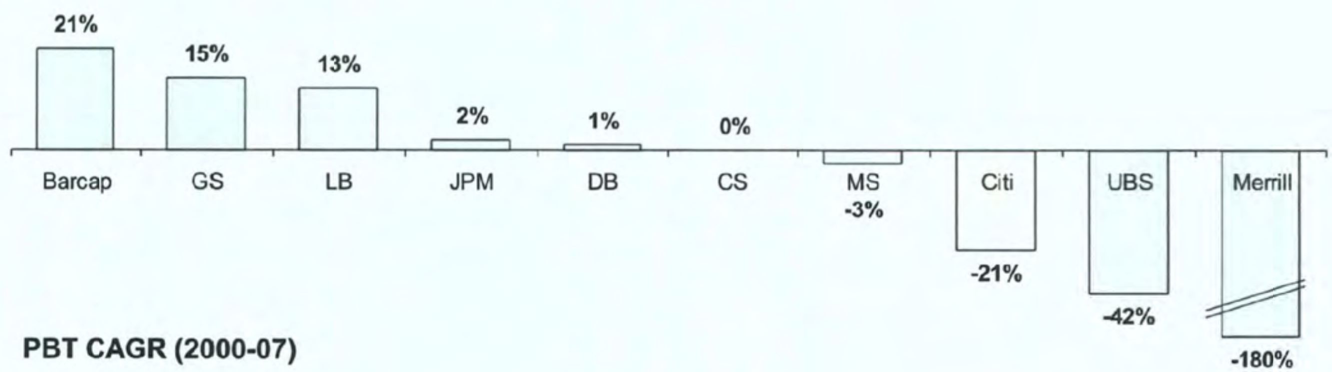
- **Commodities Co-operation**
  - MOU for a Strategic Alliance on Commodities signed in September 2007
  - Continue to make progress in developing a commodities business plan with CDB
  - Ongoing senior level engagement between banks
- **Risk Management and Financing**
  - In Dec 2007, Barclays Capital executed what is believed to be the first Credit Default Swap referencing a Chinese bank loan
    - Transaction is a milestone in the development of the Chinese credit derivatives market
    - Will help establish Barclays' position and reputation as the market leader in the Chinese credit derivatives space
  - Barclays Capital and CDB have been jointly mandated to arrange a ~US$260m term loan financing for a power plant development
    - This is a sovereign level financing guaranteed by the Ministry of Finance of Indonesia
    - Example of how Barclays and CDB can leverage combined product expertise and balance sheet strength in order to win mandates from a target client
- **ETFs**
  - Working on joint plans to distribute Exchange Traded Funds, in particular our iShares product, through the client base of CDB

Contents

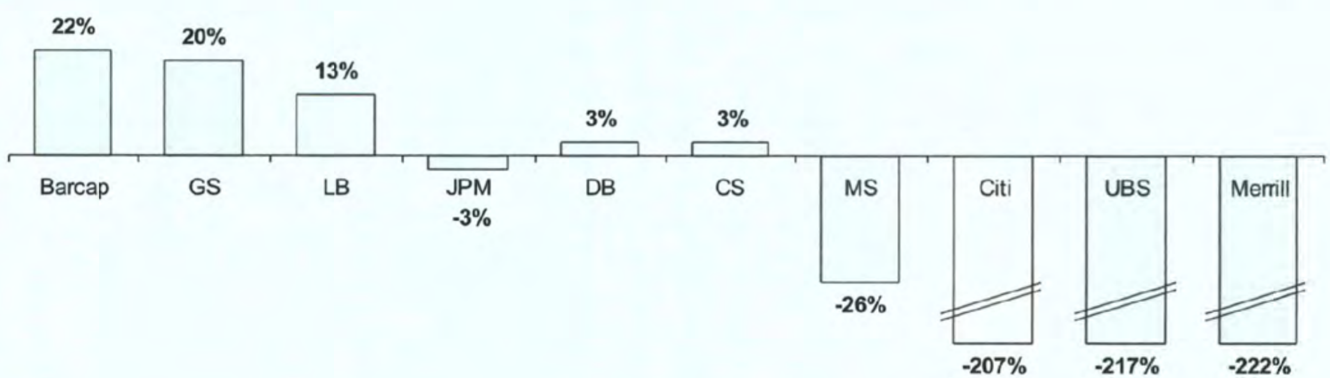
Appendix

Through 2007, we have maintained growth rates ahead of our competitors in both revenue and PBT terms

Net Income CAGR (2000-07)

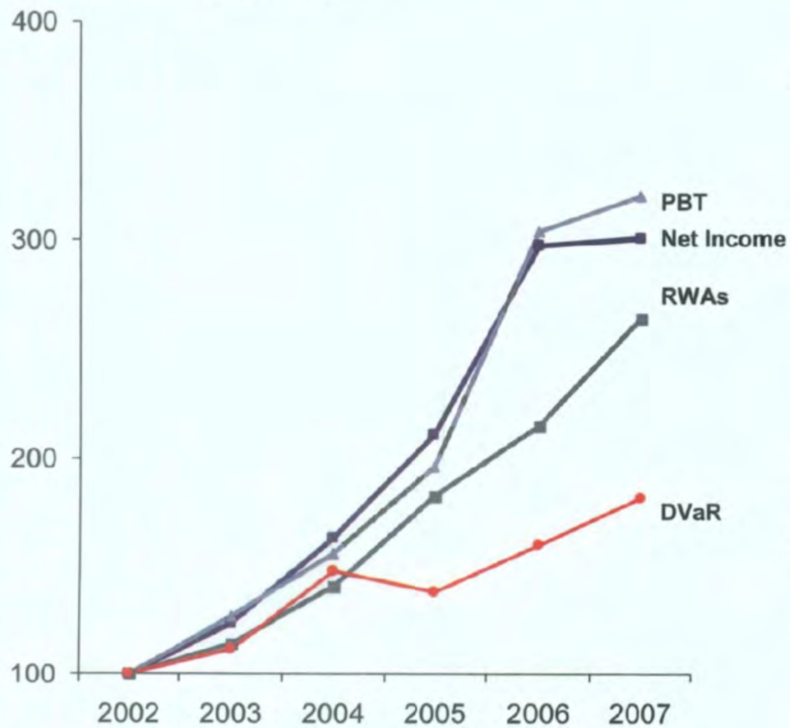


PBT CAGR (2000-07)

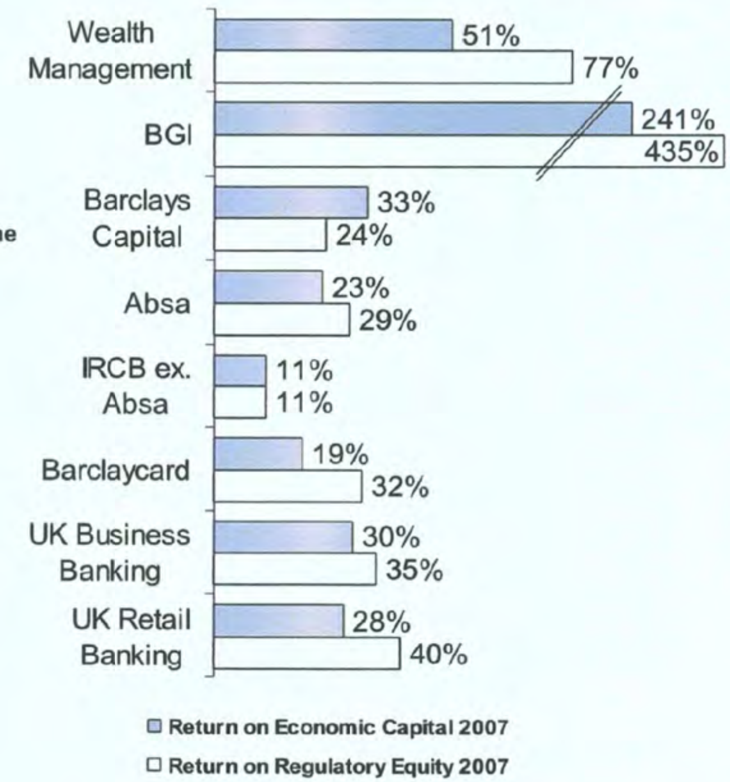


Despite challenges, we delivered returns of 33% on economic capital and 24% on regulatory equity

Barclays Capital – Index of Net Income, PBT and risk measures 2002-2007



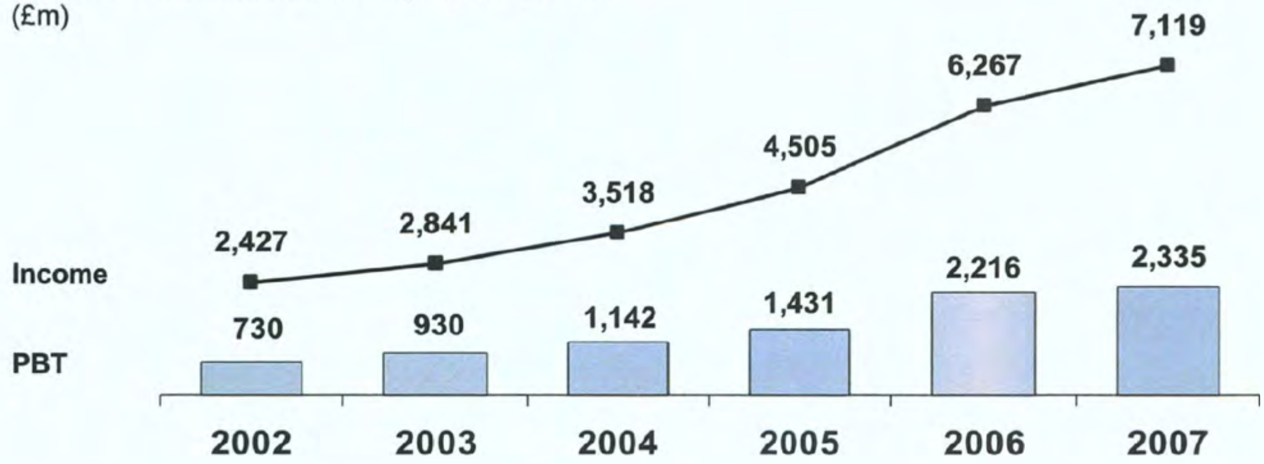
2007 returns by cluster across Barclays Group



Appendix

This performance in challenging market conditions reflects the continued resilience of our business model

2002-2007 Investment Banking Income & PBT
(£m)

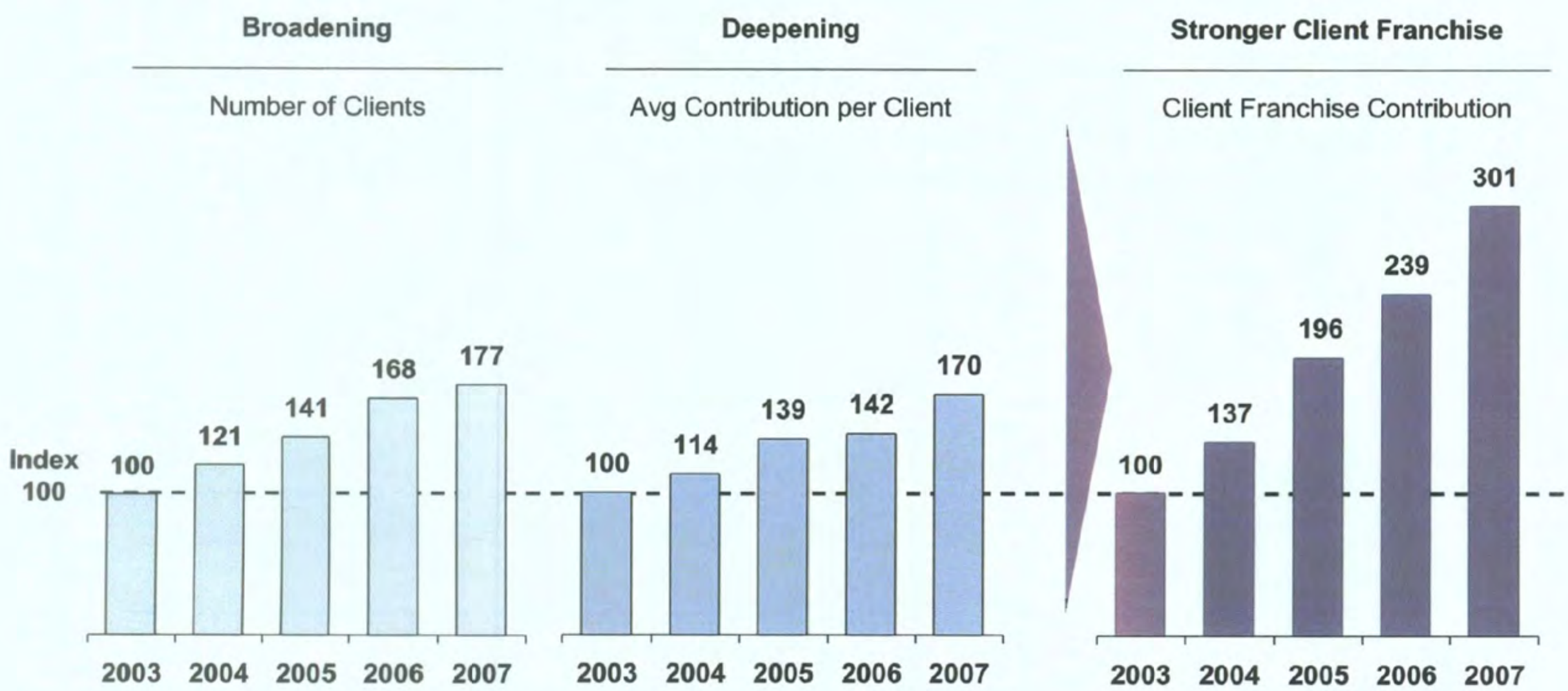


	2002	2003	2004	2005	2006	2007
Interest Rates	Down		Up	Up	Up	Down
Credit Spreads	Up	Down	Down	Down	Down	Up
Volatility	Up	Down	Down	Down	Down	Up
Equity Markets	Down	Up	Up	Up	Up	
M&A activity	Down		Up	Up	Up	Up
Inflation	Down		Down	Up	Up	Up

Appendix

Our model continues to be client-centric, focused on broadening and deepening client relationships

Example: North America Region



Appendix

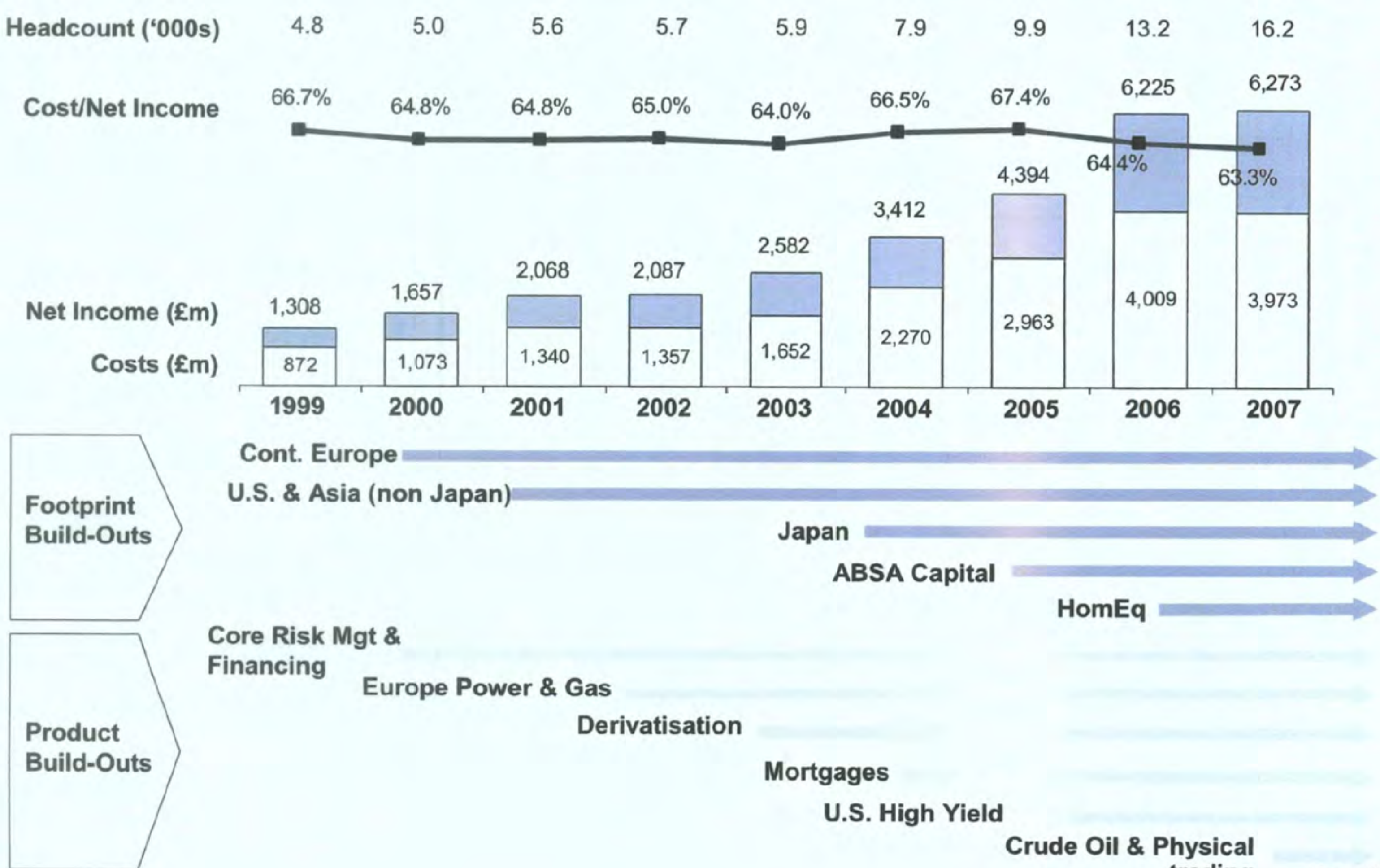
In 2007, Barclays' write-downs of £1.6b were at the lower end of the peer group

Total 2007 Peer Group Losses (£bn)

Bank	Investment Bank	Reserve/ Central	Fraud	Sub-total Losses	Consumer Banking	Total Losses
Citi	11.0			11.0	3.6	14.5
Merrill Lynch	11.6			11.6		11.6
UBS	9.0	0.3		9.3		9.3
Soc Generale	1.8		3.4	5.1		5.1
Morgan Stanley	5.0			5.0		5.0
Bank of America	3.3			3.3	0.9	4.2
Credit Agricole	2.8			2.8		2.8
RBS	1.9	0.8		2.7		2.7
JPMorgan	1.1			1.1	1.0	2.1
HSBC	1.1	(1.5)		(0.5)	2.6	2.1
Barclays	1.6			1.6		1.6
Deutsche Bank	1.6			1.6		1.6
Bear Stearns	1.2			1.2		1.2
Credit Suisse	1.0			1.0		1.0*
Lehmans	0.9			0.9		0.9
BNP Paribas	0.7			0.7	0.1	0.8
Goldman Sachs	0.7			0.7		0.7
Total	56.2	(0.4)	3.4	59.2	8.2	67.3

* Includes £0.5b of losses (CHF 1.2b) disclosed after CS results announcement and related to 2007; total additional losses disclosed after the results ran to CHF 2.9b

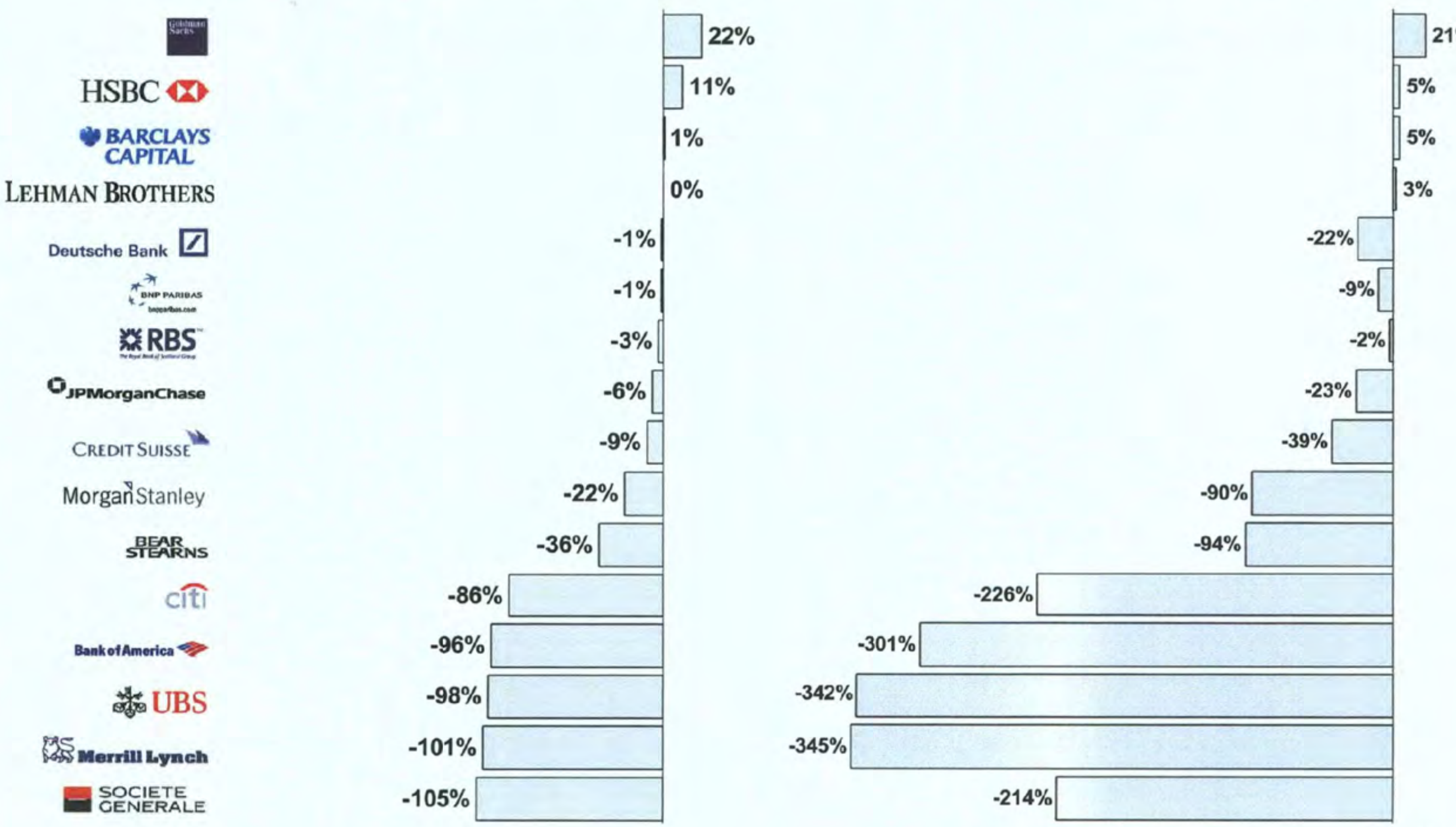
Management of operating costs continues to be based on a pay as you go philosophy to ensure sustainability



Appendix

Overall, in 2007, we were one of three banks to report positive Net Income and PBT growth…

Net Income Growth 2006-2007 | **PBT Growth 2006-2007**



… and although in 2007 our DVaR grew faster than Trading Income, the discrepancy was the lowest in our peer group

<u>EXHIBIT 156</u>

FILED UNDER SEAL

From:	Diamond, Bob: Barclays Capital [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=DIAMONDB]
Sent:	Thursday, September 20, 2007 12:52:12 PM
To:	Ricci, Rich: Barclays Capital
CC:	Spinale, Anthony: Barclays Capital; Clackson, Patrick: Finance (LDN)
Subject:	FW: Risk Committee report to Board
Attachments:	Item 1.doc

Is the final paragraph on liquidity right? Ex vbarcap £36 billion surplus?

