EXHIBIT 45
[Filed Under Seal]

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

Summary feedback Anthony is providing to RED on Capstone

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

Cool. thks

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

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

Best,

Jon

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

Jon

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

Sarah

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

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

Bob,

About a month ago, group exco asked a small team (me, justin, jon stone and merson) to investigate how we could raise equity to help fund possible m&a this year.
We added stephen jones and richard boath to the team and have been meeting weekly. I'll bring this summary and the attached deck Stephen pulled together to our 121 this Thursday but wanted to give you a quick update on where it stands. I think Jon has been updating Chris but once you're comfortable it's probably worth a quick update at group exco:

1. we looked at both internal and external options to raise core tier 1 capital. The internal options we focused on are: (i) Share option plan hedging for the ESAS and PSP plans; (ii) Scrip Dividends (giving shareowners the option of receiving cash or shares); and (iii) Selling non-core assets. The external options are: (i) Cash Placing to Strategic Investors (what we did with CDB); (ii) Cashbox / Vendor Placing (Cashbox is what we did with Temasek; vendor placing is similar but the placement is targeted to fund a specific acquisition); (iii) Rights Issue; and (iv) Convertible Pref Shares.

2. on Internal alternatives, Stone is moving forward on share option plan hedging for ESAS and PSP plans. barcap has been advising him and CS has been executing with him on this. It could free up as much a £900m in capital in 2008. We're doubtful we'd get much take up on Scrip dividends as we already have a dividend-reinvestment plan and there aren't any companies we can point to that successfully use this, other than HSBC but we think it's driven by tax arbitrage there, which wouldn't be the case with us.

3. on External alternatives, without Preemption (having to go to all shareowners and offer them the same investment opportunity) we have headroom to issue 5% of capital or between £1.5b - £1.75b in equity as a Cash placement to strategic investors. The range is dependent upon whether we get relief from the ABI (association of british insurers) on the share buybacks we did to neutralise the dilutive effects of the CDB investment. We can also use Cashbox / Vendor placing to issue another 10% of capital or approx. £3.4b in equity to strategic investors without Preemption.

4. our view is we shouldn't try to raise the equity on a m&a deal by deal basis as it'll likely get negative investor and PR play. We think we should go to strategic investors once this year, perhaps if we have a deal to fund but if not then go with a strong story as to strategic benefits of doing this. Also think we should structure it like what bofa did with countrywide - raise more than we need for the specific deal, they needed about $6bn for the deal, but raised about $12b.

5. as you know, we have a couple of Asian strategic investors who are interested. We should also go back to both CDB and Temasek as well as Roger's contact in the ME and the 2 or 3 other investors we approached last summer.

6. Merson is generally supportive of this, his main concern around external is he feels strongly we need to issue at a premium like we did over the summer to help make the story with existing investors.

7. we felt rights issue would smack of desperation and since convertible pref shares don't count as core tier 1 equity until converted, haven't recommended this either.

EXHIBIT 46
[Filed Under Seal]

From:	Raby, James: Planning (LDN) [/O=BZW/OU=EUROPE/CN=LDN AD USERS/CN=USERS/CN=RABYJ]
Sent:	Tuesday, March 18, 2008 7:27:38 AM
To:	Morrice, Robert: CEO Asia Pacific (HKG); Spinale, Anthony: Barclays Capital; Ricci, Rich: Barclays Capital; Le Blanc, Robert: Group Risk (LDN); Clackson, Patrick: Finance (LDN); King, Linda: GFRM (LDN); Guy, Lee: GFRM (LDN)
CC:	Chung, Cilla: PA to R. Morrice (HKG)
Subject:	RE: Temasek call
Attachments:	Exposures.ppt; Exposures Pack 060308.ppt

Please find attached two packs for this morning's discussion.

The first is prepared to address questions asked by Temasek (which I've included below). The second is data we have provided to the rating agencies.