-----Original Message-----

From:	Dickinson, Lawrence: Barclays PLC
Sent:	19 September 2007 20:20
To:	Diamond, Bob: Barclays Capital
Cc:	Ricci, Rich: Barclays Capital
Subject:	Risk Committee report to Board

Bob,

The Risk Committee today had a lengthy discussion on the recent events in the credit markets. Rich was at the meeting. I attach a copy of the report from Richard which, subject to any final amendments, he will table at Board tomorrow. I thought you should be aware of the contents of the report given the relevance to Barclays Capital and to ensure you are not caught unawares. We have debated whether the gross exposure numbers should be included-I know that Robert Le Blanc and Chris Lucas would have preferred them not to have been-but Richard is keen to present a full picture to Board.

Lawrence

Item 1.doc

Lawrence Dickinson
Company Secretary

One Churchill Place
London E14 5HP

Telephone:	**020 7116 8099**
Clearway:	**7 6006 8099**
Fax:	**020 7116 7785**
Email:	**lawrence.dickinson@barclays.com**

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EXHIBIT RME 396 10/30/15

PAPER FOR BOARD MEETING ON THURSDAY 20 SEPTEMBER 2007

Agenda Item No.
1.4(1)

TO: The Directors

FROM: Sir Richard Broadbent

DATE: 20 September 2007

SUBJECT: REPORT OF THE BOARD RISK COMMITTEE MEETING ON 19 SEPTEMBER 2007

The Board Risk Committee met on Wednesday 19 September 2007. We had a detailed discussion of the impact of recent volatility in the credit markets. The recent volatility has impacted day to day trading activity in market risk but risk controls have performed satisfactorily. The main adverse impacts lie in the Group's exposures to Asset Backed Securities and Leveraged Credit.

1. <u>Asset Backed Securities</u>
Our gross exposure (i.e. before taking account of collateral) can be summarised as follows:

	$m
<u>US Residential Mortgage Exposure</u>	
Financing of US Sub-prime Residential Mortgages	502
Whole Loans Purchase and Securitisation	7,517
Post-NIM Residuals*	491
** stress test loss. Amount outstanding on cost basis is $1030m.*	
<u>CDO Warehousing</u>	1,554
<u>Backstop/Liquidity</u>	
Barclays sponsored conduits	500
Third party conduits	198
Super senior tranches of CDOs*	4,942
Synthetic liquidity facilities	4,025
** Total facility is up to $8,454*	
<u>SIV/SIV-lites</u>	
Backstop liquidity	298
Derivative exposure	362

In addition to the above, we have counterparty exposures which are collateralised by mortgages or other asset-backed securities totalling $14.2bn. We reviewed the top 10 hedge fund exposures, none of which are giving cause for concern at present.

2. <u>Impact of current credit conditions on Impairment and Mark to Market positions</u>
The P&L impact to date of impairment and reduced Mark to Market valuations is as follows:

	July/August
Mark to Market Write downs	£580m
Impairment	£20m
Gross losses	£600m

These losses have been partially offset by other valuation movements. The net loss is of the order of £350-400m.

3. Outlook

In the absence of further step-changes in market conditions, some limited additional losses are likely be experienced in post-NIM residuals and liquidity facilities supporting super senior tranches of CDOs.

4. Leveraged Finance

The Group has the following exposures:

Committed underwritings and targeted holds	£10,975
CLO Warehouse positions	£2,168
Total return swaps	£11,476

There are no unanticipated or unusual signs of stress in the corporates that underlie this exposure.

5. Capital

Managing these assets in current market conditions has involved assets being brought onto the balance sheet in order to preserve economic and reputational advantage. To date, a total of £2.66bn of assets has been brought onto the balance sheet. It is projected that up to a further £20bn of assets will be brought onto the balance sheet. Assuming the full £20bn was added to the balance sheet, the equity ratio at year end would fall from 5.25% to 5.07% and the Tier 1 ratio from 7.69% to 7.64%.

6. Liquidity

The Group has exhibited strong liquidity characteristics during the period. Excluding Barclays Capital, the Group has a surplus of £36bn of assets over liabilities. However, the virtual disappearance of term funds resulted in an increasingly uncomfortable amount of the balance sheet having to be rolled over on an overnight basis. In the last few days, as the chart below demonstrates, term funding is beginning to reappear and 3 month LIBOR rates are reducing.

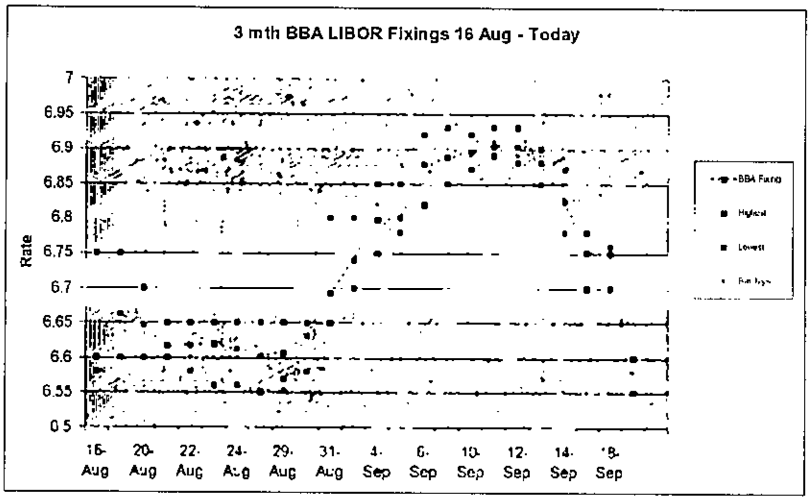

EXHIBIT 157

FILED UNDER SEAL

From: Varley, John: Barclays PLC [/O=BZW/OU=EUROPE/CN=BARCLAYSGROUP/CN=RETAIL.VARLEYJ1]
Sent: Wednesday, September 19, 2007 8:45:44 PM
To: Diamond, Bob: Barclays Capital; Dickinson, Lawrence: Barclays PLC
CC: Ricci, Rich: Barclays Capital
Subject: RE: Risk Committee report to Board

Given where we are, we should let Richard proceed. I have told him that I want all the papers colleced up afterwards, and Marcus has asked him to say this at the front of his briefing. Lawrence can you ensure this happens.

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
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-----Original Message-----
From: Diamond, Bob : Barclays Capital
Sent: 19 September 2007 20:55
To: Dickinson, Lawrence : BCS
Cc: Ricci, Rich : Barclays Capital; Varley, John : Group Exec
Subject: Re: Risk Committee report to Board

Lawrence,

I appreciate the heads up, I assume it only that? Can you confirm?

In terms of your note, I do not think it fair to imply this was needed to be a "full picture".

There were sound reasons to have this done verbally, I am very disappointed that that advise was not accepted.

Again, thanks for the heads up.

Bob

----- Original Message -----
From: Dickinson, Lawrence: Barclays PLC
To: Diamond, Bob: Barclays Capital
Cc: Ricci, Rich: Barclays Capital
Sent: Wed Sep 19 20:20:13 2007
Subject: Risk Committee report to Board

Bob,

The Risk Committee today had a lengthy discussion on the recent events in the credit markets. Rich was at the meeting. I attach a copy of the report from Richard which, subject to any final amendments, he will table at Board tomorrow. I thought you should be aware of the contents of the report given the relevance to Barclays Capital and to ensure you are not caught unawares. We have debated whether the gross exposure numbers should be included-I know that Robert Le Blanc and Chris Lucas would have preferred them not to have been-but Richard is keen to present a full picture to Board.

Lawrence

EXHIBIT NO. 4606
DATE: 11/13/15
Reporter - Laurie A. Collins

<<Item 1.doc>>

Lawrence Dickinson
Company Secretary

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EXHIBIT 158

FILED UNDER SEAL

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

John,

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

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

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

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

---

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

Chris,

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

Lawrence

Item 3.1(2) - Accounts Com...

Lawrence Dickinson
Company Secretary

One Churchill Place
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Clearway: 7 6006 8099
Fax: 020 7116 7785

EXHIBIT
P4X
460
6 Nov 15 DB
PENGAD 800-631-6989

Email: lawrence.dickinson@barclays.com

www.barclays.com

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PAPER FOR BOARD MEETING ON TUESDAY 5 AUGUST 2008

Agenda Item No.

3.1(2)

TO: The Directors

FROM: Stephen Russell

DATE: 5 August 2008

SUBJECT: REPORT OF THE BOARD ACCOUNTS COMMITTEE MEETING HELD ON 30 JULY 2008

2008 Half-Year Results

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

1. **Accounting Policies - Leveraged Finance**

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

2. **Mark to Market Valuations**

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

The key features of the write downs taken are:

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

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

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

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

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

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

3. **Impairment**

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

4. **Other Assurances Received**

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

2008 Half-Year Report

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

EXHIBIT 159

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From: Dickinson, Lawrence: Barclays PLC [/O=BZW/OU=EUROPE/CN=BARCLAYSGROUP/CN=RETAIL.LAWRENCE.DICKINSON]
Sent: Tuesday, November 06, 2007 1:23:54 PM
To: danie.cronje@telkomsa.net; steve.russell2@tiscali.co.uk; alikierman@london.edu
CC: rjbroadbent@btinternet.com; Lucas, Chris: Barclays PLC; Le Blanc, Robert: Group Risk (LDN)
Subject: Update on Credit Markets
Attachments: Credit Markets Update - Oct 2007.doc

Dear All,

Please find attached an update on the sub-prime, ABS and Leveraged Credit Markets which was recently provided to Sir Richard Broadbent and which he has asked to be circulated to other members of Risk Committee. Richard will be discussing the paper with Robert Le Blanc and will revert if there have been any significant developments.

Credit Markets
Update - Oct 20...

Password will follow under separate cover.

Lawrence

Lawrence Dickinson
Company Secretary

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TO: Sir Richard Broadbent

FROM: Chris Lucas / Robert Le Blanc

DATE: 30 October 2007

SUBJECT: UPDATE ON SUB PRIME ABS AND LEVERAGED CREDIT MARKETS

This provides an update on our positions using recent data, with a comparison to the update provided to BRC on 19th September.

1. Asset Backed Securities

Our gross exposure (i.e. before taking account of collateral) can be summarised as follows:

	Sept 19 $m	Oct 22 $m
US Sub-Prime Residential Mortgage Exposure		
Financing of US Sub-prime Residential Mortgages	502	0
Whole Loans Purchase and Securitisation	7,517	6,333
Post-NIM Residuals		
- cost basis	1030	803
- stress test loss basis	491	307
CDO Warehousing	1,554	1,319
Backstop/Liquidity		
Barclays sponsored conduits	500	0
Third party conduits	198	331
Super senior tranches of CDOs*	4,942	8,316
Synthetic liquidity facilities	4,025	3,987
** Total Liquidity facilities were $8,316 and are now fully drawn – we own the AAA notes in full.*		
SIV/SIV-lites		
Drawn Backstop liquidity	298	298
SIV Derivative exposure	362	452

In addition to the above, we have counterparty exposures which are collateralised by mortgages or other asset-backed securities totalling $12.5 bn. $9.787 bn is comprised of US residential mortgage backed securites, of which US Sub Prime collateral is $2.8 bn, with the balance Prime and Alt A. We have reviewed again the top 10 hedge fund exposures, none of which are giving cause for concern at present.

2. Leveraged Finance

BarCap has the following exposures:

Committed underwritings and targeted holds	£10,975	£10,121
CLO Warehouse positions	£2,168	£1,562
Leveraged Investment Vehicles (LIVs) *Note 1*	£1,558	£1,249
Total return swaps *Note 2*	£11,476	£13,176

Note 1: LIV exposure not included in the Sept return, although included in the Portfolio Review
Note 2: The above is the notional value of Total Return Swap exposure but all trades attract haircuts (overall global 20%) assessed at a level assumed to equate to a nil risk position. Increase reflects new and upsized trades.

Note 3: Above excludes positions on the trading book

There are no unanticipated or unusual signs of stress in the corporates that underlie this exposure.

3. Capital

Managing these assets in current market conditions has involved assets being brought onto the balance sheet in order to preserve economic and reputational advantage. As of October a total of £6.0bn of assets had been brought onto the balance sheet. Our earlier estimate was that this could be £20bn for the year and this remains our best estimate. It is projected that up to a further £14bn of assets could be brought onto the balance sheet by year end (primarily from the funding of committed underwritings). Assuming the full £20bn was added to the balance sheet, the equity ratio at year end would fall from 5.25% to 5.07% and the Tier 1 ratio from 7.69% to 7.64%.

4. Outlook

The market has deteriorated since our last update, with a number of market price reductions in late October following amongst other situations, the rating agency downgrades of some 5000 structured CDO's. We are working through the likely impact of the market moves and expect further P/L impact in October's numbers.

As flagged at the September BRC, the CDO liquidity facilities have been drawn as expected, and their valuation may be effected by year end should impairment arise on these assets.

As soon as we have any further information on these areas we will contact you to discuss.

EXHIBIT 160

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Papers for information

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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 19 SEPTEMBER 2007

Present:

Sir Richard Broadbent – Chairman

Dr Danie Cronjé

Sir Andrew Likierman

Stephen Russell* (items 1-2.1(1) only)

In attendance:

Lawrence Dickinson, Secretary

Marie Smith, Head of Board Support

Chris Lucas, Group Finance Director

Robert Le Blanc, Risk Director

Phil Rivett, PriceWaterhouseCoopers

Robert Endersby, Wholesale Credit Risk Director
(in attendance for items 1-2.1(1) only)

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

Jon Stone, Barclays Treasurer
(in attendance for items 1-2 only)

Norbert Schnadt, Group Market Risk Director
(in attendance for item 3.1 only)

Mark Eyre, Head of Economic Capital
(in attendance for item 4.1 only)

*** via video conference**

1. CHAIRMAN'S MATTERS

1.1 APPROVAL OF MINUTES OF PREVIOUS MEETING

(1) Minutes

The Minutes of the meeting held on 20 June 2007, which had been sent to Committee members in advance of the meeting, were approved and signed by the Committee Chairman.

(2) Actions Arising

Lawrence Dickinson referred to the Actions Arising schedule, which had been circulated to Committee members in advance of the meeting, and highlighted that:

- The Committee's guidance on content and presentation of papers had been relayed to those responsible for submitting papers.
- Technology risk had been taken out of the Group Risk Profile Report and would instead be reviewed by the Group Operating Committee, with escalation as needed. The Committee would focus on those risks taken for reward, as discussed at the last meeting.

All other actions had been completed or were in hand.

In response to a question, Sir Richard Broadbent agreed to look at ways in which he, as Chairman of the Committee, could facilitate timely flow of information to Committee members in between meetings in the event of unusual circumstances such as the market conditions that had been experienced recently.

2. KEY RISK ISSUES

2.1 KEY RISK ISSUE: CURRENT MARKET CONDITIONS

(1) Review of Asset Backed Security (ABS) and Leveraged Credit Markets

Robert Le Blanc, supported by Robert Endersby and Rich Ricci, presented the Review of ABS and Leveraged Credit Markets, which had been circulated to Committee members in advance of the meeting, and highlighted the following:

Recent market volatility: The main areas of volatility had been in US sub-prime residential mortgages and ABS market valuations, which had in turn had an impact on market confidence and liquidity. Concerns arising from the increase in delinquency in the US sub-prime residential mortgages market had triggered uncertainty around asset valuations, resulting in declining market prices and a general loss of confidence. One consequence was that commercial paper investors had refused to roll forward their exposures. Lack of visibility of the potential exposure faced by banks and investment funds had generated a climate of mistrust that had pushed up overnight funding rates and it had become increasingly difficult to fund for longer terms.

In response to a question, Mr Le Blanc confirmed that the Group aimed to make clarity of its controls a key part of its risk control framework, which was felt to be as good as most peers. Lack of clarity and understanding outside banks of the risk control frameworks banks had in place had been a factor in the loss of confidence.

The Committee discussed the trigger for the recent turbulence. Mr Endersby confirmed that, while the actual losses in the US sub-prime residential market had not of themselves triggered the volatility, rising delinquencies had contributed to uncertainty around asset valuations, even where assets were highly rated. As a result, there had been mark-downs in prices resulting in margin calls and asset sales, exacerbating pressure on prices. The uncertainty had been exacerbated by the fact that sub-prime paper had been sold worldwide and there is little visibility of the potential exposure for banks and investment funds or where the concentrations lie. It was also noted that investor confidence in credit ratings had been tarnished by recent events.

In response to a question, Mr Ricci confirmed that the leveraged finance market had also declined as credit conditions had tightened generally, but not on the same scale. The Committee agreed that there had been a step-change in the market pricing of risk, starting with the US sub-prime sector.

The Committee discussed the impact on the Group of recent events and in particular the method of mark to market valuations. Mr Lucas reported that an independent valuation process was followed, whereby valuations were carried out by reference to external data. Sir Richard Broadbent suggested that the Board Audit Committee should review this process at the time of the full-year and interim results and Stephen Russell and Mr Dickinson agreed to take this suggestion forward.

The Committee then discussed the principal areas of exposure.

<u>US Residential Mortgages/Whole Loans and Securitisations:</u> Mandate and scale limits had been reduced prior to recent events and exposure was within the new limits. The majority of exposure related to EquiFirst originated loans, which gave comfort that the quality of origination was appropriate. Of other originators, the exposure to New Century has reduced to $0.5bn. It was still not clear, however, when the market for securitisations would reopen. The value of post-NIMS residuals had been written down and could reduce further. Mr Ricci confirmed that the position is reviewed monthly based on remittances received.

<u>CDO Warehousing:</u> Exposures totalled $1.5bn, of which only $528m related to sub-prime issuance. The exposure is marked to market on a daily basis. It may be possible to transfer a significant proportion of this exposure to a high quality client in the new year, although in the short term exposure may rise, as a further $700m of sub-prime assets may be transferred from another structure.

<u>Backstop/Liquidity:</u> There have been only minor liquidity issues in Barclays sponsored conduits, and commercial paper has been issued to fund this on an overall basis, although there has been some movement of assets between vehicles. There have been no downgrades in the collateral. There is a facility of $8.4bn to support AAA super senior tranches of CDOs, which is expected to be fully drawn by the end of October 2007. Mr Lucas clarified that the draw down rate is determined by when the commercial paper rolls forward and not by market sentiment.

<u>SIV/SIV-Lites:</u> Mr Endersby confirmed that these vehicles are not fully backstopped, particularly the SIV-Lites, although they have commercial paper lines. The SIV-Lites have exceeded their triggers and will not be able to make any further draw downs unless they are restructured. Mr Lucas confirmed that the SIV-Lites have $7bn of assets, so if it is decided from a reputational risk perspective to take assets onto the balance sheet the impact will be of that order. Mr Ricci confirmed that, although Barclays had set up structures on behalf of clients, it did not manage the assets.

Counterparty exposure: The majority of counterparties are hedge funds. There had been some margin calls and the Group has participated in some unwinding, but experience to date has been that positions have been unwound within the mark to market positions. The top ten largest potential unsecured exposures to hedge funds do not give great cause for concern in terms of risk profile.

Leveraged Finance: There has not been any credit deterioration to date. All of the major names in the portfolio are trading on plan. Committed underwriting positions amount to £9.2bn, with the largest positions being AASaga, Alliance-Boots and AllTel. Consideration is being given to doing switches with other banks to reduce single name exposure. Fees are generally not recognised until positions are sold down, which gives some protection against a fall in prices. There are some signs in the market that investors are building up funds to invest and a view will be taken once the outcome of the FirstData/KKR deal is known.

In response to a question, Mr Le Blanc confirmed that risk controls had performed satisfactorily and trading performance is within stress limits. Mr Ricci advised that gross markdowns in July and August 2007 totalled around £600m across the portfolio, with the net position at £350-400m. Mr Lucas advised that impairment is approximately £20m and mark to market write downs are £580m. £2.66bn of assets that would, in usual circumstances, have been securitised have been taken onto the balance sheet and it is anticipated that a further £20bn may need to be taken on. The key sensitivity is whether the market unlocks and provides opportunities for income growth. Mr Ricci confirmed that higher quality paper is rallying following the Federal Reserve's actions and the actions taken by the European Central Bank had helped liquidity. Mr Lucas advised that, if £20bn is taken onto the balance sheet, capital ratios at year end will be 5.07% for equity and 7.64% for Tier 1, compared to 5.25% and 7.69% respectively at the end of August 2007.

Barclays Global Investors (BGI): Mr Ricci advised that BGI's performance is being maintained despite the difficult trading conditions.

The Committee noted the report. The key points of the discussion would be reported to the Board the following day.

Robert Endersby and Rich Ricci left the meeting.

(2) **Liquidity Risk Management**

Jon Stone presented his paper on Liquidity Risk Management, which had been circulated to Committee members in advance of the meeting, and highlighted the following:

- The Group had retained its strong liquidity profile during the recent period of market volatility. The main issues have been around:

  1. an increase in short-term money market rates;
  2. limited term liquidity;
  3. commercial paper funding of third party sponsored conduits, which has not been rolled over where investors are concerned at underlying asset quality; and
  4. the Group's use of the Bank of England's standby facility.

- The Group has a strong long-term liquidity profile. Excluding Barclays Capital, there is a surplus of £36bn of liabilities over assets. However, term funding beyond one week has proved to be limited in recent weeks and a significant proportion of the balance sheet has had to be rolled over on an overnight basis. Barclays Capital has reduced its overnight funding requirement by £9bn since July 2007 by rolling maturing deposits into one week or greater.

- Since the end of August, there has been some improvement in the market. The Group has benefited from a "flight to quality" and there has been an increase in the funds inflow from a variety of sources.

The Committee concluded that the overall Group liquidity position is encouraging. However the shortage of liquidity beyond the overnight market remained a concern. Mr Lucas reported that there has been an improvement in the terming of liquidity over recent days. Mr Stone confirmed that for short-term money market rates, LIBOR has recently reduced to levels seen in mid-August and a small volume of 3-month maturity is now becoming available.

The Committee discussed the 3-month LIBOR rates set by the Group during August and September 2007. Mr Stone confirmed that the Group had set higher rates than peers, but these had generally been matched the following day. This had caused some press speculation but it had been felt that the rates were correct in the prevailing market circumstances.

In response to a question, Mr Stone explained that the second use of the Bank of England standby facility during August had been an operational issue particular to that day's positions. Other banks had made use of the facility in the past. Mr Lucas further explained that the basic root cause was that a short opening position had been taken in sterling with the intention of balancing during the day. This was not the Group's usual opening position.

The Committee noted the report.

Jon Stone left the meeting.
Norbert Schnadt joined the meeting.

3. RISK APPETITE AND RISK PROFILE

3.1 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:

- Risk appetite is running below capacity, which is a conscious choice given the increase in volatility in the markets and the reduced growth in fixed income and credit positions at Barclays Capital.

- Overall, the impairment charge for the year is below Plan across each of the asset classes. Retail impairment has improved across UK Banking and Barclaycard UK and the rate of insolvencies is slower than forecast.

- The unsecured loans portfolio in UK Business Banking is within Plan, reflecting better collections, processes and recoveries, which have led to better delinquencies performance.

- Impairment for the full year at FirstPLUS is expected to be £20m adverse to Plan, as the forecast improvement is not yet materialising. The signs of improvement in July had not continued into August.

- Impairment at Absa is within Plan. The next 12-24 months will be important, with an expectation that the strong economy and property markets will continue, but the impact of recent increases in interest rates and debt levels will be closely monitored. Dr Cronjé commented that the worldwide liquidity issues could affect emerging markets and impact the Rand.

- The impairment charge at UK Business Banking is on Plan but balance sheet growth is lower than expected as a result of lack of demand from middle market customers.

- Absa's commercial property concentration is under close review. There has been significant growth but asset quality is generally good. Mr Le Blanc confirmed that, overall across the Group, the property concentrations are at an acceptable level. The Group has a low concentration and takes a conservative lending position.

- Group and Barclays Capital Daily Value at Risk (DVaR) changed little in the three months to 31 July 2007. DVaR was higher in August and September, peaking at £47 but falling back down to £40m. Since 31 July 2007, credit stress risk has been managed down from £250m to £160m. Interest rate stress risk increased because of market opportunities. There have been no major increases in extreme P&L events and no large excesses.

- The value of the UK Retirement Fund assets had fallen slightly as a result of the impact of market movement on equities, however, the fund retains a surplus under IAS.

The Committee discussed the reputational risk arising from the recent market disruption and it was agreed that the Brand and Reputation Committee was the appropriate forum to consider these issues and the lessons learned.

The Committee noted the Report.

Norbert Schnadt left the meeting.
Mark Eyre joined the meeting.

4. **UPDATE ITEM**

4.1 BASEL II

Mark 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 results of the third parallel run show that the numbers are stabilising. Capital demand is currently at 101% of Basel I, and is expected to reduce to 99% if all plans are optimised by the businesses. This supports the statement made in the 2007 interim results that we expect a modest reduction in our capital demand under Basel II although the Group's overall regulatory capital position is expected to remain broadly unchanged.

- Capital deductions for Expected Loss in a downturn have increased by £0.8bn since the second parallel run. This is driven by two factors. Firstly, UK Business Banking has a technical issue which causes customers to go into default if no payment is made on a single account for 90 days even though payment may have been made into other group accounts. A review is under way to correct this. Second, while a through-the-cycle methodology has been agreed with FSA for the wholesale business, this has not yet been agreed industry-wide for the retail businesses, which remain on a point-in-time methodology.

- A pinchpoint for capital ratios will arise on payment of the final dividend to shareholders in April 2008 and RWAs will need to be reduced in advance of that payment.

In response to a question, Mr Eyre confirmed that Absa is about to commence its first parallel run and reminded the Committee that SARB has planned for only two parallel runs. There is no contingency in the timetable for Absa but it should be achievable.

The Committee concluded that there now appears to be much more certainty around the impact of Basel II. Mr Lucas confirmed that the number of points of focus is reducing but there are still concerns that the FSA will add buffers that will push up capital requirements. This will be watched closely.

The Committee noted the report.

EXHIBIT 161

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PAPER FOR BOARD MEETING ON THURSDAY
15 NOVEMBER 2007

Agenda Item No.

1.1(1)

TO: The Directors

FROM: Lawrence Dickinson

DATE: 8 November 2007

SUBJECT: APPROVAL OF MINUTES OF PREVIOUS MEETINGS

The minutes of the Board meeting held on 20 September 2007 and the Pegasus Board and Committee Meetings held on 5 October are submitted for the Board's approval.

BARCLAYS PLC

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS
HELD AT 43 BROOK STREET, LONDON W1K 4HJ
ON THURSDAY 20 SEPTEMBER 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 Consalves	Deputy Secretary
Mark Harding	General Counsel *(in attendance for item 1)*
Robert Le Blanc	Group Risk Director *(in attendance for item1.4 only)*
Paul Idzik	Chief Operating Officer *(in attendance for items 2.2 -2.3 only)*
Ahmed Khan	CEO Emerging Markets *(in attendance for item 2.2 only)*

1. CHAIRMAN'S MATTERS

1.1 APPROVAL OF MINUTES AND ACTIONS ARISING FROM PREVIOUS MEETINGS

(1) Minutes

The minutes of the Board meeting held on 31 July 2007, Mini Board meetings held on 22 July and 1 August 2007 and Pegasus Board and Committee meetings held on 13, 18, 19 and 22 July and 2, 24 and 31 August 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 31 July 2007 Board meeting, which had been sent to Directors in advance of the meeting and noted that all actions arising from previous meetings were in hand. It was noted that a presentation on Brand and Marketing would be brought to the November Board meeting.

1.2 CORPORATE GOVERNANCE

(1) Developments in Company Law - Directors' Duties

Lawrence Dickinson and Mark Harding presented their report entitled Developments in Company Law - Directors' Duties, which had been sent to the Directors in advance of the meeting, and highlighted that the key duty of Directors, in the new regime, would be "to promote the success of the company for the benefit of its members". The approach that the Group would be taking to the content of Board and Committee papers was consistent with the conclusions of the GC100 Group's guidance and the approach being taken by most other lending companies.

The Board noted the new duties coming into force and the actions being taken in response to the new requirements.

(2) External Board Appointments

The Board noted the appointment of Leigh Clifford as a Director of Qantas Airways Limited with effect from 9 August 2007. Mr Clifford had been elected as Chairman, effective from 14 November 2007.

The Board also noted the appointment of Sir Nigel Rudd to the Board of BAA Limited with effect from 13 September 2007.

1.3 DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Chris Lucas presented his paper on the proposed renewal of the Directors' and Officers' Liability Insurance, which had been sent to Directors in advance of the meeting, and reported that the intention was to seek an increase in the overall policy limit from £300 million to £350 million, made up of £200 million combined Side A and B cover, and a further £150 million of ring-fenced Side A cover for main Board Directors and specified officers. The level of cover being sought compared well with that obtained by the benchmark group of 11 European banks who share information on such insurance cover. In the event that Project Pegasus completed, the overall policy limit would be increased to £400 million.

The Board approved the renewal of the Directors' and Officers' Liability Insurance Policy on either of the two options set out in Mr Lucas' paper for the twelve month period commencing 1 November 2007.

Robert Le Blanc joined the meeting.

1.4 BOARD COMMITTEE REPORTS

(1) Report of the Board Risk Committee Meeting on 19 September 2007

Sir Richard Broadbent presented his Report on the key issues discussed at the meeting of the Board Risk Committee meeting held on 19 September 2007, which had been laid on the table at the meeting, and highlighted the following points:

- The Group had experienced very turbulent times in the credit markets but the risk controls had performed satisfactorily.

- The recent turbulence in the markets had been triggered by a re-pricing of risk, not just by the problems in US sub-prime mortgages.

- The net losses of Barclays Capital (BarCap) resulting from the current credit conditions did not seem out of line with the figures being released by the large US investment banks.

- In the Leveraged Finance business the Group had taken onto the balance sheet assets it had not planned to hold but there was no sign of the corporates that underlie these exposures getting into difficulties.

- It was possible that up to a further £20 billion of further assets could be brought onto the balance sheet. If the full amount was taken onto the balance sheet, the equity ratio at year end would fall from 5.25% to 5.07%.

In response to a question, Mr Diamond advised that he felt that BarCap had performed the way he would have expected it to. Barclays Global Investors

(BGI) and Barclays Wealth had performed well. The biggest concern was the lack of liquidity in the inter-bank market at anything more than overnight money. It was likely that there would be increased counter-party risk in the coming months, given the wide distribution of sub-prime assets but there had been no deterioration in corporate credit quality.

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

(2) Quarterly Risk Reports

(a) Group Risk Report

Robert Le Blanc referred the Board to his Quarterly Risk Update, which had been sent to Directors in advance of the Board meeting. The Board also noted the significant reduction in losses from on-line fraud.

The Board noted the Quarterly Risk Update.

Robert Le Blanc left the meeting.

(b) Legal Risk Report

Mark Harding referred the Board to the Quarterly Legal Risk Report, which

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Redacted:
Redacted For Privilege

Mark Harding left the meeting.

2. CHIEF EXECUTIVE'S MATTERS

2.1 BUSINESS REPORTS

(1) Chief Executive's Report

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

(a). Brook Street - Mr Varley observed that the refurbishment of Brook Street was indicative of the self confidence of Barclays Wealth.

(b). FSA Arrow Report - The initial summary of the FSA's Arrow Report, which would be shared with the Board in due course, indicated that the Group's overall governance and control had improved significantly since their last report, but the Group had disappointed them in a few instances.

(c). Mission Critical Deliverables - ExCo has assessed (Red, Amber or Green) the status of the Group's Mission Critical Deliverables. Those not rated 'Green' were discussed as follows:

- GRCB Profit Performance - Amber - The long term aim was to produce a similar (12-15%) level of growth in GRCB as was seen in IBIM. The target for 2007 had been 10% growth but that would not be achieved on a headline basis.

- UKRB Profit Growth - Red - The target had been to achieve income growth of 7% and profit growth of 10% in 2007. As a result of difficult market conditions, only 1% revenue growth would be achieved and PBT growth would be flat. Excluding the impact of current account fee refunds, income growth would be 5% and PBT growth would be 14%. The areas of under performance were in consumer lending and PPI.

- Technology Breakthrough in GRCB - Amber - Progress had been made but IT was not yet a source of competitive advantage for GRCB as it was in IBIM.

- Capital Management - Amber - A framework for measuring capital efficiency by business and product was being developed and work was underway to embed capital management considerations into the MTP process. Both objectives needed to be completed to rate this issue 'Green'.

- Basel II Parallel Run - Amber - At present, capital demand under Basel II was at 102% of Basel I. The intention would be to reduce this to 98%, although this item would remain 'Amber' whilst the demand stayed above 100%.

The Board discussed the Mission Critical Deliverables and noted that responsibility for GRCB IT had passed to Mr Seegers, whilst Mr Idzik remained responsible for Group-wide IT architecture and governance.

The Board also discussed the FSA's concerns around "pro-active risk discovery" which related principally to the whistleblower programme.

In response to a question, Mr Seegers reported that regulatory approval to take the Group's shareholding in the Angolan business up to 80% had been received. The management team was being strengthened. A decision on whether to remain in Angola would be taken shortly. A follow-up audit of the business would be conducted in due course.

(d). BGI - Request to make investments in own funds up to $600 million - Bob Diamond advised the Board that the intention would be to make investments into BGI Alpha funds alongside clients. Discussions had been held with clients to ensure they had no concerns. The Board noted the potential for conflict with the interests of clients and approved the proposal, subject to appropriate governance being in place.

(e). BGI - Discretion to make investments or purchase assets in own name up to $500 million - The Board approved the making of such investments on the basis set out in the paper, noting the tight controls that would be put in place.

(f). Update on Markets - Mr Diamond updated the Board on the current situation in the markets:

- Leveraged Finance - The pricing in this market had become much tighter as hedge funds in particular had suffered losses. This had been a good business for Barclays and it was hoped that the market would start to turn early in 2008. Corporate credit remained strong and BarCap had recently sold-down the Boots Mezzanine financing.

- US Sub-Prime Mortgages - This market would take some time to recover, possibly not before 2009. The secondary market would also take some months to recover. The secondary market problems could cause contagion into the Credit Derivatives Market, which could impact BarCap, in that it could not effectively hedge its book.

- Liquidity - Barclays had excess liquidity and, had it required funding, could have obtained it from CDB. The recent problems were caused by a lack of liquidity at more than very short-term.

The Board discussed the possibility of the Rating Agencies receiving very substantial litigation claims and noted the improved performance at Barclaycard.

The Board noted the report.

(2) Finance Director's Report

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

- Results for August - PBT in August had been £399 million, which was 11% behind August 2006. Given the difficult market conditions, this was a good all round result. BarCap was profitable in August, as was announced to the market, BGI had performed well but UKRB struggled in unsecured lending and PPI. The Business Bank continued to perform strongly.

- Year to Date Performance - PBT for the year to date stood at £4,957 million, which was 4% ahead of the same period in 2006.

- Revised Annual Forecast (RAF) - The RAF indicated PBT for the year of £7,342 million, but the RAF was currently being reviewed and was likely to be reduced to circa £7,100 million. Consensus remained at £7,544 million but these estimates do not yet reflect the current market conditions and would move down closely to the likely RAF. An update would be provided when more information was available.

  In response to a question, Mr Lucas advised that the share buy-back programme would be suspended that day (20 September 2007), in line with the commitments given to the SEC not to be in the market in the 10 days leading up to the first closing. So far, 120 million shares had been bought back but £1.6 billion remained to be spent. The programme could be re-started after 4 October 2007.

  The Board discussed the improved flow of new mortgage business and the way that Barclaycard had effectively managed costs, revenue and impairment to improve its financial performance.

  Mr Lucas also advised that an updated Investor Relations plan would be produced and if the Barclays bid for ABN was unsuccessful, the Group would start to re-engage with sell-side analysts in mid October. Relations with CDB and Temasek would also be carefully monitored.

  The usual audit of the Group's Investor Relations would be brought to the Board in due course.

- Barclays PLC Issuance of Debt - The Board noted the change in approach to the issuance of debt by Barclays PLC, within the existing Governance Structure.

- UK GAAP - The Board approved the delegation of authority to the Barclays Group Finance Director who would approve the adoption of, or continued reporting under, UK GAAP by Barclays UK subsidiaries upon recommendation by the CFO of Barclays Capital. The Board would receive regular reports as to which Group companies remain on UK GAAP.

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

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

(a). Impairment - The Group had delivered a good relative performance on impairment in the half year.

(b). Impact on Shareholders - Although aggregate peer group PBT had grown by 10% in H1 2007, this performance was not reflected in share prices, which were impacted by the deterioration of the credit markets. Several banks (HBOS, HSBC, BBVA and RBS) had significantly increased their dividends at the half year and Lloyds had increased its dividend for the first time in 5 years.

(c). Cluster Financial Performance - Although comparisons were difficult, the Barclays business clusters' performance in H1 2007 had compared well to their peers.

(d). Drivers of PBT Growth - Across the peer group, wholesale banking had been the primary driver of growth with sub-prime lending and regulatory pressures in the UK being a drag on growth for a number of banks.

(e). Return on Equity (ROE) - Barclays ROE of 26% for H1 2007 was a strong performance due to high levels of capital efficiency. The Group's focus on RWAs had meant that its RWAs were growing slower than most peers.

(f). Capital - The Group's capital ratios had been rebuilt to within the target range and its cash flow generation was top quartile.

(g). Future Reports - These would be structured and simplified over time.

In response to a question, Mr Varley advised that the Group level Cost:Income ratio was not a good measure of performance but management was focused on improving the Cost:Income ratios of specific businesses, such as UKRB and Barclaycard, where further improvements could be made. BarCap's Cost:Income ratio at 60% was best in class.

Mr Diamond and Mr Seegers both commented on the performance of their businesses.

(a). IBIM - BarCap's growth in H1 2007 of 36% had been extraordinary, whereas BGI's growth had, as expected, slowed somewhat, which had been exacerbated by the Dollar exchange rate.

(b). GRCB - Emerging markets had seen good growth in Dubai and India and was competing strongly in Africa. Barclaycard had just had its best ever month for account acquisition. Returns in the UK would be impacted by the regulatory regime but UKRB had successfully grown savings products. The Business Bank's principal competitor was RBS who were experiencing capital constraints. As a result, Barclays was poaching their people and opening branches in Scotland. Absa was performing well but faced a number of challenges.

The Board discussed the need for GRCB's growth to be accelerated in order to make up for the expected slow-down in IBIM. This would be a key objective of the MTP. The Board also discussed the reasons for the banking sector's low stock market valuation.

The Board asked if future reports could give trend analysis and for Directors to be sent analysts reports at regular intervals.

The Board noted the Report.

(4) Franchise Health

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

(a). Financial Services Ombudsman - There were no outstanding issues with the Ombudsman due to the improved handling of complaints and the enhanced management of the relationship with the Ombudsman.

(b). UK Retail Franchise- Customer satisfaction and advocacy scores continue to be the lowest of the peer group. The main concern was that 57% of all Barclays personal customer complaints related to basic failures (staff error, staff knowledge, procedure and staff attitudes). The key would be improving capability at fixing problems at the first point of contact and Deanna Oppenheimer and Antony Jenkins were focussing on this area.

(c). Business Banking - In Larger Business, customer satisfaction was, with Lloyds, at the top of its peer group, although the gap to the rest of the pack had closed. Medium Business was third in its peer group.

(d). Spain, Portugal and Absa - Both Spain and Absa had flat customer satisfaction scores. Portugal's satisfaction scores had declined as the business had grown rapidly.

The Board discussed the customer satisfaction scores in the UK Retail business and noted that the business leaders were clear on what needed to be done. The UK Retail business had suffered from inadequate systems and processes and unattractive branches. Work to improve performance in these areas was on-going but the business had been further hampered by the continuing high level of complaints on current account charges. Management information on service quality had not been in place. The Board noted that staff training needed to be a core part of the solution.

Mr Varley highlighted that whilst the results in UK Retail had been disappointing, there had been improvements made in Smaller Business and in Barclaycard.

Paul Idzik and Ahmed Khan joined the meeting.

2.2 GRCB - EMERGING MARKETS STRATEGY

Frits Seegers and Ahmed Khan referred the Board to their presentation on Emerging Markets Strategy, which had been sent to Directors in advance of the meeting and highlighted the following points:

(a). Introduction - The strategy for Emerging Markets (EM) represented a significant opportunity for the Group, particularly given strong banking revenue growth rates, the high return on economic capital and the relationship with CDB.

(b). Business Description - EM had over 1 million customers in 12 countries and 12,500 employees. The business was divided into four regions; Egypt and North Africa, India and Indian Ocean, Sub Saharan Africa and UAE. The business included some of the Group's oldest and youngest businesses.

(c). Growth Opportunity - The EM businesses had exposure to countries with strong growth and the average return on equity of the EM businesses in 2006 had been 30%.

(d). Tailored Products - The aim was to achieve profitable growth by tailoring the product set in each region to local customer needs. In Egypt, the banking sector reforms meant that the bank was in a good position to benefit from the rapid growth of the consumer segment. India had experienced rapid growth by leveraging an innovative distribution approach in order to operate within regulatory constraints.

(e). Control - Staying in control had been an essential focus for the management team. The Risk and Control functions' headcount had been significantly upgraded and would continue to grow in line with the business growth. The new Regional Office in UAE had been built to run a larger scale business than the current one.

(f). Targets - The objective was to deliver PBT of circa £375 million in 2010, while building a scaleable platform to allow GRCB to leverage further opportunities in high growth markets.

The Board discussed the reaction of competitors to the entry of Barclays into new markets and noted the strong share of new business flow that EM had achieved so far. Vietnam was an attractive market and opportunities were being explored for ways of entering with a strong partner given the 20% restriction on foreign ownership of banks. The Board also discussed the capital that the growth would consume and the need to balance asset and liability growth.

The Board noted the report.

Ahmed Khan left the meeting.

2.3 PROJECT PEGASUS

John Varley described the timetable for the Offer, highlighting that the ABN EGM was taking place at the same time but was purely advisory. The European Commission's announcement on the competition aspects of the Consortium's proposals was due on 3 October 2007. The Barclays offer would close on 4 October 2007 and the Consortium's on 5 October 2007. The approach generally would be to maintain the pressure on the Consortium so that they would not be able to reduce the price they had offered.

The Board discussed the performance of the Group's financial advisers during the offer and noted that there had been some strong performers and the team had operated in a cohesive fashion.

The communications advisers had performed much more patchily and the same could be said of the Group's own media management. The costs of the proposed transaction would amount to about £80 million, which would be covered by the €200 million break fee, which was now payable.

The bank's defence strategy was in place and management would be pro-actively discussing with shareholders the areas that the Group would be focussing its future efforts on.

Mr Russell commented that he had been proud and privileged to work with the Barclays leadership team during the Pegasus transaction. The rest of the Board endorsed that view. Mr Varley thanked the Board for the strong support during the transaction.

<u>Papers circulated for information</u>

Committee minutes:

Board Audit Committee Meeting on 25 July 2007

Board HR and Remuneration Committee Meeting on 26 July 2007

EXHIBIT 162

FILED UNDER SEAL

PAPER FOR BOARD MEETING ON THURSDAY 6 DECEMBER 2007

Agenda Item No.
1.4(4)

TO: The Directors

FROM: Sir Richard Broadbent

DATE: 6 December 2007

SUBJECT: REPORT OF THE BOARD RISK COMMITTEE MEETING ON 5 DECEMBER 2007

The Board Risk Committee met on Wednesday 5 December 2007.

Update on Leveraged and Sub-Prime Credit Markets

We received a detailed report on current market conditions and our exposures. Since the Trading Update on Barclays Capital performance to end October was issued, the ABX Indices, which are based on sub-prime securities, have fallen by as much as 10% in November. There have consequently been further write downs of £400m ($800m), sub-divided as follows:

NIMS / Post NIMS	£125m	($250m)
Retained / Warehouse positions	£150m	($300m)
Super Senior ABS CDOs (High Grade and Mezzanine)	£100m	($200m)
Whole Loans	£25m	($50m)

The above write-offs have been partially off-set by a £200m ($400m) benefit from Own Credit in November.

The indices did rally towards the end of the month and the opportunity was taken to hedge a further £750m ($1.5bn) of exposure. The table below shows the movements in gross and net exposure in dollars since September in the same format that I used in reporting then:

EXHIBIT RME 407
10/30/15

Asset Backed Securities

Our gross exposure (i.e., before taking account of collateral) can be summarised as follows:

	Sept 19 $m	Oct 22 $m	End Nov $m
US Sub-Prime Residential Mortgage Exposure			
Financing of US Sub-prime Residential Mortgages	502	0	0
Whole Loans Purchase and Securitisation	7,517	6,333	6,267
Post-NIM Residuals			
- *cost basis*	1030	803	719
- *stress test loss basis*	491	307	
CDO Warehousing	1,554	1,319	1,196
Backstop/Liquidity			
Barclays sponsored conduits	500	0	0
Third party conduits	198	331	545
Super senior tranches of CDOs*	4,942	8,316	8,200
Synthetic liquidity facilities	4,025	3,987	3,575
* *Total facility is up to $8,454m*			
SIV/SIV-lites			
Drawn Backstop liquidity	298	298	298
SIV Derivative exposure	362	452	522

The figures above reflect gross write-downs totalling $3,458m as at end October and rising to $4,286m as at end November. Hedges have increased from $1,898m as at end October to $3,451m as at end November.

Barclays Capital has undertaken stress testing on the Super Senior ABS CDO book. This reflects a one in twenty stress from the current position and would result in an additional $2bn loss.

The Leveraged Finance Portfolio has increased from £7.5bn at end October to £8.7bn as a result of new business being written. The volatility in the sub-prime market is not being seen in this sector and we are comfortable with the credit quality of these assets.

The Group's counterparty exposures remain broadly unchanged in the order of $14bn and none are giving significant cause for concern at present.

The anticipated shift of approximately $20bn of assets onto our own balance sheet has taken place. It is not anticipated at present that further significant assets will come onto the balance sheet directly as a result of market conditions.

A potential new area of concern is the exposure to monoline insurers. These insurers guarantee the cash-flow associated with the underlying instruments they support, of which a small proportion comprise sub-prime assets. Credit equivalent exposure to these monolines is $7.8bn. The primary source of risk arises from any potential downgrade of the insurers although this risk is already largely reflected in widened credit spreads.

Finally we noted that market risk is emerging in BGI in two respects:

- Potential capital injections for reputational reasons to keep whole certain money market funds. Our exposure might be of the order $200-300million.
- The need to respond to potential downgrades in Citigroup SIVs where held by BGI funds. It is not possible to quantify yet this exposure, if any.

Group Risk Profile Report

We also discussed the regular Group Risk Profile Report, the main points of which are covered in the Quarterly Risk Report, which you have received with your Board papers. The Board should note that the Committee ratified the increase in Wholesale Expected Loss (impairment), which is currently £1,048m. This compares to £515m for Wholesale Expected Loss in the Risk Appetite for 2007 approved by the Board and the Committee in December last year. The increase reflects the increased wholesale impairment in sub-prime in Barclays Capital. There are no other specific issues arising from the report to draw to your attention.

Forward Risk Trends

We received a new report setting out an assessment of those risk areas where the environment is changing significantly or where growth rates are increasing. The main areas we discussed were FirstPLUS, Absa and Emerging Markets, in particular, India. The report was useful in focusing attention on potential future risk issues. It is intended that this report will be produced semi-annually.

Risk Appetite

We agreed to recommend the Risk Appetite for 2008 to the Board for approval. A separate paper sets out the recommendation in more detail.

Basel II

We received an update on the Basel II programme, which has just completed its fourth parallel run (PR4). Under PR4, total Risk Weighted Assets have increased to 101% of Basel I. We continue to work with the FSA on some outstanding items, including the treatment of pension risk and private equity, but it is clear that there is unlikely to be any reduction in capital demand.

Annual Review of Policies

We reviewed the FSA Required Policies in respect of Credit Impairment, Large Exposures, Liquidity and the Trading Book, as we are required to each year. No material changes to the policies were proposed and we approved the revised policies. We also considered and adopted some minor amendments to the Principal Risks Policy.

EXHIBIT 163

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PAPER FOR DISCLOSURE COMMITTEE MEETING ON TUESDAY 29 JULY 2008

Agenda Item No.
1.1(1)

TO: Members of the Disclosure Committee

FROM: Chris Lucas

DATE: 25 July 2008

SUBJECT: APPROVAL OF MINUTES OF PREVIOUS MEETING – 7 MAY 2008

The minutes of the Disclosure Committee meeting held on 7 May 2008 are submitted for the Committee's approval.

BARCLAYS PLC

MINUTES OF A MEETING OF THE DISCLOSURE COMMITTEE HELD AT 1 CHURCHILL PLACE, LONDON E14 5HP ON WEDNESDAY 7 MAY 2008

Present:

Chris Lucas	Chairman
Jonathan Britton	Barclays Financial Controller
Lawrence Dickinson	Company Secretary
Mark Harding	General Counsel
Robert Le Blanc	Group Risk Director
Mark Merson	Head of Investor Relations
Jon Stone	Group Treasurer

In Attendance:

Patrick Gonsalves	Secretary to the Committee
Phil Rivett	PriceWaterhouseCoopers LLP
Alistair Smith	Barclays Corporate Affairs

Apologies:

Paul Idzik	Chief Operating Officer

1. **APPROVAL OF MINUTES**

The minutes of the meeting held on 27 February 2008, which had been sent to Committee members in advance of the meeting, were approved for signature by the Chairman of the Committee.

2. **H1 INTERIM MANAGEMENT STATEMENT**

(1) Review of Legal & Technical Review Committee Report

Jonathan Britton briefed the Committee on the issues raised by the Legal & Technical Review Committee, which had met earlier in the day, and highlighted the following points:

(a) April Performance

Under the requirements for Interim Management Statements (IMS), the announcement to be made on 15 May would need to be based on management's assessment of performance up to the date of the announcement. It would, therefore, be necessary to review the tone of the IMS in light of performance in both April and the first part of May.

(b) Other Comments

The Legal & Technical Review Committee had made a number of detailed drafting comments including some drafting changes to the commentary relating to impairment.

(2) **PriceWaterhouseCoopers' (PwC) Review of Interim Management Statement (IMS)**

Phil Rivett briefed the Committee on the status of PwC's work on the IMS. The work on Barclays Capital (BarCap) was nearing completion and some work remained in relation to BGI's support for customer liquidity products. The following points were discussed as a result of Mr Rivett's report:

(a) Leveraged Loans

The Group had decided for 2007 year-end not to 'Fair Value' this portfolio which was consistent with the Group's Accounting Policy. The portfolio is held as an accrued asset and as the underlying loans are performing satisfactorily, it is not appropriate to recognise any additional impairment. It was noted that many investment banks would fair value at least the "hung" portion of the portfolio.

It was noted that although the Group's position on monoline insurers looked different to RBS, PWC still felt the Group's approach to be appropriate for its exposures.

(b) April Valuation Adjustment

Subsequent to the production of the March Management Accounts and the Performance Update given at the time of the AGM, information received during April had required an adjustment to some of BarCap's March valuations. The net negative impact had been £200 million, or £150 million after taking account of reduced related accruals.

The Committee agreed that a review should be conducted of the impact of adjusting the March numbers on the public statements that had been made about Group and BarCap performance but the Committee's preference was that the March numbers be revised for the adjustment and discussions should be held with BarCap about any lessons that needed to be learned. Any adjustment would be fully explained to the Board and in particular to the Chairman of the Board Audit Committee.

(c) PwC Report

A report from PwC on the work they have conducted for the IMS would be sent to the Board Audit Committee. Overall, Mr Rivett felt that the Group's approach to valuing credit assets was more prudent at the end of Q1 than it had been at the year-end.

(d) Presentation of Write Downs

The Group had so far presented the total of credit market related write downs net of Own Credit but also net of income on the impacted books. Income on the books in the first quarter was approximately £340 million. The Group had expected others to take this approach at the year-end but it may be that most were presenting their write downs on a gross basis.

It was agreed that further thought would be given to the presentation of the write downs and whether gross numbers, excluding Own Credit and the associated income, should be presented.

(3) **Current Performance Against Market Consensus**

Group performance to the end of April 2008 was 46% below the very strong performance in the comparative period in 2007. The underlying performance in April had been good but the impact of Own Credit had depressed the out-turn. Current market consensus for Group Profit Before Tax for 2008 was £6,790 million, although consensus was likely to fall as a result of information already put into the market in the recent AGM statement. The Committee discussed whether a statement of the Group's current performance needed to be made ahead of the IMS. The Committee concluded that the market was broadly aware of overall Q1 performance and could calculate the impact of Own Credit. The full-year RAF of £7 billion included a benefit of £500 million which was unlikely to be achieved, although this was before any possible adjustment to compensation accruals. Underlying performance in the year-to-date suggests that the adjusted RAF was stretching but achievable. Therefore, the Committee agreed that no statement to the market was required ahead of the IMS.

(4) Litigation Report

Mark Harding briefed the Committee on two situations that could impact the Group's Litigation statement or other statements made about regulatory issues:

(a) Current Account Overdraft Charges

Judgement had recently been received on this test case and the findings could be described as a "score draw". However, the Group, along with the other banks, would be lodging an appeal and the County Court stays remained in place. Therefore, it was not felt necessary to update the information previously published.

(b) US Sanctions

The information previously requested had been submitted to the US Authorities and the Group had been asked to do further work. Once that was completed, the Group might be able to move towards a settlement. Again, there was no need to revise the information previously reported to the market.

(5) Review of H1 IMS

Mark Merson referred the Committee to the draft IMS, which had been sent to members of the Committee in advance of the meeting and the draft speech, which had been laid on table at the meeting and highlighted the following points:

(a) Capital

The statement included in the IMS that the Group's capital ratios at 30 June 2008 would be 'slightly lower' than those reported at 31 December 2007 was dependent on the completion of the ESAS restructuring as well as the planned Risk Weighted Assets (RWA) reduction. The reduction in RWAs was happening but there remained uncertainty on the ESAS restructuring.

(b) <u>April Trading</u>

In view of the requirements for the IMS to reflect management's view of current trading up to the date of the IMS, the final paragraph entitled "April Trading" could be revised to "Subsequent Trading".

(c) <u>Credit Market Disclosures</u>

This disclosure would include information about the vintages of assets held and the nature of BarCap's monoline exposures in order to distinguish the nature of BarCap's exposure from others. The increasing level of disclosure was inevitable and failure to do so could make regulatory changes more likely. It was also felt that greater clarity on Own Credit, as already discussed, would be helpful. It was also suggested that consideration be given to disclosing the percentages by which different classes of assets had been written down.

(d) <u>BGI</u>

The total potential exposure in respect of the guarantees BGI had provided in respect of liquidity products could amount to $2.5 billion. Although the guarantees had effectively capped the Group's exposure, the notional exposure was significant. Consideration would be given to revising the current disclosure.

3. NEXT STEPS

In view of the significant revisions to the IMS that had been discussed, a further draft of the IMS would be sent to Committee members who would then be asked to confirm that they are able to recommend publication of the IMS.

EXHIBIT 164

FILED UNDER SEAL

From: King, Martin: GFRM (LDN) [/O=BZW/OU=EUROPE/CN=RECIPIENTS/CN=EXCHANGE RECIPIENTS/CN=KINGMAR]
Sent: Thursday, January 31, 2008 6:26:40 PM
To: King, Linda: GFRM (LDN); Guy, Lee: GFRM (LDN)
CC: Bhattacharjee, Kris: Finance (LDN); Versluys, Roger: Finance (LDN); Wootton, Tom: GFRM (LDN); Aguais, Scott: GFRM (LDN); Forest, Larry: GFRM (NYK); Garcha, Sarvjeet: Credit Derivatives (NYK); Congleton, Jim: GFRM (LDN); Cheng, Rebecca: GFRM (NYK); Yoss, Eric: Market Risk (NYK)
Subject: FW: ABS CDO Super Senior Structures
Attachments: CDO analysis.xls; Rebecca.doc; Sarvjeet.doc; FW: Agency CDO - consolidated structures.msg

As an update following our discussion yesterday, the XL doc attached provides a break down of how we arrived at the Pillar 2 RC 'add-on' (see column X) with reference to Rebecca's update and Sarvjeet's overview:

CDO analysis.xls Rebecca.doc Sarvjeet.doc

The scope of this analysis focuses on the Jess Saypoff book only. A separate analysis will be required on the SIV and SCM exposure that Linda referred to yesterday and taken into a/c for subsequent RC calcs.

In the 'add-on' breakdown, there are 3 unimpaired assets (= the 2 Tourmaline deals and Citius I) according to data we received from PCG:

FW: Agency CDO - consolidated s...

While we do not think these deals will EOD in the next 2 years, they are included in the Pillar 2 'add-on' calculation on the basis the market risk UL on a PVCF approach far exceeds the equivalent RWAs under the ratings based 'risk weight' approach.

In summary, the proposal for your agreement is that a £514m RC 'add-on' is applied under Pillar 2.

Any questions, let me know.

Martin

-----Original Message-----
From: Cheng, Rebecca: GFRM (NYK)
Sent: 30 January 2008 20:17
To: Cheng, Rebecca: GFRM (NYK); King, Martin: GFRM (LDN)
Cc: Forest, Larry: GFRM (NYK); Yoss, Eric: Market Risk (NYK); Willett, Bradford: Credit Derivatives (NYK); Guy, Lee: GFRM (LDN)
Subject: RE: ABS CDO Super Senior Structures

Just to further clarify. Two major differences between this new detailed doc vs the old version:
1. Re-categorize the likely EOD deals (Buck III, Citius II, and Liberty Harbor). Brad's previous email on 1/22/08 has reflected this already.

2. Increase the severity from 55% to 60% for subprime, from 30% to 45% for alt-A.   Brad's memo does NOT include this.

-----Original Message-----
From: Cheng, Rebecca: GFRM (NYK)
Sent: Wednesday, January 30, 2008 2:59 PM
To: King, Martin: GFRM (LDN)
Cc: Forest, Larry: GFRM (NYK); Yoss, Eric: Market Risk (NYK); Willett, Bradford: Credit Derivatives (NYK)
Subject: RE: ABS CDO Super Senior Structures

Since Brad sent out his last analysis on Jan 22, 2008, the only change to the PV SS deals is to increase the severity from 55% to 60% for subprime, from 30% to 45% for alt-A.   To the extent if we decide to go with the increased severity case for the YE RWA calculation, please see the revised doc.   The MTM trading book's COB remains 12.31.07 for the analysis.   Let me know if you would want to update for a specific COB. Thanks.

-----Original Message-----
From: King, Martin: GFRM (LDN)
Sent: Wednesday, January 30, 2008 2:23 PM
To: Cheng, Rebecca: GFRM (NYK)
Cc: Forest, Larry: GFRM (NYK); Yoss, Eric: Market Risk (NYK)
Subject: ABS CDO Super Senior Structures

Hi Rebecca,

Larry and I just met with Lee to brief him on the YE RWA approach we intend to take for the impaired liquidity lines.

He mentioned the paper that references the methodology approach taken to size the impairments has now been updated. Could you send a copy to me so I'm clear on what changes have neen made.

Tks,
Martin

Document Produced in Native Format

From: Hazlett, Sacha: GFRM (LDN) [/O=BZW/OU=EUROPE/CN=LDN AD USERS/CN=USERS/CN=HAZLETTS]
Sent: Thursday, January 31, 2008 5:25:28 PM
To: King, Martin: GFRM (LDN)
Subject: FW: Agency CDO - consolidated structures

From: McCosker, Tom: Product Control (NYK)
Sent: 24 January 2008 16:53
To: Bhattacharjee, Kris: Finance (LDN); Crouch, Sarah: Finance (LDN); Holliman, Chris: GFRM (LDN); King, Martin: GFRM (LDN); Hazlett, Sacha: GFRM (LDN); Caine, Shena: Product Control (NYK)
Cc: Versluys, Roger: Finance (LDN); Joshi, Nikhil: Finance (LDN); Atkin, Elizabeth: Financial Control (LDN); Bex-Vigoureux, Helen: Finance (LDN); Braunstein, Mitchell: Finance (NYK)
Subject: RE: Agency CDO - consolidated structures

I apologise for the late chage but a late adjustment to the below has been approved. Impact is only 6mm GBP

	NEW	**OLD**	**DIFF**
Pampelonne CDO I Limited	TRADING BOOK - zeroed out	TRADING BOOK - zeroed out	
Pampelonne CDO II Limited	TRADING BOOK - zeroed out	TRADING BOOK - zeroed out	
Markov CDO I Limited	TRADING BOOK - zeroed out	TRADING BOOK - zeroed out	
BFC Silverton CDO Limited	108,792,317	108,792,317	0
Liberty Harbour CDO Limited 2005-1	91,026,486	91,026,486	-
Buckingham CDO Limited	25,956,652	25,956,652	0
Buckingham CDO II Limited	34,941,647	34,941,647	(0)
Buckingham CDO III Limited	95,018,819	95,018,819	0
STACK 2005-2 Limited	59,237,266	53,168,590	6,068,676
STACK 2005-2 Limited			-
Camber 6 PLC	100,782,763	98,896,212	1,886,550
Citius II Funding Limited	32,786,247	32,786,247	-
Tenorite CDO I Limited	199,867,649	201,471,583	(1,603,934)

From: Bhattacharjee, Kris: Finance (LDN)
Sent: Tuesday, January 15, 2008 2:39 PM
To: Crouch, Sarah: Finance (LDN); Holliman, Chris: GFRM (LDN); King, Martin: GFRM (LDN); Hazlett, Sacha: GFRM (LDN); Caine, Shena: Product Control (NYK); McCosker, Tom: Product Control (NYK)
Cc: Versluys, Roger: Finance (LDN); Joshi, Nikhil: Finance (LDN); Atkin, Elizabeth: Financial Control (LDN); Bex-Vigoureux, Helen: Finance (LDN); Braunstein, Mitchell: Finance (NYK)
Subject: RE: Agency CDO - consolidated structures

Tom/Chris

Unfortunately there is considerable urgency dictated by year-end timetable so grateful for an early response

Thanks

Kris

From: Crouch, Sarah: Finance (LDN)
Sent: 15 January 2008 18:46
To: Holliman, Chris: GFRM (LDN); King, Martin: GFRM (LDN); Hazlett, Sacha: GFRM (LDN); Caine, Shena: Product Control (NYK); McCosker, Tom: Product Control (NYK)
Cc: Versluys, Roger: Finance (LDN); Bhattacharjee, Kris: Finance (LDN); Joshi, Nikhil: Finance (LDN); Atkin, Elizabeth: Financial Control (LDN); Bex-Vigoureux, Helen: Finance (LDN); Braunstein, Mitchell: Finance (NYK)
Subject: Agency CDO - consolidated structures

All,

You will recall that on the consolidated structures we essentially have two intra-group exposures to the SPV which collapse into one cashflow (BBplc extends liquidity facility to SPV; SPV uses funds to pay BBplc under CDS/TRS contracts). We need to ensure that we capture only one exposure for risk weighting/LE Basel II reporting.

For Basel I we used the following values (derived from TAG/PCG consolidation analysis) to calculate TC consumption:

Pamp I: $140,756,690
Pamp II: $380,054,434
Markov: $304,050,060
Silverton: $150,359,665

As I understand it these figures reflect the inter-co derivative balances less (i) MTM values of supersenior pieces in the case of Pamp/Markov and (ii) liquidity impairment on BFC Silverton. We should therefore be capturing an asset of similar value for B2 reporting. We believe that RWAs should be captured in the trading book given that this will give the more prudent capital requirement (pending further downgrades) on a more accurate exposure value (i.e. risk weight at 100% as a STD unrated counterparty exposure as opposed to using an inferred RBA risk weight on the liquidity facility /supersenior limits).

However, I understand (from Chris H) that EEPE for Pamp/Markov/Silverton has been set to 0 so no charge will be feeding through on the trading book side. Martin/Sacha's BIPRU 9 banking book calc excludes Pamp/Markov (on the basis that the asset purchase agreements represent traded exposures) but includes an RWA for the impaired BFC Silverton liquidity facility. Whichever approach we adopt I think we should be consistent across the consolidated structures.

Note that the similar considerations will apply for the non-consolidated structures but we will need to do further analysis. **Tom**, can you please confirm that the identified impairments (in GBP) used by Sacha in her calcs correspond with PCG info. **Chris** can you please detail the exposures you are seeing in Eagle for each of the non-consolidated structures?

Pampelonne CDO I Limited	TRADING BOOK - zeroed out
Pampelonne CDO II Limited	TRADING BOOK - zeroed out
Markov CDO I Limited	TRADING BOOK - zeroed out
BFC Silverton CDO Limited	126,288,876.57
Liberty Harbour CDO Limited 2005-1	92,345,621.21
Buckingham CDO Limited	25,956,607.04
Buckingham CDO II Limited	34,941,586.40
Buckingham CDO III Limited	98,335,607.45
STACK 2005-2 Limited	50,942,547.23
STACK 2005-2 Limited	2,468,163.42
Camber 6 PLC	99,833,104.01
Citius II Funding Limited	38,435,745.04
Tenorite CDO I Limited	201,662,870.10

Many thanks,

Sarah

Sarah Crouch
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ABS CDO Super Senior Tranches Valuation Methodology Summary

GFRM

January 30, 2008

1 Product Name

Structured Finance ABS CDO Super Senior Tranches

2 Description of Product

The analysis focuses on Barclays' retained risks on ABS CDO super senior in three forms:

Liquidity Facilities for High Grade ABS CDOs in the Banking Book: - These are ABS CDOs with assets initially rated single A and above. Most of the assets are cash bonds. They tend to have a higher percentage of embedded CDOs and non-subprime RMBS and CMBS. Super Senior usually attaches at 10%. Barclays provides liquidity facilities for the ABCP issuance. To the extent that a high grade ABS CDO cannot fund the super senior capital structre by rolling ABCP, Barclays will step in to provide the funding, and effectively hold the super senior notes of the CDOs.

Liquidity Facilities for Mezzanine ABS CDOs in the Banking Book – These are ABS CDOs with predominately BBB rated collateral at inception. Most of the assets are subprime HEL in the form of cash or single name ABS CDS. The cash bucket may account for only some portion of the total pool. These CDOs are therefore only partially funded with a small percentage going into a reserve account to cover any future CDS obligations. To the extent if the ABS PAUG CDS settlement exceeds the cash reserve amount available, Barclays will step in to provide the funding for any shortfalls, and effectively become the super senior note holders.

Retained MTM Super Senior Risk: Barclays has sold protection on one side, and bought offsetting protection from a CDO on the other side. However, the CDO is usually funded up to the bottom 20%. In the cases that losses exceed the funding amount, Barclays faces an unfunded counterparty. This retention risk is mitigated through unwind triggers. The triggers are set in the form of an OC (over- collateralization) ratio on the tranche immediately below the super senior piece. In calculating the OC ratio, the portfolio is valued using rating based haircuts. Should the trigger be breached, Barclays has the right to unwind the CDO transaction. Barclays is taking on the risk when, conditional on certain triggers crossed or tests failed, the value of the underlying pool is less than the outstanding notional of the super senior.

Given the current turmoil in the subprime market, as observed in the deteriorating ABX prices and the expected high cumulative defaults in the underlying subprime loan pools, Barclays has either taken MTM losses in P&L or taken substantial impairment provision.

ABS CDO Super Senior Tranches

	Deal	Attachment	Original Deal Notional	Subordination	Liquidity Notional	Valuation
Liquidity Facilities						
High Grade	Buckingham I	10%	1,000	100	900	CF PV
High Grade	Buckingham II	10%	1,300	130	1,170	CF PV
High Grade	Buckingham III	10%	1,500	150	1,350	CF PV
High Grade	Citius I	10%	1,808	175	1,633	CF PV
High Grade	Citius II	10%	1,925	193	1,732	CF PV
High Grade	Liberty Harbor	13%	1,800	234	1,566	CF PV
Subtotal HG			**9,333**	**982**	**8,351**	
Mezz	Camber VI	35%	750	263	487	NAV
Mezz	Tourmaline I	35%	750	263	488	CF PV
Mezz	Tourmaline II	30%	1,000	300	700	CF PV
Mezz	Stack 2005-2	30%	500	150	350	NAV
Mezz	Tenorite	36%	1,250	450	800	NAV
Mezz	Silverton	40%	750	300	450	NAV
Subtotal Mezz			**5,000**	**1,726**	**3,275**	
Total Liquidity Facilities			**14,333**	**2,708**	**11,626**	
MTM SS Risk						
Hig Grade	Pampelonne I	15%	1,251	188	1,063	NAV
Hig Grade	Pampelonne II	20%	2,000	400	1,600	NAV
Hig Grade	Markov	20%	2,000	400	1,600	NAV
Subtotal HG			**5,251**	**988**	**4,263**	
Total MTM SS Risk			**5,251**	**988**	**4,263**	
TOTAL SS Exposure			**19,584**	**3,696**	**15,889**	

Collateral composition is key to the value of the CDOs. For the subprime and alt-A collateral, vintage is an important consideration as well. Below is the asset mix of the CDO collaterals across the CDO portfolios.

Super Senior Collateral Breakdown

As of 11/9/07

Super Senior Positions	TOTAL	HG CF SS	Mezz SS	MTM SS
ABS Bespoke CDO	1,118,553,125	410,000,000	83,553,125	625,000,000
ABS CDO	2,450,270,946	551,047,444	865,131,711	1,034,091,790
2nd Lien RMBS (AAA)	5,000,000	5,000,000	-	-
2nd Lien RMBS (Non-AAA)	220,347,550	211,187,550	-	9,160,000
Subprime ABS (AAA)	397,954,567	347,772,567	-	50,182,000
Subprime ABS (Non-AAA)	8,876,716,295	3,009,767,527	3,147,916,768	2,719,032,000
Alt-A/Option ARM (AAA)	2,045,273,549	1,865,352,497	22,266,000	157,655,052
Alt-A/Option ARM (Non-AAA)	1,520,896,905	918,668,010	299,321,059	302,907,836
Prime RMBS	1,315,161,452	914,736,354	221,342,879	179,082,218
non RMBS CDO	670,005,476	489,422,285	119,473,191	61,110,000
CMBS	587,049,851	280,592,216	198,457,635	108,000,000
Other	175,773,814	160,454,583	15,319,231	-
Total	**19,383,003,529**	**9,164,001,034**	**4,972,781,599**	**5,246,220,896**

RMBS Notionals by Vintage (Including Subprime and Alt-A / Options ARM)

	Current Notional ($mm)			As % of Notionals		
	Subprime	Alt-A / Option Arm	Totals	% Subprime	% Alt-A / Option Arm	% Totals
Pre- 2006	5,058	1,869	6,928	55%	52%	54%
2006 - 1H	2,344	927	3,271	25%	26%	25%
2006 - 2H	1,334	454	1,788	14%	13%	14%
2007	539	315	854	6%	9%	7%
Sub Total	9,275	3,565	12,841	100%	100%	100%

Notionals as of 10/25/2007

3 Description of Model Used For Base Case

From valuation perspective, there are two major approaches depending on how likely an ABS CDO trigger an Event of Default ("EOD") in the near future. An EOD is usually defined as the failing of a senior holder's OC trigger, which will result in a possible liquidation event should the controlling party of the note holders exercise the option. SS note holders are usually the controlling holders in this case.

The general criteria for the SS valuation are set such that if an ABS CDO is deemed to suffer from EOD in the near future, the SS risk will be the total **Net Asset Value ("NAV")** of the portfolio minus the subordination. In this case, the NAV is the aggregated market value of the underlying assets in the CDO. Based on this, all MTM super senior and all mezz ABS CDO SS liquidity facilities with the exception of two (Tourmaline I & II) fall into this category.

On the other hand, if an ABS CDO is considered not likely to have an EOD, the cashflows of the underlying assets will be projected based on certain prepayment and default assumptions. Implied writedowns over the next 5 years will be assessed for permanent impairment assessment. SS risk will be **PV of the principal shorfall** minus subordination. All high grade ABS CDO SS facilities in the banking book and two mezz ABS CDOs SS (Tourmaline I & II) are in this category. Details of this approach are outlined below.

Loss Modeling

Subprime & Alt-A/Option ARM Assets

1. ***Assumptions*** - In order to generate the required cashflows for the bonds in each of the above asset classes, we begin with the following assumptions:
   - Vintage specific CPR curves
     - The actual observed deal CPR available in a particular vintage was averaged for each month from issuance to "today". Then going forward CPR is projected based on vintage and general market conditions. An example of the projections are given below, also see the appendix for complete graphs of each curve.
       - Loans originated in the 2nd half of 2005 are assumed to prepay at a constant 20% after 27 months of seasoning, then dropping to 10% at month 75 and 5% at month 87 and thereafter.
   - CDR Curve
     - The shape of the CDR curve is assumed to be given and will be shifted based on roll rate assumptions which are described below. The appendix shows the shape of the CDR curve.
   - Severity
     - Loans in Subprime pools are assigned a 40% severity.
     - Loans in Alt-A pools are assigned a 30% severity.
   - Interest Rate

     Loans are run from origination to current date at the historical LIBOR rate and run at the forward LIBOR from current date forward.
   - Triggers

   All the deals are run assuming performance triggers are failing. For the subprime RMBS waterfalls, if deal cumulative loss or delinquency triggers fail, the cashflows dictate that no principal payments received be distributed to subordinated bonds prior to the AAA bonds being paid off. Additionally, at the AAA level, how principal is allocated to pay the first pay, second pay and last cashflow bonds vary and is deal specific.

2. ***Loss Projection*** – Based on roll rate assumptions, the currently observed foreclosure, bankruptcy and delinquency data for the pools underlying these bonds are used to project losses for a given bond at time T (today) + 18 months.

   - The roll rates in the table below project the percentage of a particular delinquency bucket that is likely to move to loss in 18 months:

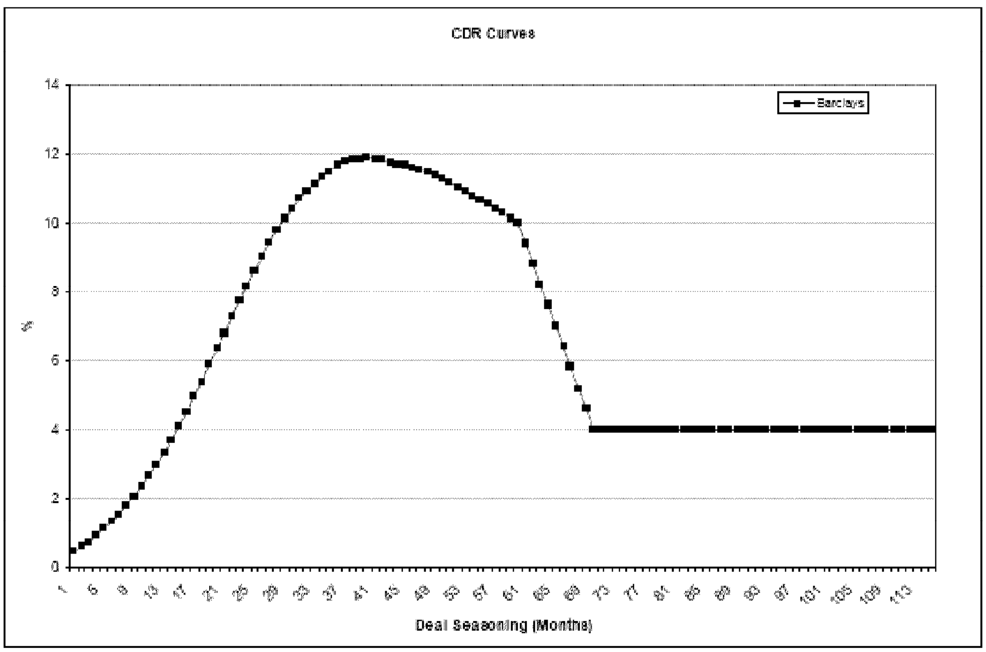
○

Days Delinquent (Intex Data)	BarCap Roll Rate
30	15%
60	70%
90+	75%
Bankrupt	70%
Foreclosure	100%
Real Estate Owned	100%

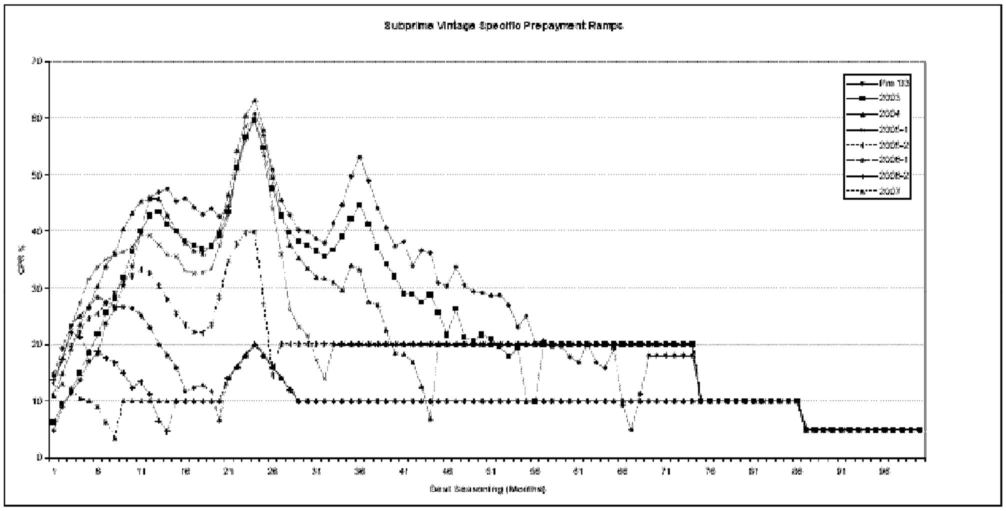
- Using these projections and known losses to date, we arrive at a projection for the cumulative loss at time T + 18 months.

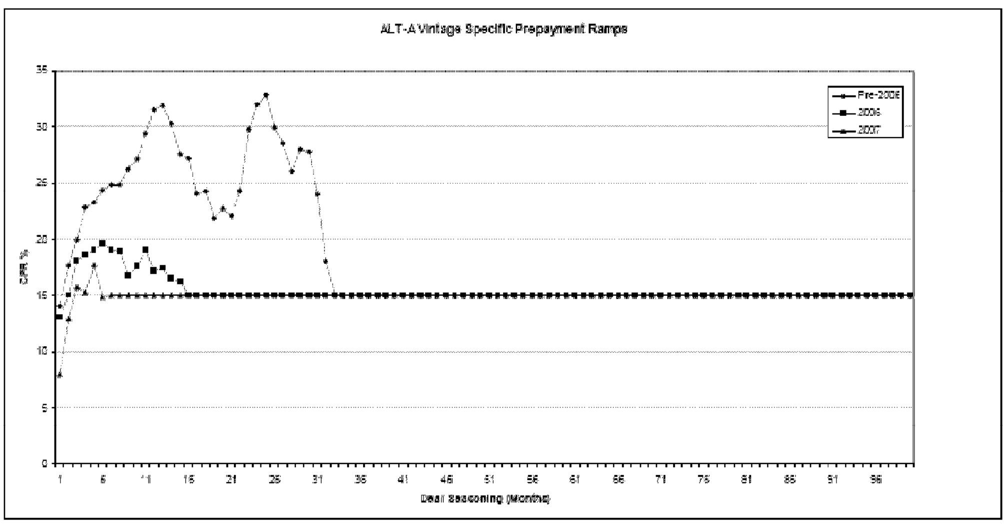
- CDR Curve – The CDR curve for the given bond is then determined such that the losses at time T + 18 coincide with the projection above.

CDR Curve Shape



Vintage Specific Prepayment Ramps





3. Loss Timing - The vintage specific CPR curves and fitted CDR curves are applied to each the respective trusts. If a particular RMBS tranche is found to suffer an initial write-down at a particular time in the specified scenario, it is assumed that the tranche suffers a 100% write-down (100% severity) at the same time.

Non First Lien Subprime and ALT-A/Option ARM Assets

The following assumptions are made to project losses:

Asset Class	Years to Loss	Bond Severity
ABS Bespoke CDO	1	100%
ABS CDO	0	100%
2nd Lien RMBS (AAA)	1	100%
2nd Lien RMBS (non-AAA)	0	100%
Prime RMBS (AAA/AA/A)	0	0%
Prime RMBS (BBB and below)	3	100%
Non-RMBS CDO (AAA/AA/A)	0	0%
Non-RMBS CDO (BBB and below)	3	100%
CMBS	0	0%
Other	0	0%

Projecting Losses on the Super Senior

- Loss projections are aggregated across all the assets on a semi-annual basis, based on the expected time to loss, to arrive at a vector of cumulative losses on each super senior portfolio as a function of time. Based on the expected loss of the underlying portfolio and the credit enhancement to the Super Senior, the expected loss to the super senior tranche is mapped over the same semi-annual basis (losses start accumulating on the Super Senior once the cumulative losses on the portfolio exceed the subordination on the super senior tranche).

- The cumulative losses on the super senior are converted to marginal losses as a function of time. The marginal losses are then discounted at the forward LIBOR curve.

4. Stress Loss Analysis

Summary

Super Senior & Other Trading Book Positions	
($mm)	**Stress Loss**
Total MTM positions (ex CF SS)	(352)
CF SS Migrating to NAV Risk	(1,268)
CF SS with Increased Cum Loss	(621)
TOTAL	**(2,241)**

MTM/NAV Super Senior

The assets in the MTM/NAV Super Senior positions are MTM, and are therefore subject to price changes. The business has put on hedges, primarily through buying ABX protection, against adverse price changes.

The stress loss is based on applying price haircut to the current MV by asset and by rating.

- Subprime: represented by the ABX equivalent MV with a stress factor equal to the worst 10 day price move in terms of percentage.
- Alt-A: Consistent with the rest of alt-A trading positions stress parameters.
- CMBS: based on maximum 10 day spread widening in the BoA AAA CMBS TRS index, which translates into approximately 3% price move assuming 7 year duration.
- Others: Since they are relatively illiquid assets, price discount is assumed to be aligned with subprime, alt-A and CMBS on a relative basis.

COB 12/31/2007 (Notionals & MID MVs in USD mm)

	NY CDO Trading		MTM SS		NAV SS		RMBS Warehouses		Aggregate			
SubPrime RMBS via Single Names/Index	**Notional**	**Desk MV**	**Notional**	**Desk MV**	**Notional**	**Desk MV**	**Notional**	**Desk MV**	**Notional**	**Desk MV**	**Stress MV**	**Stress % 10 Day (Price)**
AAA	(1,535)	(1,200)	48	35	-	-	1,830	1,430	**343**	**265**	(40)	-15%
AA	(1,154)	(667)	472	272	71	49	722	444	**111**	**97**	(34)	-35%
A	(2,462)	(1,029)	2,189	900	180	93	-	-	(93)	(36)	**12**	-35%
BBB	(974)	(301)	-	-	1,238	460	-	-	**264**	**159**	(56)	-35%
BBB-	(287)	(70)	-	-	721	225	-	-	**434**	**156**	(55)	-35%
Total	(6,413)	(3,266)	2,709	1,207	2,210	827	2,552	1,874	**1,058**	**641**	(171)	
SubPrime Bespokes												
SubPrime Bespokes	(1,453)	(44)	625	22	80	2			(748)	(20)	**20**	-100%
Non-Subprime RMBS												
AAA	(30)	(27)	314	280	22	19	425	371	**731**	**643**	(51)	-8%
AA	(37)	(27)	318	236	23	16	50	36	**354**	**261**	(37)	-14%
A	-	-	-	-	31	15	-	-	**31**	**15**	(4)	-28%
BBB	-	-	-	-	89	39	-	-	**89**	**39**	(19)	-48%
											-	
Total	(67)	(54)	632	516	164	89	475	407	**1,205**	**958**	(111)	
RMBS CDO												
AAA	311	81	302	64	250	46	26	7	**888**	**198**	(40)	-20%
AA	(152)	(81)	566	161	35	11	-		**450**	**92**	(18)	-20%
A	(21)	(9)	175	21	205	40	-		**360**	**51**	(10)	-20%
BBB	49	(5)	-	-	297	50	-		**346**	**45**	(9)	-20%
BBB-	5	0	-	-	-	-	-		**5**	**0**	(0)	-20%
Total	192	(15)	1,042	246	787	147	26	7	**2,048**	**385**	(77)	
Non RMBS CDO												
Cashflow CLO			-	-	3	2			**3**	**2**	(0)	-10%
CRE CDO			36	21	8	4			**44**	**25**	(3)	-10%
Total	-	-	36	21	11	6	-	-	**47**	**28**	(3)	
CMBS												
AAA	-	-	101	97	-		20	19	**121**	**116**	(3)	-3%
AA	-	-	7	6	-		-	-	**7**	**6**	(0)	-3%
A	(25)	(21)	-	-	3	3	-	-	(22)	(18)	**1**	-3%
BBB	(25)	(18)	-	-	33	23	-	-	**8**	**5**	(0)	-3%
BBB-	-	-	-	-	20	10	-	-	**20**	**10**	(0)	-3%
Total	(50)	(39)	108	103	56	36	20	19	**134**	**119**	(4)	
Other ABS												
AAA	-		-		-		32	30	**32**	**30**	(0)	-1%
AA	-		-		-		19	18	**19**	**18**	(0)	-1%
A	-		-		2	2	-		**2**	**2**	(0)	-1%
BBB	-		-		6	5	-		**6**	**5**	(0)	-1%
Total	-	-	-	-	8	7	51	48	**59**	**55**	(1)	
Credit Cards												
AAA	596	584							**596**	**584**	(6)	-1%
									Total Stress Loss		(352)	

Total stress loss for MTM & NAV including the hedging book = $ 352MM.

Non MTM Cash Flow PV SS

(1) Risk of Non MTM Cash Flow PV SS Migrating to MTM or NAV SS: Some PV SS transactions may still fail triggers resulting in early defaults, which will result in MTM/NAV treatment. To account for this risk, Credit Risk has looked at the credit performance of the underlyings, and forecasted which deals are most likely to suffer from EOD within the two years commencing January 1, 2008. In this case they are Citius II, Buck III and Liberty Harbor I. We then apply the same MTM/NAV price stress factors on these three portfolios and compare to where they are carried at. The total stress loss in this scenario = $1,268mm.

(2) Stressing Defaults: To stress cumulative loss projections for the subprime and alt-A assets, we stress the severity assumption such that the severity for subprime goes up from 40% to 60%, for alt-A from 30% to 45%.

To avoid double counting with the stress scenario above, we need to exclude Citius II, Buck III and Liberty Harbor from this stress. The incremental stress loss is $621mm.

Deal	Subordination to SS ($M)	Base Case 'PV loss	Stress Case PV Loss	Net Stress Loss
Buck I	100	52	42	(11)
Buck II	130	70	128	58
Citius I	187	-	214	214
Tour I	263	-	105	105
Tour II	300	-	255	255
				621

Cumulative Loss % For PV Deals

	Vintage	Notional (in USD MM)	Base Case Scenario Nov '07	Stress Scenario Dec '07*
Subprime RMBS	2004 and before	74	3%	4%
	2004-1H	227	4%	5%
	2004-2H	546	5%	7%
	2005-1H	716	6%	9%
	2005-2H	1,270	9%	14%
	2006-1H	753	14%	21%
	2006-2H	463	20%	29%
	2007-1H	75	15%	27%
	2007-2H	15	N/A	N/A
Alt-A RMBS	2004 and before	40	1%	1%
	2004-1H	33	1%	2%
	2004-2H	48	2%	2%
	2005-1H	145	3%	4%
	2005-2H	874	4%	6%
	2006-1H	646	5%	7%
	2006-2H	354	6%	10%
	2007-1H	54	8%	13%
	2007-2H	0	N/A	N/A
Option ARM RMBS	2004 and before	0	0%	N/A
	2004-1H	0	0%	N/A
	2004-2H	31	1%	2%
	2005-1H	55	2%	3%
	2005-2H	316	3%	6%
	2006-1H	47	6%	9%
	2006-2H	0	0%	N/A
	2007-1H	52	9%	16%
	2007-2H	0	N/A	N/A

To	Patrick Clackson, Linda King, Lee Guy
From	Liquidity Facilities Working Group[1]
Date	22 January 2008
Subject	Capital Impact Analysis of Divergence between internal and external ratings on ABS CDO super senior structures

I. BACKGROUND AND OVERVIEW

- Following last year's disruption in the sub-prime mortgage area, Barcap has downgraded its internal DG ratings for super senior tranches of ABS CDO structures held by the Synthetic ABS CDO Trading Desk ("ABS CDO facilities") to DG 21-22. The full list of these structures is as follows (see Appendix I for more detail and current DG ratings): Buckingham I, Buckingham II, Buckingham III, Citius I, Citius II, Liberty Harbour I, Stack II, Camber VI, Tourmaline I, Tourmaline II, Tenorite, Pamp I, Pamp II, Markov, and BFC Silverton.

- The rating agencies have not downgraded many of these tranches and the divergence in external and internal ratings has potential implications with respect to Barcap's Basel II regulatory capital treatment of these structures.

- The following sections address the following topics:

  - Basel II: Pillar I
  - Basel II: Pillar II
  - Specifics of GFRM-Market Risk Stress Loss calculations
  - Economic Capital Using GFRM-Market Risk Stress Loss Analysis
  - Other Considerations

II. BASEL II: PILLAR I

- For consolidated RWA purposes the following treatment is applicable to all structures apart from those that are consolidated (Pamp I, Pamp II, Markov, and BFC Silverton).

- For Solus purposes the transactions that are held in the trading book are excluded (Pamp I, Pamp II, and Markov).

- The Basel II risk weighting requirements for securitisation transactions are set out in BIPRU 9, and BIPRU 9.12.2 sets out a hierarchy of approaches that must be followed in calculating the RWAs on securitisation transactions.[2]

- BIPRU specifies that where an external rating is available or a rating can be inferred, the ratings-based method must be used. In addition, BIPRU 9.7 sets out the requirements to recognize the credit assessments of ratings agencies and 9.8 sets out how such ratings should be used to derive risk weightings (see Table below for risk weights of senior tranches of granular pools):

[1] Working group is composed of senior individuals across PCG, GFRM-Market Risk, GFRM-Credit Risk, Regulatory Policy, PCG, and the business including Martin King, Roger Versluys, Larry Forest, Sarvjeeet Garcha, Eric Yoss, Steve Pearson, Marcus Morton, and Bradford Willett.
[2] Provisions of BIPRU 9 applied under Basel II as long as there is significant risk transfer in accordance with Barcap's SRT policy. Otherwise, the securitization vehicles must be treated as if they were consolidated

AAA	7%
AA+	8%
AA	8%
AA-	8%
A+	10%
A	12%
A-	20%
BBB+	35%
BBB	60%
BBB-	100%
BB+	250%
BB	425%
BB-	650%
B+ and below	1250%

- The risk weights of these structures, however, are capped at the KIRB risk weighting equivalent of the underlying assets, as the RWAs of the structure are not allowed to exceed the total RWAs of the underlying assets given current public ratings at the reporting date. Appendix 2 details the current risk weights of the non-consolidated structures (based on rating agency ratings) and the applicable KIRB cap for each, as well as projected downgrades during H1 2008. [Additional analysis to follow on potential evolution of reg cap treatment throughout H1 2008 based on ratings migration, in particular in relation to the underlying assets).]

III. BASEL II: PILLAR II

- GENPRU 1.2.3 requires that the firm hold enough capital to cover its risks, and that a Pillar II capital charge is taken at the Bank and Group level to achieve this aim for items where the reporting firm considers Pillar I capital inadequate. BIPRU 11 does not highlight any required disclosure for the Pillar II capital requirement.

- Given the variance between the internal credit ratings for the super senior tranches on ABS CDO facilities and external ratings (see Appendix 2 for full analysis), the business, in conjunction with infrastructure areas including GFRM-Market Risk, GFRM-Credit Risk, Regulatory Policy, and PCG, has undertaken further analysis to determine whether a Pillar II adjustment is required.

- As part of the process for determining the need for a Pillar II adjustment, economic capital (1 year unexpected loss, UL) plus 1 year expected loss (EL) is compared to the regulatory capital requirement plus impairment for each of the non-consolidated structures.

IV. SPECIFICS OF GFRM-MARKET RISK STRESS LOSS CALCULATION

- GFRM-Market Risk has undertaken an analysis that calculates a stress loss for the ABS CDO facilities, stratifying stress types into three distinct types depending on the structure type/ proximity to EOD trigger.

- This analysis may provide a useful starting point for the determination of economic capital for the structures under consideration.

Category I: Mark-to-Market Super Senior and NAV Liquidity Facilities - Stressed Market (NAV) Valuation Basis

- Consolidated Structures: Pamp I; Pamp II; Markov, BFC Silverton
- Non-Consolidated Structures held at NAV: Tenorite, Stack II, Camber VI

Category II: Non-Mark-to-Market Super Senior - Stressed Market Valuation (NAV) Valuation Basis

- Buckingham III
- Citius II
- Liberty Harbour I

Category III: Non-Mark-to-Market Super Senior - Stressed Cash Flow PV Valuation Basis

- Buckingham I, Buckingham II
- Tourrmaline I, Tourmaline II
- Citius I

Category I: Mark-to-Market Super Senior and NAV Liquidity Facilities - Stressed Market Value Valuation Basis

Stress Loss Calculation - Analysis Performed as part of GFRM-Market Risk Paper - January 9, 2008

- The assets in the MTM / NAV liquidity facilities super senior positions are accounted for on a mark-to-market or NAV basis and are therefore subject to market price changes. The business has put on hedges, primarily through buying ABX protection, against adverse price changes.

- The stress loss is based on applying a price haircut to the current Market Value (MV) by asset and by rating.
  - Sub-prime: represented by the ABX equivalent MV with a stress factor equal to the worst 10 day price move in terms of percentage.
  - Alt-A: Consistent with the rest of alt-A trading positions stress parameters.
  - CMBS: based on maximum 10 day spread widening in the BoA AAA CMBS TRS index, which translates into approximately 3% price move assuming 7 year duration.
  - Others: Since they are relatively illiquid assets, price discount is assumed to be aligned with sub-prime, Alt-A and CMBS on a relative basis.

- Based on this analysis across all the mark-to-market super senior and NAV liquidity facility structures, a stress loss amount of $352m has been calculated by GFRM-Market Risk. (Supporting calculations/analysis are included as Appendix 3.)

Capital Held against Category I positions

- As of December 31, 2007, Barcap had standard rules specific risk RWAs of $3.5 bln (capital equivalent - $280m) against the synthetic ABS trading book.

  - This total includes the ABS CDO Trading book (including the consolidated structures in the GFRM-Market Risk analysis referenced above (Pamp I, Pamp II, Markov, BFC Silverton)) but does not include RWAs from the non-consolidated NAV structures (Tenorite, Stack, and Camber VI).

  - The RWAs from Tenorite, Stack, and Camber VI total $185m (capital equivalent = $15m) when using the current AAA-ratings based 7% risk weight.

  - When adding the approximately $280m of capital in relation to the consolidated structures to the $15m of capital held in respect of Tenorite, Camber VI, and Stack II, the total capital held approximates $300m.

All Remaining Non-Mark-to-Market Super Senior Exposures

- There are two approaches depending on the likelihood of an ABS CDO triggering an Event of Default ("EOD") in the near future.

Category II: EOD Deemed Likely in Near Future - Stressed Market Valuation (NAV) Basis: Updated Analysis Based on Revised Deal Categorization

- If it is deemed that an ABS CDO is likely to suffer an EOD within the two years commencing January 1, 2008, the stress loss is calculated using the same stressed market valuation (NAV) basis described above (with the starting point being the current book value reflecting the current impairment reserve).

- In its initial analysis of January 9, GFRM-Market Risk placed Citius I and Citius II in this category. After additional analysis performed by GFRM-Credit Risk, however, the transactions now included in this category consist of: Buckingham III, Citius I, and Liberty Harbour I (see Appendix 6)

- The stress loss calculation based on the revised categorization totals $1.27 bln (see Appendix 4).

Category III: EOD Not Deemed Likely in Near Future - Stressed Cash Flow PV Valuation Basis

- If it is deemed that an ABS CDO is not likely to suffer an EOD within the two years commencing January 1, 2008, the stress loss is assessed based on stressed cash flow assumptions.

- Based on the latest analysis performed by GFRM-credit, the following structures are included as part of Category 3: Buckingham I, Buckingham II, Citius II, Tourmaline I, and Tourmaline II.

- The stress loss calculation based on these assumptions totals $361m (See Appendix 5).

V. ECONOMIC CAPITAL USING GFRM-MARKET RISK STRESS LOSS ANALYSIS

- Using the most updated stress loss analysis performed by GFRM-Market Risk as a measure for the economic capital requirements with respect of the ABS CDO facilities, the overall position can be summarized as follows.

Category	Amount
MTM Super Senior / Non-Consolidated NAV Structures	$352m
Non-Mark-to-Market Super Senior-Stressed Market Valuation (NAV) Valuation Basis	$1,268m
Non-Mark-to-Market Super Senior-Stressed Cash Flow PV Valuation Basis	$361m
Total	***$1,981 m***
Less: Capital Held Against MTM Super Senior / Non Consolidated NAV Structure	($295m)
Subtotal	***$1,686m***
Less: Diversification Benefit – assumed to total 40%	($674m)
Total Economic Capital Required	***$1,012m***
Capital Held Using 7% (AAA) risk weight)	***($64m)***
Additional Capital Required	***$948m***

VI. OTHER CONSIDERATIONS

Consistency of Approach across Barcap

- It has been noted that the calculation of economic capital for certain home equity based products in other parts of Barclays Capital may, in fact, vary from the approach outlined above. Specifically, the stress scenarios appear to be far more severe with respect to certain home equity products. This is the subject of further follow up.

Potential Conservatism of Stressed Cash Flow Analysis

- The current Cash Flow PV based impairment calculation considers prospective losses over a five year horizon. This period is considerably in excess of the 1 year horizon used for EL and UL purposes.

Alternative Approach to a Pillar II Assessment - KIRB Ratings Look-Through Framework

- As the ABS CDO Structures are themselves repackagings of rated ABS securities an alternative approach that has been proposed for considering a Pillar II adjustment involves using an underlying ratings look-through framework. In considering this proposal it is important to note that the Rating Agencies have undertaken ratings actions in relation to many of the underlying securities already.

- Current RWAs using this approach total approximately $8bln, (excluding Tenorite, Stack 2 and Camber VI) which equates to capital of approximately $0.64bln (see Appendix 2) versus the current RBA capital held of $64m.

APPENDIX 1 - ABS CDO SUPER SENIOR SUMMARY ANALYSIS AND INTERNAL VS. EXTERNAL RATINGS

Structure Name	DG	Product Name	Facility Ccy	Fac Limit	Fac Limit GBP	Final Drawn GBP	S&P	Moodys	RW
Liberty Harbour CDO Limited 2005-1	22	Liquidity Facility	USD	1,566,000,000	772,113,204	-772,113,204	AAA	Aaa	7%
Liberty Harbour CDO Limited 2005-1	22	Swingline	USD	0	0	0	AAA	Aaa	7%
STACK 2005-2 Limited	22	Liquidity Facility	USD	333,826,143	164,592,320	0	AAA	Aaa	7%
BFC Silverton CDO Limited	22	Liquidity Facility	USD	450,000,000	221,871,610	0	AAA	Aa1	7%
STACK 2005-2 Limited	22	Liquidity Facility	USD	16,173,857	7,974,488	0	AAA	Aaa	7%
Pampelonne CDO I Limited	22	Asset Purchase Agreement	USD	1,062,500,000	523,863,524	0	AA+	Ba1	250%
Pampelonne CDO II Limited	22	Asset Purchase Agreement	USD	1,600,000,000	788,876,837	0	AA+	Baa2	60%
Markov CDO I Limited	22	Asset Purchase Agreement	USD	1,600,000,000	788,876,837	0	AA+	Aaa	8%
Buckingham CDO Limited	21	Liquidity Facility	USD	899,999,296	443,742,873	- 443,742,873	A-1+	P-1	7%
Buckingham CDO Limited	21	Swingline	USD	0	0	-	A-1+	P-1	7%
Tourmaline CDO I Limited	21	Liquidity Facility	USD	487,500,000	240,360,911	-	AAA	Aaa	7%
Buckingham CDO II Limited	21	Liquidity Facility	USD	0	0	- 576,865,561	A-1+	P-1	7%
Buckingham CDO II Limited	21	Swingline	USD	1,169,998,730	576,865,561	-	A-1+	P-1	7%
Tourmaline CDO II Limited	21	Liquidity Facility	USD	700,000,000	345,133,616	-	AAA	Aaa	7%
Citius I Funding Limited	21	Liquidity Facility	USD	1,606,247,478	791,957,143	- 789,252,535	A-1+	P-1	7%
Citius I Funding Limited	21	Swingline	USD	0	0	-	A-1+	P-1	7%
Camber 6 PLC	21	Liquidity Facility	USD	487,400,000	240,311,606	-	AAA	Aaa	7%
Buckingham CDO III Limited	21	Liquidity Facility	USD	1,335,066,799	658,252,046	- 655,952,837	A-1+	Aaa	7%
Buckingham CDO III Limited	21	Swingline	USD	0	0	-	A-1+	Aaa	7%
Citius II Funding Limited	21	Liquidity Facility	USD	1,713,376,642	844,776,966	- 841,190,032	AAA	Aaa	7%
Citius II Funding Limited	21	Swingline	USD	0	0	-	AAA	Aaa	7%
Tenorite CDO I Limited	21	Liquidity Facility	USD	550,000,000	271,176,413	-	AAA	Aaa	7%

APPENDIX 2: RWA ANALYSIS INCLUDING KIRB CAPS for ABS CDO STRUCTURES

Global Credit Derivatives & CDO
RWA Analysis - Super Senior Tranche
all figures in USD unless otherwise noted

Transaction	Current Notional	Current RWA utilizing RBA Risk-Weight	Current Basel II RWA Cap	Super Senior Tranche Type	Current Senior Tranche Rating	Negative Watch	Estimated Downgrade Date	Expected Rating Post Downgrade	RBA Risk-Weight Post Downgrade (2) (3)
Buckingham I	933,209,957	69,244,179	351,088,223	Liquidity Draw(Previously CP)	n/a[(1)]	none[(1)]	Sep-08	Aa2/AA	8.48%
Buckingham II	1,274,075,673	94,536,415	269,102,615	Liquidity Draw(Previously CP)	n/a[(1)]	none[(1)]	Sep-08	Aa2/AA	8.48%
Buckingham III	1,478,937,241	109,737,143	1,083,041,509	Class A-ST Notes (Previously CP)	Aaa/AAA	none	Jun-08	Aa2/AA	8.48%
Camber VI	739,668,925	54,883,434	1,709,582,381	Class A Liquidity Facility	Aaa/AAA	none	Apr-08	Aa3/AA-	8.48%
Citius II	1,894,700,518	140,586,778	1,741,275,921	Class ST Notes (Previously CP)	Aaa/AAA	none	Jan-08	A3/A-	21.20%
Citius I	1,777,081,195	131,859,425	1,133,245,015	Class A-ST Notes (Previously CP)	Aaa/AAA	none	Jun-08	Aa2/AA	8.48%
Liberty Harbour I	1,643,485,596	121,946,631	1,028,564,772	Liquidity Draw(Previously CP)	n/a[(1)]	none[(1)]	Sep-08	Aa2/AA	8.48%
Stack 2005-2	499,393,928	37,055,029	1,584,515,148	Class A Liquidity Facility	Aaa/AAA	none	Jan-08	A3/A-	21.20%
Tenorite	1,250,458,477	92,784,019	2,040,812,067	Class A Liquidity Facility	Aaa/AAA	none	Jan-08	Anything	1250.00%
Tourmaline I	713,619,966	52,950,601	1,086,150,419	Class I Liquidity Facility	Aaa/AAA	none	Sep-08	Aa2/AA	8.48%
Tourmaline II	1,001,666,638	74,323,665	1,206,017,498	Class A Liquidity Facility	Aaa/AAA	none	Sep-08	Aa2/AA	8.48%
	13,206,298,115	**979,907,320**	**13,233,395,569**						

Notes

(1) Each of these super seniors are in the form of liquidity draws funded by Barclays, which will convert into Class LT Notes or Class A-LT Notes during 2008. Ratings migration projections are for the Class LT Notes or Class A-LT Notes, which would be rated Aaa/AAA if issued today

(2) Assume capital deduction for "anything" rating

(3) Lower of Current Basel II RWA Cap & RWA using RBA Risk-Weight Used

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APPENDIX 3: TOTAL STRESS LOSS MTM SUPER SENIOR STRUCTURES INCLUDING HEDGING BOOKS

COB 12/31/2007 (Notionals & MID MVs in USD mm)

	HY CDO Trading		MTM SS		NAV SS		RMBS Warehouses		Aggregate			
SubPrime RMBS via Single Names/Index	Notional	Desk MV	Notional	Desk MV	Notional	Desk MV	Notional	Desk MV	Notional	Desk MV	Stress MV	Stress % 10 Day (Price)
AAA	(1,636)	(1,200)	46	35	-	-	1,830	1,430	343	265	(40)	-15%
AA	(1,154)	(667)	472	272	71	49	722	444	111	97	(34)	-35%
A	(2,462)	(1,020)	2,180	000	180	03			(93)	(36)	12	35%
BBB	(874)	(301)	-	-	1,200	460	-	-	204	150	(50)	-35%
BBB-	(287)	(70)	-	-	721	225	-	-	434	156	(55)	-35%
Total	(6,413)	(3,200)	2,709	1,207	2,210	827	2,552	1,874	1,058	641	(171)	
SubPrime Bespokes												
SubPrime Bespokes	(1,453)	(44)	625	22	80	2			(748)	(20)	20	-100%
Non-Subprime RMBS												
AAA	(30)	(27)	314	200	22	19	425	371	731	643	(51)	8%
AA	(37)	(27)	318	230	23	10	50	30	354	201	(37)	-14%
A	-	-	-	-	31	15	-	-	31	15	(4)	-28%
BBB	-	-	-	-	89	39	-	-	89	39	(19)	-48%
Total	(67)	(54)	632	516	164	80	476	407	1,205	958	(111)	
RMBS CDO												
AAA	311	81	302	04	250	40	20	7	888	198	(40)	-20%
AA	(152)	(81)	566	101	35	11	-		450	92	(18)	-20%
A	(71)	(4)	175	71	705	41	-		360	51	(11)	-20%
BBB	40	(5)	-	-	207	50	-		346	45	(9)	-20%
BBB	6	0							5	0	(0)	20%
Total	192	(15)	1,042	246	707	147	28	7	2,040	305	(77)	
Non RMBS CDO												
Cashflow CLO			-	-	3	2			3	2	(0)	-10%
CRE CDO			36	21	8	4			44	25	(3)	-10%
Total			36	21	11	6			47	28	(3)	
CMBS												
AAA	-	-	101	97	-		20	19	121	110	(0)	-3%
AA	-	-	7	6	-		-	-	7	6	(0)	-3%
A	(76)	(71)	-	-	3	3	-	-	(22)	(18)	1	-3%
BBB	(25)	(18)	-	-	33	23	-	-	8	5	(0)	-3%
BBB-	-	-	-	-	20	10	-	-	20	10	(0)	-3%
Total	(60)	(30)	108	103	66	36	20	10	134	119	(4)	
Other ABS												
AAA	-		-		-		32	30	32	30	(0)	-1%
AA	-		-		-		19	18	19	18	(0)	-1%
A					2	2			2	2	(0)	-1%
BBB	-		-		6	5	-		6	5	(0)	-1%
Total	-	-	-	-	0	7	51	40	59	55	(1)	
Credit Cards												
AAA	596	504							590	504	(0)	-1%
									Total Stress Loss		(532)	

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APPENDIX 4: NON-MARK-TO-MARKET SUPER SENIOR - NAV VALUATION BASIS

Based on the GFRM-Credit analysis performed as January 18, 2008, the following transactions have been classified within category 2, as these structures were deemed to have significant risk of hitting an EOD trigger within the two calendar years starting January 1, 2008: Bucking ham III, Citius II, and Liberty Harbour I.

For these structures, both the: a) difference between NAV and base case cash flows; and, b) the losses based o market value stresses are taken into consideration for the economic capital calculation. As per the analysis, total calculated EC for this category equates to approximately $1.27 bln.

Buck III, Citius II, Liberty Harbour I: Cash Flow vs. NAV Basis:	**$697m**
Buck III, Citius II, Liberty Harbour I: Additional Market Value Stress:	**$571m**
Total:	**$1,268m**

APPENDIX 5: NON-MARK-TO-MARKET SUPER SENIOR – STRESSED CASH FLOW PV VALUATION BASIS

Stressing Defaults: To stress cumulative loss projections for the sub-prime and alt-A assets, the severity assumption are stressed by a 1.5X factor such that the severity for sub-prime goes up from 40% to 55% and the severity for Alt-A increases from 30% to 40%.
To avoid double counting with the stress scenario outlined in Appendix 4 above the additional stress loss for the structures included in category 2 (Buckingham III, Citius II, and Liberty Harbour I) need to be removed from this stress given that they have been included in the calculation noted above in Appendix 4. The incremental stress loss totals $361m.

Deal	Subordination to SS ($M)	Base Case PV loss	Stress Case PV Loss	MTM / NAV Shortfall		Additional Stress Loss (55% severity)
Buck I	100	52	42	205		(13)
Buck II	130	70	128	264		15
Buck III	150	198	437	459		149
Citius I	187	-	214	371		144
Citius II	201	78	477	466		298
Liberty I**	234	197	163	246		(21)
Tour I	263	-	105	66		28
Tour II	300	-	255	88		188
Grand Total		595	1,820	2,164		786
Buck I, Buck II, Citius I, Tourmaline I, Tourmaline II subtotal						***361***
Buck III, Citius II, Liberty Harbour I subtotal						***425***

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APPENDIX 6: GFRM-CREDIT ANALYSIS REGARDING DEFAULT TIMING ON ABS CDO FACILITIES

- In order to estimate the default timing of the CF Super Senior deals, GFRM-Credit has reviewed the stress scenarios that were run in November. These deals include Buckingham I, II and III, Citius I and II, Liberty Harbour I, Tourmaline I and II.
- The primary stress scenario made the following assumptions (see below):
  - ABS CDO - Default ABS CDOs in which forecasted ABS CDO Downgrades, plus 2 notches to Subprime RMBS cause EOD/OC Trigger to Fail plus 1a, 1b, 2, and 3a.
  - RMBS cash flows were run using a shut down roll rate, with and without WAC Drift using the desk CDR curve (see attachment for roll rate and CDR curve assumptions).
  - Tourmaline I and II, being Mezz deals with EOD triggers, were also subjected to an EOD trigger stress test to determine whether they appear to be at significant risk of reaching an EOD trigger.

- For the high grade deals, the default timing was then reasoned to be the point at which our Super Senior tranche would become undercollateralized which would likely result in a missed interest payment on a non-PIKable tranche (AA and above).
- For the two mezzanine deals, Tourmaline I and II they met both the cash flow and the EOD trigger stress tests. The firm's four other mezzanine deals failed the EOD trigger stress test and are therefore accounted for on an NAV basis.

The stress scenarios described are considered a reasonable method for estimating the timing of default, subject to the following caveats:

1) The deals could default before the Super Senior is undercollateralized since the default would occur when a payment to a non-PIKable tranche junior to us fails (less conservative).
2) The analysis does not account for the ability of a structure to use principal collections to pay interest (more conservative)
3) The shut down roll rate and desk curve are more conservative than the Barcap scenario for the impairment reserves (more conservative)
4) Excess spread is ignored in this analysis (more conservative)
5) General Health Warning: Markets are rapidly deteriorating and rating agencies continue to change loss assumptions - therefore, the default timing predicted by this analysis could vary significantly from actual outcomes. Any future updates to this analysis, even in the current quarter, could produce different results.

On this basis, Buckingham I and II, and Tourmaline I and II potentially survive until 2010 or later. Citius I is on the cusp of 2009/2010 depending on whether the WAC Drift or no WAC Drift scenario is used. Buckingham III, Citius II and Liberty Harbour I default from 2008 onwards (see attached).

EOD Trigger Summary -- Rating Stress Analysis
(For Transactions With a Barcap Liquidity Facility)
1/17/2008 4:35 PM

25% Market Value Assumed

						Current Ratings	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Deal Name	**Type**	**Deal Size ($mm)**	**SS Attach**	**EOD Trigger**	**Highest Rating MV Haircuts Can be used**	**Distance to EOD Trigger[1]** Using 25% MV	**Distance to EOD Trigger[1]** Using 25% MV	**Distance to EOD Trigger[1]** Using 25% MV	**Distance to EOD Trigger[1]** Using 25% MV	**Distance to EOD Trigger[1]** Using 25% MV
Tourmaline II	Liquidity Facility	1000	30.00%	30.00%	CCC	25.86%	25.86%	24.23%	20.52%	17.36%
Tourmaline I	Liquidity Facility	750	35.00%	35.00%	CCC	18.81%	18.18%	16.50%	13.18%	9.72%

0% Market Value Assumed

						Current Ratings	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Deal Name	**Type**	**Deal Size ($mm)**	**SS Attach**	**EOD Trigger**	**Highest Rating MV Haircuts Can be used**	**Distance to EOD Trigger[1]** Using 0% MV	**Distance to EOD Trigger[1]** Using 0% MV	**Distance to EOD Trigger[1]** Using 0% MV	**Distance to EOD Trigger[1]** Using 0% MV	**Distance to EOD Trigger[1]** Using 0% MV
Tourmaline II	Liquidity Facility	1000	30.00%	30.00%	CCC	24.90%	24.90%	23.27%	19.56%	16.19%
Tourmaline I	Liquidity Facility	750	35.00%	35.00%	CCC	29.71%	28.92%	27.17%	23.77%	19.82%

(1) Includes all S&P and Moody's rating actions up to 1/17

Scenario Descriptions -- Notches Collateral Downgraded[2]

Type	Issuance Half	Scenario 1	Scenario 2	Scenario 3	Scenario 4
ABS CDOs	Pre-2005	0	0	0	0
ABS CDOs	2005 1H	3	3	3	3
ABS CDOs	2005 2H	6	6	6	6
ABS CDOs	2006 1H	9	9	9	9
ABS CDOs	2006 2H	9	9	9	9
ABS CDOs	2007 1H	9	9	9	9
ABS CDOs	2007 2H	9	9	9	9
Subprime	All Vintages	0	1	2	4
Other Collateral	All Vintages	0	0	0	0

(2) One Notch is equivalent to one subcateory (e.g. Aaa to Aa1)

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Estimated Liquidity Facility Loss Timing per ABS CDO Trigger Category Scenario

4-Nov 19:00

Trigger Category Scenario	Description[1]
1a	Default ABS CDOs currently within 1% of Failing EOD/OC Trigger using Ratings-Based Haircuts
1b	Default ABS CDOs currently within 1% of Failing EOD/OC Trigger using MV-Based Haircuts plus 1a
2	Default ABS CDOs in which forecasted ABS CDO Downgrades cause EOD/OC Trigger to Fail plus 1a and 1b
3a	Default ABS CDOs in which forecasted ABS CDO Downgrades plus 1 notch to Subprime RMBS cause EOD/OC Trigger to Fail plus 1a, 1b, and 2
3b	Default ABS CDOs in which forecasted ABS CDO Downgrades plus 2 notches to Subprime RMBS cause EOD/OC Trigger to Fail plus 1a, 1b, 2, and 3a
3c	Default ABS CDOs in which forecasted ABS CDO Downgrades plus 4 notches to Subprime RMBS cause EOD/OC Trigger to Fail plus 1a, 1b, 2, 3a, and 3b
3d	Default ABS CDOs in which forecasted ABS CDO Downgrades plus 4 notches to Subprime RMBS DO NOT cause EOD/OC Trigger to Fail plus 1a, 1b, 2, 3a, 3
No Trigger	Default ALL ABS CDOs (including ABS CDOs with No EOD/OC Trigger)

Scenario A: Shut Down Roll-Rate Scenario[2] - No WAC Drift[3]

Half Yr of 1st $ Loss[4]	Trigger Category Scenario							
Liquidity Facility	1a	1b	2	3a	3b	3c	3d	no trigger
Buck I	No Loss	No Loss	No Loss	No Loss	No Loss	No Loss	2010-1	2007-2
Buck II	2010-2	2010-2	2010-2	2010-2	2010-2	2010-2	2008-1	2007-2
Buck III	2008-2	2008-2	2008-2	2008-2	2008-2	2008-2	2007-2	2007-2
Citius I	2010-1	2010-1	2010-1	2010-1	2010-1	2010-1	2010-1	2010-1
Citius II	2009-1	2009-1	2009-1	2009-1	2009-1	2009-1	2009-1	2009-1
Liberty I	2009-2	2009-2	2008-2	2008-2	2008-2	2008-2	2008-1	2007-2
Camber VI	2012-2	2012-2	2012-2	2012-2	2012-2	2012-2	2012-2	2012-2
Tour I	No Loss	No Loss	No Loss	No Loss	No Loss	No Loss	No Loss	No Loss
Tour II	No Loss	No Loss	No Loss	No Loss	No Loss	No Loss	No Loss	No Loss
Stack 05-2	2011-2	2011-2	2011-2	2011-2	2011-2	2011-2	2011-2	2011-2
Tenor	No Loss	No Loss	No Loss	No Loss	2007-2	2007-2	2007-2	2007-2
Silverton	2010-1	2010-1	2010-1	2010-1	2010-1	2010-1	2010-1	2010-1

Scenario B: Shut Down Roll-Rate Scenario[2] - WAC Drift[3]

Half Yr of 1st $ Loss[4]	Trigger Category Scenario							
Liquidity Facility	1a	1b	2	3a	3b	3c	3d	no trigger
Buck I	No Loss	No Loss	No Loss	No Loss	No Loss	No Loss	2010-1	2007-2
Buck II	2010-2	2010-2	2010-2	2010-2	2010-2	2010-2	2009-1	2007-2
Buck III	2009-1	2009-1	2008-2	2008-2	2008-2	2008-2	2007-2	2007-2
Citius I	2009-2	2009-2	2009-2	2009-2	2009-2	2009-2	2009-2	2009-2
Citius II	2009-1	2009-1	2009-1	2009-1	2009-1	2009-1	2009-1	2009-1
Liberty I	2010-1	2010-1	2009-1	2009-1	[redacted]	2009-1	2008-2	2008-2
Camber VI	2010-1	2010-1	2010-1	2010-1	2010-1	2010-1	2010-1	2010-1
Tour I	2013-2	2013-2	2013-2	2012-2	2012-1	2012-1	2011-2	2011-2
Tour II	2011-1	2011-1	2011-1	2010-2	2010-2	2010-2	2010-2	2010-2
Stack 05-2	2009-2	2009-2	2009-2	2009-2	2009-2	2009-2	2009-2	2009-2
Tenor	No Loss	2014-1	2013-1	2010-2	2007-2	2007-2	2007-2	2007-2
Silverton	2009-2	2009-2	2009-2	2009-2	2009-2	2009-2	2009-2	2009-2

(1) ABS CDO Defaults occur instantaneously and with 100% severity
(2) WAC Drift analysis per "Shut Down Scenario" spreadsheet
(3) Shut Down Roll-Rate per Shut Down results spreadsheet
(4) Matrix entries represent the half year in which the respective Liquidity Facility initially suffers principal loss due to
(i) the given ABS CDO Trigger Category Scenario for ABS CDOs and
(ii) losses generated by Scenarios 1 and 2 for all other assets per Shut Down Scenario

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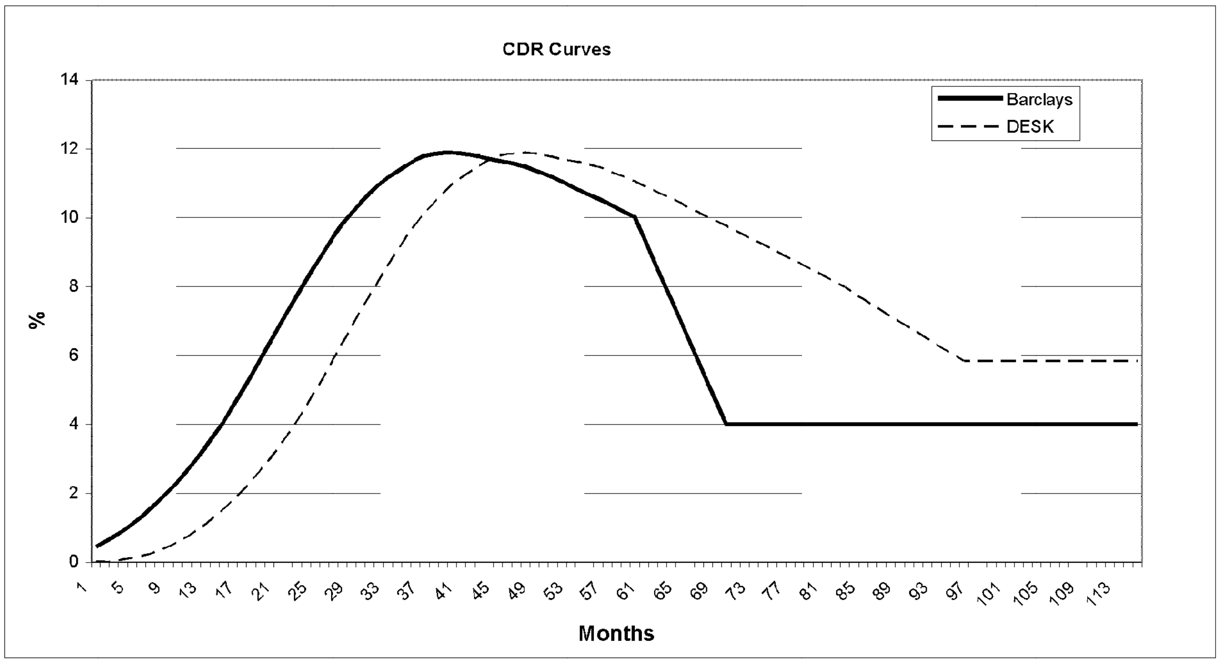
CDR Curve & Roll Rate Stress

Roll Rate Stress

Roll Rate	Current	30 Day Delq	60 Day Delq	90+ Days Delq	FCL	REO	BK
Barclays	0	15	70	75	100	100	70
DESK	0	25	75	100	100	100	50

CDR Curve Stress



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April 8, 2008

Cash Flow And Hybrid CDO Of ABS Event Of Default Notices Received As Of April 7, 2008

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Cash Flow And Hybrid CDO Of ABS Event Of Default Notices Received As Of April 7, 2008

As of April 7, 2008, Standard & Poor's Ratings Services had received notification from collateralized debt obligation (CDO) trustees of 147 events of default (EODs) on cash flow and hybrid mezzanine structured finance (SF) CDOs of asset-backed securities (ABS), high-grade SF CDOs of ABS, and CDO of SF CDO transactions. All of the transactions are backed in part by recent-vintage residential mortgage-backed securities (RMBS), either by directly holding notes from the RMBS transactions or by holding notes from other CDO transactions that are in turn collateralized by RMBS. All of the CDO transactions were originated from 2004 to 2007.

Since our last update, with EODs as of March 31, 2008, we have received notification of EODs on six additional transactions with an aggregate issuance amount of $6.279 billion in rated liability balances (see table 1). The 147 transactions listed below for which we have received EOD notifications to date represent an aggregate issuance amount of $158.744 billion. These transactions include:

- Eighty-nine mezzanine SF CDO of ABS transactions, which were collateralized at origination primarily by 'A' through 'BB' rated tranches of RMBS and other structured finance transactions;
- Forty high-grade SF CDO of ABS transactions, which were collateralized at origination primarily by 'AAA' through 'A' rated tranches of RMBS and other structured finance transactions; and
- Eighteen CDO of CDO transactions, which were collateralized primarily by notes from other CDOs, as well as tranches from RMBS and other structured finance transactions.

In response to inquiries from investors, we have added a list of transactions for which EOD notices have been rescinded, retracted, recalled, or cured (see table 2).

CDO EOD Notices Received

Table 1

CDO EOD Notices Received As Of April 7, 2008

Transaction name (surveillance office)	Rated liability balance at issuance ($)	Structure	Collateral	Origination date	Current status	Initial notice dated	Reason for EOD¶
ACA ABS 2007-2 Ltd. (U.S.)	748,600,000	Hybrid	Mezzanine SF	3-Jul-07	Liquidation notice received	18-Oct-07	1
Adams Square Funding I Ltd. (U.S.).	487,250,000	Hybrid	Mezzanine SF	25-Dec-06	Transaction liquidated	18-Oct-07	1
Webster CDO I Ltd. (U.S.).	1,532,000,000	Hybrid	Mezzanine SF	28-Dec-06	Acceleration notice received	18-Oct-07	1
Sherwood III ABS CDO Ltd. (U.S.)	985,000,000	Cash flow	Mezzanine SF	18-Jan-07	Acceleration notice received	19-Oct-07	1
Vertical ABS CDO 2007-1, Ltd. (U.S.)	482,000,000	Hybrid	Mezzanine SF	2-May-07	Transaction liquidated	19-Oct-07	1
Carina CDO Ltd. (U.S.).	1,490,680,000	Hybrid	Mezzanine SF	20-Nov-06	Transaction liquidated	26-Oct-07	1
GSC ABS CDO 2006-4U Ltd. (U.S.)	720,000,000	Hybrid	Mezzanine SF	26-Oct-06	Acceleration notice received	31-Oct-07	1

Table 1

CDO EOD Notices Received As Of April 7, 2008 (cont.)							
TABS 2006-5 Ltd. (U.S.)	1,477,000,000	Hybrid	Mezzanine SF	13-Oct-06	Transaction liquidated	1-Nov-07	2
Jupiter High Grade CDO V Ltd. (U.S.)	1,490,500,000	Cash flow	High-grade SF	3-Apr-07	Acceleration notice received	2-Nov-07	1
ACA ABS 2006-2 Ltd. (U.S.)	708,000,000	Cash flow	Mezzanine SF	3-Dec-06	Acceleration notice received	5-Nov-07	1
GSC ABS CDO 2007-1r Ltd. (U.S.)	723,000,000	Hybrid	Mezzanine SF	2-May-07	Acceleration notice received	5-Nov-07	1
Cetus ABS CDO 2006-4 Ltd. (U.S.).	1,470,000,000	Hybrid	Mezzanine SF	29-Nov-06	Acceleration notice received	5-Nov-07	1
Sagittarius CDO Ltd. (U.S.)	957,000,000	Hybrid	Mezzanine SF	29-Mar-07	Acceleration notice received	6-Nov-07	1
Ansley Park ABS Ltd. (U.S.)	603,650,000	Cash flow	Mezzanine SF	20-Dec-06	Transaction liquidated	6-Nov-07	1
Orion 2006-2 Ltd. (U.S.).	1,485,000,000	Hybrid	Mezzanine SF	21-Dec-06	Acceleration notice received	6-Nov-07	2
Neptune V Ltd. (U.S.)	336,500,000	Cash flow	Mezzanine SF	20-Jun-07	EOD notice received	9-Nov-07	1
Pampelonne CDO II Ltd. (U.S.)	1,990,690,000	Hybrid	High-grade SF	26-Mar-07	Transaction liquidated	9-Nov-07	1
Hartshorne CDO I LLC (U.S.)	966,100,000	Hybrid	Mezzanine SF	27-Mar-07	Liquidation notice received	9-Nov-07	1
Pampelonne CDO I Ltd. (U.S.)	1,241,500,000	Hybrid	High-grade SF	2-Nov-06	Transaction liquidated	9-Nov-07	1
Tabs 2007-7 Ltd. (U.S.).	2,314,550,000	Hybrid	Mezzanine SF	26-Mar-07	Transaction liquidated	9-Nov-07	2
BFC Silverton (U.S.)	720,000,000	Hybrid	Mezzanine SF	2-Nov-06	Transaction liquidated	13-Nov-07	1
Cherry Creek CDO II Ltd. (U.S.).	482,500,000	Hybrid	Mezzanine SF	21-Mar-07	Acceleration notice received	14-Nov-07	1
BRODERICK CDO 3 Ltd. (U.S.).	1,494,000,000	Cash flow	High-grade SF	1-Mar-07	Acceleration notice received	14-Nov-07	1
ACA ABS 2007-1 Ltd. (U.S.)	1,482,000,000	Hybrid	Mezzanine SF	27-Mar-07	EOD notice received	15-Nov-07	1
MKP CBO VI, Ltd. (U.S.).	285,000,000	Cash flow	Mezzanine SF	5-Sep-06	Acceleration notice received	15-Nov-07	2
Lancer Funding II, Ltd. (U.S.).	1,021,000,000	Cash flow	CDO of SF CDO	5-Jun-07	Liquidation notice received	16-Nov-07	1
Markov CDO I Ltd. (U.S.).	2,127,000,000	Hybrid	High-grade SF	11-May-07	Transaction liquidated	16-Nov-07	1
TABS 2006-6 Ltd. (U.S.).	1,472,000,000	Hybrid	Mezzanine SF	22-Nov-06	EOD notice received	16-Nov-07	1
Class V Funding III Ltd. (U.S.)	1,024,200,000	Cash flow	CDO of SF CDO	2-Apr-07	EOD notice received	19-Nov-07	1
Tricadia CDO 2006-7 Ltd. (U.S.).	502,700,000	Hybrid	CDO of SF CDO	1-Feb-07	Acceleration notice received	20-Nov-07	1
Tricadia CDO 2007-8 Ltd. (U.S.).	501,900,000	Hybrid	CDO of SF CDO	2-May-07	Liquidation notice received	20-Nov-07	1
Highridge ABS CDO I Ltd. (U.S.).	1,492,000,000	Cash flow	High-grade SF	31-Jan-07	Acceleration notice received	27-Nov-07	1
Montrose Harbor Ltd. (U.S.)	479,500,000	Cash flow	Mezzanine SF	3-Aug-06	Acceleration notice received	29-Nov-07	1

Table 1

CDO EOD Notices Received As Of April 7, 2008 (cont.)							
Jupiter High Grade CDO VII Ltd. (U.S.)	1,480,000,000	Cash flow	High-grade SF	8-Aug-07	Acceleration notice received	30-Nov-07	1
Millstone IV CDO Ltd. (U.S.).	2,190,500,000	Cash flow	High-grade SF	28-Jun-07	Acceleration notice received	30-Nov-07	2
Octans III CDO Ltd. (U.S.)	280,000,000	Hybrid	Mezzanine SF	28-Dec-06	Acceleration notice received	4-Dec-07	1
Armitage ABS CDO Ltd. (U.S.).	2,974,000,000	Cash flow	High-grade SF	3-Apr-07	Acceleration notice received	4-Dec-07	1
Rockbound CDO I Ltd. (U.S.).	488,000,000	Hybrid	CDO of SF CDO	3-Aug-07	Acceleration notice received	6-Dec-07	1
Cetus ABS CDO 2006-3 Ltd. (U.S.).	1,232,500,000	Hybrid	Mezzanine SF	4-Dec-06	Acceleration notice received	7-Dec-07	1
Mystic Point CDO Ltd. (U.S.)	490,500,000	Hybrid	Mezzanine SF	2-Jan-07	Liquidation notice received	11-Dec-07	1
McKinley Funding III Ltd. (U.S.)	1,495,000,000	Cash flow	High-grade SF	4-Dec-06	EOD notice received	11-Dec-07	1
Diogenes CDO III Ltd. (U.S.).	752,000,000	Hybrid	Mezzanine SF	22-Aug-07	Transaction liquidated	11-Dec-07	1
Pinnacle Point Funding II Ltd. (U.S.)	4,583,500,000	Hybrid	CDO of SF CDO	3-Jul-07	Acceleration notice received	13-Dec-07	1
888 Tactical Fund, Ltd. (U.S.).	1,019,200,000	Hybrid	CDO of SF CDO	26-Mar-07	EOD notice received	13-Dec-07	1
Fort Denison Funding Ltd. (U.S.).	411,300,000	Cash flow	Mezzanine SF	5-Mar-07	EOD notice received	13-Dec-07	1
Kleros Preferred Funding IV Ltd. (U.S.)	1,986,850,000	Cash flow	High-grade SF	28-Dec-06	EOD notice received	14-Dec-07	1
Kleros Preferred Funding VI, Ltd. (U.S.).	2,985,000,000	Cash flow	High-grade SF	3-Apr-07	EOD notice received	14-Dec-07	1
Stack 2007-1 Ltd. (U.S.).	1,500,000,000	Hybrid	Mezzanine SF	11-Apr-07	Acceleration notice received	17-Dec-07	1
E*Trade ABS CDO VI Ltd. (U.S.).	402,000,000	Hybrid	Mezzanine SF	25-Apr-07	Acceleration notice received	17-Dec-07	1
NeO CDO 2007-1 Ltd. (U.S.).	288,000,000	Cash flow	CDO of SF CDO	1-May-07	Liquidation notice received	18-Dec-07	1
Nordic Valley 2007-1 Ltd. (U.S.).	988,500,000	Hybrid	Mezzanine SF	6-Sep-07	Acceleration notice received	18-Dec-07	1
Kleros Preferred Funding V, Ltd. (U.S.).	1,191,500,000	Cash flow	High-grade SF	26-Jan-07	EOD notice received	19-Dec-07	1
Visage CDO II Ltd. (U.K.).	402,000,000	Hybrid	Mezzanine SF	19-Jan-07	Liquidation notice received	24-Dec-07	1
Diversey Harbor ABS CDO Ltd. (U.S.).	2,479,000,000	Cash flow	High-grade SF	10-Jul-06	Acceleration notice received	27-Dec-07	1
Aardvark ABS CDO 2007-1 Ltd. (U.S.).	1,500,000,000	Cash flow	High-grade SF	3-Apr-07	EOD notice received	2-Jan-08	1
Delphinus CDO 2007-1 Ltd. (U.S.).	947,000,000	Cash flow	Mezzanine SF	2-Aug-07	EOD notice received	4-Jan-08	1
Kleros Preferred Funding III, Ltd. (U.S.).	198,560,000	Cash flow	High-grade SF	27-Sep-06	EOD notice received	4-Jan-08	1
Neptune CDO IV Ltd. (U.S.)	962,500,000	Hybrid	Mezzanine SF	4-Apr-07	Acceleration notice received	4-Jan-08	1
Volans Funding 2007-1 Ltd. (U.S.).	1,062,000,000	Cash flow	Mezzanine SF	26-Mar-07	EOD notice received	8-Jan-08	1

Table 1

CDO EOD Notices Received As Of April 7, 2008 (cont.)							
Ridgeway Court Funding II Ltd. (U.S.)	2,974,000,000	Hybrid	High-grade SF	2-Jul-07	EOD notice received	15-Jan-08	1
Pinnacle Peak CDO I Ltd. (U.S.)	1,480,000,000	Cash flow	High-grade SF	19-Jul-07	Acceleration notice received	17-Jan-08	2
Imac CDO 2007-2 Ltd. (U.S.)	488,000,000	Hybrid	CDO of SF CDO	17-Apr-07	Transaction liquidated	18-Jan-08	1
Squared CDO 2007-1 Ltd. (U.S.)	1,087,996,000	Hybrid	CDO of SF CDO	1-Jun-07	EOD notice received	18-Jan-08	2
Class V Funding II Ltd. (U.S.)	300,000,000	Cash flow	CDO of SF CDO	2-Jun-06	EOD notice received	22-Jan-08	2
Durant CDO 2007-1 Ltd. (U.S.)	369,000,000	Hybrid	CDO of SF CDO	25-Jun-07	Liquidation notice received	23-Jan-08	1
Mars CDO I Ltd. (U.S.)	593,500,000	Cash flow	CDO of SF CDO	3-May-07	Acceleration notice received	23-Jan-08	1
Bonifacius, Ltd. (U.S.)	2,484,000,000	Cash flow	High-grade SF	1-Aug-07	Acceleration notice received	24-Jan-08	2
Ridgeway Court Funding I Ltd. (U.S.)	1,992,000,000	Cash flow	High-grade SF	31-Jul-06	Acceleration notice received	25-Jan-08	1
Tigris CDO 2007-1 Ltd. (U.S.)	741,000,000	Cash flow	CDO of SF CDO	11-Sep-07	Acceleration notice received	25-Jan-08	3
Forge ABS High Grade CDO I, Ltd. (U.S.)	1,495,500,000	Cash flow	High-grade SF	24-Apr-07	EOD notice received	30-Jan-08	2
Summer Street 2007-1, Ltd. (U.S.)	549,000,000	Cash flow	Mezzanine SF	12-Jun-07	EOD notice received	1-Feb-08	1
Corona Borealis CDO Ltd. (U.S.)	1,455,500,000	Hybrid	Mezzanine SF	2-May-07	Acceleration notice received	1-Feb-08	1
PYXIS ABS CDO 2007-1 Ltd. (U.S.)	1,489,000,000	Hybrid	Mezzanine SF	22-Mar-07	Acceleration notice received	1-Feb-08	1
Ixis ABS CDO 2 Ltd. (U.S.)	486,500,000	Hybrid	Mezzanine SF	30-Jun-06	Liquidation notice received	1-Feb-08	2
GSC ABS Funding 2006-3g, Ltd. (U.S.)	3,669,000,000	Cash flow	Mezzanine SF	23-Jan-07	EOD notice received	1-Feb-08	1
ART CDO 2006-1 Ltd. (U.S.)	107,200,000	Cash flow	High-grade SF	23-Aug-06	EOD notice received	1-Feb-08	1
NovaStar ABS CDO I Ltd. (U.S.)	347,200,000	Cash flow	Mezzanine SF	9-Feb-07	Acceleration notice received	4-Feb-08	1
Pacific Pinnacle CDO Ltd. (U.S.)	1,865,600,000	Cash flow	High-grade SF	29-Dec-06	EOD notice received	4-Feb-08	1
Cairn Mezz ABS CDO II Ltd. (U.S.)	729,625,000	Hybrid	Mezzanine SF	20-Nov-06	Acceleration notice received	4-Feb-08	1
Kleros Real Estate CDO III, Ltd. (U.S.)	976,000,000	Cash flow	Mezzanine SF	29-Dec-06	EOD notice received	5-Feb-08	1
Aventine Hill CDO I Ltd. (U.S.)	788,600,000	Hybrid	Mezzanine SF	5-Sep-07	EOD notice received	6-Feb-08	1
Mugello ABS CDO 2006-1 Ltd. (U.S.)	562,000,000	Hybrid	Mezzanine SF	29-Nov-06	Acceleration notice received	6-Feb-08	1
Gulf Stream-Atlantic CDO 2007-1 Ltd. (U.S.)	500,000,000	Hybrid	Mezzanine SF	5-Mar-07	Liquidation notice received*	7-Feb-08	1
Western Springs CDO Ltd. (U.S.)	495,600,000	Hybrid	Mezzanine SF	21-May-07	Acceleration notice received	7-Feb-08	2
Biltmore CDO 2007-1 Ltd. (U.S.)	1,000,000,000	Cash flow	High-grade SF	1-Aug-07	EOD notice received	7-Feb-08	1

Table 1

CDO EOD Notices Received As Of April 7, 2008 (cont.)

Tenorite CDO I Ltd. (U.S.)	1,027,000,000	Hybrid	Mezzanine SF	23-May-07	Acceleration notice received	7-Feb-08	1
Lacerta ABS CDO 2006-1 Ltd. (U.S.)	600,000,000	Hybrid	Mezzanine SF	4-Dec-06	Acceleration notice received	7-Feb-08	1
Halyard CDO I, PLC (U.K.)	217,500,000	Hybrid	Mezzanine SF	27-Oct-06	Liquidation notice received	8-Feb-08	1
Longshore CDO 2007-3 Ltd. (U.S.)	1,300,000,000	Hybrid	High-grade SF	2-May-07	EOD notice received	8-Feb-08	1
Octonion I CDO Ltd. (U.S.)	990,250,000	Hybrid	Mezzanine SF	28-Mar-07	EOD notice received*	8-Feb-08	1
Kleros Preferred Funding VII, Ltd. (U.S.)	1,490,000,000	Cash flow	High-grade SF	2-May-07	EOD notice received*	8-Feb-08	1
Careel Bay CDO Ltd. (U.S.)	750,000,000	Hybrid	Mezzanine SF	22-Jan-07	EOD notice received	11-Feb-08	1
Longport Funding III Ltd. (U.S.)	750,000,000	Hybrid	Mezzanine SF	12-Apr-07	EOD notice received	11-Feb-08	1
Scorpius CDO Ltd. (U.S.)	1,484,500,000	Hybrid	Mezzanine SF	1-Nov-06	Acceleration notice received	12-Feb-08	1
Kefton CDO I Ltd. (U.S.)	670,000,000	Hybrid	Mezzanine SF	22-Dec-06	Transaction liquidated	12-Feb-08	2
Preston CDO I, Ltd.(U.S.)	355,400,000	Hybrid	Mezzanine SF	4-Sep-07	EOD notice received	12-Feb-08	1
Auriga CDO Ltd. (U.S.)	1,510,450,000	Hybrid	Mezzanine SF	2-Jan-07	Acceleration notice received	13-Feb-08	1
Draco 2007-1 Ltd. (U.S.)	2,000,000,000	Hybrid	Mezzanine SF	2-May-07	EOD notice received	13-Feb-08	1
Longridge ABS CDO II, Ltd. (U.S.)	500,000,000	Hybrid	Mezzanine SF	1-Mar-07	EOD notice received	13-Feb-08	1
Adams Square Funding II, Ltd. (U.S.)	979,200,000	Hybrid	Mezzanine SF	30-Mar-07	EOD notice received*	14-Feb-08	2
Vertical ABS CDO 2007-2 Ltd. (U.S.)	758,875,000	Hybrid	Mezzanine SF	4-Sep-07	EOD notice received	14-Feb-08	1
Brookville CDO I, Ltd. (U.S.)	499,000,000	Cash flow	Mezzanine SF	2-May-07	Acceleration notice received	19-Feb-08	2
Arca Funding 2006- II, Ltd. (U.S.)	700,210,000	Hybrid	Mezzanine SF	4-Jan-07	Transaction liquidated	21-Feb-08	2
PASA Funding 2007 Ltd. (U.S.)	3,017,400,000	Cash flow	High-grade SF	3-Apr-07	Liquidation notice received*	22-Feb-08	2
Stockton CDO Ltd. (U.S.)	900,000,000	Hybrid	Mezzanine SF	1-Aug-07	EOD notice received	22-Feb-08	1
Silver Marlin CDO I Ltd. (U.S.)	1,250,500,000	Cash flow	High-grade SF	2-Apr-07	EOD notice received	22-Feb-08	2
Tahoma CDO III, Ltd. (U.S.)	350,000,000	Hybrid	CDO of SF CDO	2-May-07	EOD notice received	25-Feb-08	1
Brooklyn Structured Finance CDO Ltd. (U.S.).	993,500,000	Cash flow	High-grade SF	4-Dec-06	EOD notice received*	25-Feb-08	1
Wadsworth CDO, Ltd. (U.S.)	132,987,500	Cash flow	High-grade SF	3-Oct-06	Acceleration notice received	26-Feb-08	1
BRODERICK CDO 2 Ltd. (U.S.).	167,200,000	Cash flow	High-grade SF	3-Jan-06	Acceleration notice received	27-Feb-08	1

Table 1

CDO EOD Notices Received As Of April 7, 2008 (cont.)							
High Grade Structured Credit CDO 2007-1 Ltd. (U.S.)	4,027,000,000	Cash flow	High-grade SF	4-Jun-07	EOD notice received	27-Feb-08	1
Cairn Mezz ABS CDO IV Ltd. (U.S.)	500,000,000	Hybrid	Mezzanine SF	5-Jun-07	Acceleration notice received	27-Feb-08	1
Faxtor HG 2007-1 Ltd. (U.K.)	1,250,000,000	Cash flow	High-grade SF	31-May-07	Acceleration notice received	28-Feb-08	2
ESP Funding I, Ltd. (U.S.)	90,200,000	Hybrid	High-grade SF	14-Dec-06	EOD notice received	28-Feb-08	2
6th Avenue Funding 2006-1, Ltd. (U.S.)	160,900,000	Cash flow	CDO of SF CDO	16-Oct-06	Liquidation notice received	29-Feb-08	1
Independence V, Ltd. (U.S.)	601,600,000	Cash flow	Mezzanine SF	25-Feb-04	Acceleration notice received	29-Feb-08	2
Cairn High Grade ABS CDO II Ltd. (U.S.)	1,007,250,000	Hybrid	High-grade SF	3-Oct-06	EOD notice received	29-Feb-08	1
Visage CDO I PLC (U.K.).	162,000,000	Hybrid	Mezzanine SF	13-Sep-06	EOD notice received	3-Mar-08	1
Camber 6 PLC (U.S.)	766,000,000	Hybrid	Mezzanine SF	20-Sep-06	Liquidation notice received	3-Mar-08	1
Bernoulli High Grade CDO II, Ltd. (U.S.)	1,500,000,000	Cash flow	High-grade SF	30-Aug-07	EOD notice received	4-Mar-08	1
G Square Finance 2007-1 Ltd. (U.K.)	1,700,000,000	Cash flow	High-grade SF	2-May-07	EOD notice received	5-Mar-08	1
ACA ABS CDO 2006-1 Ltd (U.S.)	750,000,000	Cash flow	Mezzanine SF	3-May-06	EOD notice received*	5-Mar-08	1
Hamilton Gardens CDO II Ltd. (U.S.)	400,000,000	Hybrid	Mezzanine SF	5-Sep-07	Transaction liquidated	5-Mar-08	1
Newbury Street CDO Ltd. (U.S.)	2,000,400,000	Cash flow	High-grade SF	3-Apr-07	EOD notice received	6-Mar-08	1
Palmer ABS CDO 2007-1 Ltd. (U.S.)	1,000,000,000	Hybrid	Mezzanine SF	26-Mar-07	Acceleration notice received	6-Mar-08	1
Plettenberg Bay CDO Ltd. (U.S.)	522,250,000	Hybrid	Mezzanine SF	27-Mar-07	EOD notice received	6-Mar-08	2
Norma CDO I Ltd. (U.S.)	1,500,000,000	Hybrid	Mezzanine SF	2-Mar-07	Acceleration notice received	10-Mar-08	2
Timberwolf I, Ltd. (U.S.)	1,017,300,000	Hybrid	Mezzanine SF	3-Apr-07	EOD notice received	10-Mar-08	2
Singa Funding Ltd. (A.P.)	1,003,500,000	Cash flow	Mezzanine SF	4-Dec-06	EOD notice received	11-Mar-08	1
Fourth Street Funding Ltd. (U.S.)	500,500,000	Cash flow	Mezzanine SF	2-May-07	Acceleration notice received	12-Mar-08	1
Camber 7 PLC (U.S.)	915,500,000	Hybrid	Mezzanine SF	8-Mar-07	Acceleration notice received	12-Mar-08	1
Cetus ABS CDO 2006-2 Ltd. (U.S.)	300,000,000	Hybrid	Mezzanine SF	16-Nov-06	Acceleration notice received	12-Mar-08	1
Citation High Grade ABS CDO I Ltd. (U.S.)	1,104,500,000	Cash flow	High-grade SF	12-Feb-07	EOD notice received	13-Mar-08	1
Tasman CDO Ltd. (U.S.)	300,000,000	Cash flow	CDO of SF CDO	26-Jan-07	EOD notice received	17-Mar-08	2
Tabs 2005-4, Ltd. (U.S.)	402,000,000	Cash flow	Mezzanine SF	26-Apr-06	EOD notice received	19-Mar-08	1

Table 1

CDO EOD Notices Received As Of April 7, 2008 (cont.)

Tahoma CDO I, Ltd. (U.S.)	1,000,000,000	Hybrid	CDO of SF CDO	29-Dec-06	EOD notice received	25-Mar-08	2
Ivy Lane CDO Ltd. (U.S.)	511,500,000	Cash flow	Mezzanine SF	30-Apr-06	EOD notice received	26-Mar-08	2
Arca Funding 2006- I, Ltd. (U.S.)	710,000,000	Hybrid	Mezzanine SF	26-Oct-06	EOD notice received	27-Mar-08	2
Duke Funding XII Ltd. (U.S.)	2,250,000,000	Hybrid	Mezzanine SF	21-Feb-07	EOD notice received	28-Mar-08	1
Tourmaline CDO II Ltd. (U.S.)	1,000,000,000	Hybrid	Mezzanine SF	11-Jul-06	EOD notice received	31-Mar-08	1
Tourmaline CDO III Ltd. (U.S.)	1,511,000,000	Hybrid	Mezzanine SF	3-May-07	EOD notice received	31-Mar-08	1
Longridge CDO I Ltd. (U.S.)	500,000,000	Hybrid	Mezzanine SF	1-Mar-07	EOD notice received	2-Apr-08	1
Highridge ABS CDO II Ltd. (U.S.).	1,000,000,000	Cash flow	High-grade SF	15-Oct-07	Acceleration notice received	3-Apr-08	1
Octans I CDO Ltd. (U.S.)	1,504,000,000	Hybrid	Mezzanine SF	25-Dec-06	EOD notice received	3-Apr-08	1
Tourmaline CDO I Ltd. (U.S.)	750,000,000	Hybrid	Mezzanine SF	30-Sep-05	EOD notice received	3-Apr-08	1
Tallships Funding Ltd. (U.S.)	1,526,500,000	Hybrid	Mezzanine SF	14-Mar-07	EOD notice received	4-Apr-08	1
Kleros Real Estate CDO II, Ltd. (U.S.)	998,700,000	Cash flow	Mezzanine SF	25-Aug-06	EOD notice received	7-Apr-08	1

Note: Deals will be removed from this list if their EOD notices are recalled, rescinded, retracted, or cured. *Transaction experienced an earlier event of default that was subsequently rescinded or cured. ¶1—OC failure/calculation with haircuts; 2—OC failure/calculation without haircuts; 3—Interest payment missed on non-payment-in-kind tranche.

CDO EOD Notices Rescinded, Retracted, Recalled, Or Cured

Table 2

CDO EOD Notices Rescinded, Retracted, Recalled, Or Cured As Of April 7, 2008

Transaction name (surveillance office)	Rated liability balance at issuance ($)	Structure	Collateral	Origination date	Current status	Notice dated
FAB US 2006-1 PLC (U.S.)	366,050,000	Cash flow	Mezzanine SF	1-Dec-06	Retraction notice received	19-Nov-07
Citius II Funding Ltd. (U.S.)	1,984,000,000	Cash flow	High-grade SF	22-Dec-06	Retraction notice received	7-Feb-08

Surveillance Of Existing CDO Transactions

Standard & Poor's monitors the performance of each CDO transaction and takes rating actions (including CreditWatch placements) as appropriate in our opinion, given the underlying collateral's performance, the credit enhancement afforded by the CDO structure, and the then-current priority of payments specified in each transaction's legal documentation. We will monitor the ratings on the notes from cash flow and hybrid CDO transactions that have triggered an EOD and base subsequent rating actions on our analysis of the cash flow impact of post-EOD actions taken by the controlling noteholders for the transaction.

Post-EOD actions can be grouped into four potential successive stages for most cash flow and hybrid CDO transactions. The impact of these actions on the ratings assigned to a CDO will depend on the post-EOD actions taken by the controlling classes of the transaction; the CDO trustee's or issuer's notification to Standard & Poor's of the post-default action; and the impact of these actions on the priority of payments to the various CDO classes in any revised interest and principal cash flow distributions:

1) EOD notification received. When Standard & Poor's receives notification that a CDO has experienced an EOD due to the failure of an O/C-based EOD trigger or for any other reason, we will review the impact of the EOD on the rated notes and may place the ratings on the affected classes on CreditWatch negative.

2) Acceleration notice received. If the controlling noteholders vote to accelerate the maturity of the CDO notes outstanding, the future distribution of principal and interest proceeds often (but not always) changes to a purely sequential basis such that the senior-most class of notes outstanding receives all of the principal and interest. In these cases, subordinate classes—including, in some cases, junior 'AAA' rated tranches—may not receive principal or interest payments until the balance of the senior-most class has been paid in full. In these cases, Standard & Poor's will incorporate the revised cash flow priorities into subsequent cash flow analysis generated for the transaction and take the appropriate rating actions. In some cases, the ratings assigned to the downgraded classes of notes will be left on CreditWatch negative following the downgrade to reflect the potential that a transaction could become subject to liquidation.

3) Liquidation notice received. When Standard & Poor's receives notice that the controlling noteholders have voted to terminate the CDO transaction and liquidate the portfolio collateral, the cash flow analysis previously used to assess the ratings assigned to the CDO notes loses relevance, as it is based on the collateral pool being maintained intact and the ongoing interest and principal proceeds from the assets being distributed to the notes according to the priority of payments. After we receive notice of intent to liquidate the collateral assets, we conduct an analysis of the liquidation value of the CDO collateral with the information available and may adjust our ratings to reflect the probability of repayment under liquidation. Because the voting requirements for declaring intent to liquidate vary from transaction to transaction and may differ from the level of consent required to accelerate the notes, it is possible that CDOs experiencing an EOD may not get to this stage.

4) Assets liquidated and CDO terminated. Once the CDO trustee has confirmed that the assets in the collateral pool are in the process of being sold, and/or the credit default swaps (CDS) are being terminated, Standard & Poor's will review the amounts we estimate that are likely to be received by the various classes of noteholders. When appropriate, we will withdraw our ratings on classes that have been repaid in full and lower the ratings on defaulting classes to 'D.' For some transactions, the timing of the liquidation can be uncertain, as the controlling noteholders have the ability to assess the bids the CDO trustee receives and determine when to proceed with the sale of assets.