Questions from Temasek:

QUESTIONS
1. US Super Senior ABS CDO
- Gross long and short position
- MTM on long and short positions
- Net exposure
- Vintages
- Mark assumptions (from Jun 07 to date)

2. Other US subprime
- Exposure by vintages
- Mark assumptions

3. Alt-A
- Exposure by vintage
- Mark assumptions

4. Monoline insurers
- Notional amt with individual counterparties
- Current credit exposure to each monoliner and reserves taken
- Sensitivity of reserves to monoliner credit rating

5. CMBS
- Exposure
- Mark assumptions

6. CRE
- Direct loan exposure
- Default rates seen
- Provision/loss assumptions

7. Leveraged finance
- Exposure
- Funded vs unfunded commitments

James Raby

Barclays Capital
Strategy & Planning

Direct: +44 (0)20 7773 0103
Fax: +44 (0)20 7773 4832
5 North Colonnade - Canary Wharf - London E14 4BB
james.raby@barcap.com

-----Original Message-----
From: Morrice, Robert: CEO Asia Pacific (HKG)
Sent: 18 March 2008 01:26
To: Spinale, Anthony: Barclays Capital; Ricci, Rich: Barclays Capital; Le Blanc, Robert: Group Risk (LDN); Clackson, Patrick: Finance (LDN); King, Linda: GFRM (LDN); Guy, Lee: GFRM (LDN)
Cc: Raby, James: Planning (LDN); Chung, Cilla: PA to R. Morrice (HKG)
Subject: Re: Temasek call

Great thanks.

----- Original Message -----
From: Spinale, Anthony: Barclays Capital
To: Morrice, Robert: CEO Asia Pacific (HKG); Ricci, Rich: Barclays Capital; Le Blanc, Robert: Group Risk (LDN); Clackson, Patrick: Finance (LDN); King, Linda: GFRM (LDN); Guy, Lee: GFRM (LDN)
Cc: Raby, James: Planning (LDN); Chung, Cilla: PA to R. Morrice (HKG)
Sent: Tue Mar 18 09:22:09 2008
Subject: Re: Temasek call

We got the questions. I thought they sent them to you too, sorry.
Prep materials being prepared

----- Original Message -----
From: Morrice, Robert: CEO Asia Pacific (HKG)
To: Ricci, Rich: Barclays Capital; Le Blanc, Robert: Group Risk (LDN); Clackson, Patrick: Finance (LDN); King, Linda: GFRM (LDN); Guy, Lee: GFRM (LDN)
Cc: Spinale, Anthony: Barclays Capital; Raby, James: Planning (LDN); Chung, Cilla: PA to R. Morrice (HKG)
Sent: Tue Mar 18 01:19:58 2008
Subject: Temasek call

T are supposed to be sending in some questions pre the call on Wednesday to provide direction for the discussion.

Is there any paperwork that we would like to provide to them or do we want to make that decision once we have seen the questions ?

Rgds

Robert

EXHIBIT 47
[Filed Under Seal]

Barclays Capital

Sub-prime Exposures February 29th 2008

Super Senior Exposures

High Grade Super Senior Exposures	Notional	Write Downs as at Feb 2009	Net Exposure	Marking Assumption
Pampelonne 1	1,250	(636)	614	NAV
Pampelonne 2	2,000	(763)	1,237	NAV
Markov	2,000	(1,546)	454	NAV
Buckingham I	1,000	(34)	966	CF loss
Buckingham II	1,300	(58)	1,242	CF loss
Buckingham III	1,500	(264)	1,236	CF loss
Citius I	1,808	(57)	1,751	CF loss
Citius II	1,926	(226)	1,699	CF loss
Liberty Harbor	1,800	(135)	1,665	CF loss
	14,584	(3,720)	10,864	
Mezzanine Super Senior Exposures				
Camber VI	750	(268)	482	NAV
Stack 2005-2	500	(171)	329	NAV
Tenorite	1,250	(524)	726	NAV
Silverton	750	(291)	459	NAV
Tourmaline I	750		750	CF loss
Tourmaline II	1,000	(48)	952	CF loss
	5,000	(1,302)	3,698	
Grand Total	**19,584**	**(5,022)**	**14,562**	

** NAV (Net Asset Value) marking assumptions involves looking through to the underlying assets and marking then to market on a security by security basis. The NAV shortfall is then applied to the Super Senior exposure.

** CF Based marking involves looking through to the underlying assets current delinquency rate and projecting this loss assumption across the tenor of the asset. The cumulative loss is then applied to the SS exposure above the attachment point.

Other US Sub-Prime Exposures

	DEC 07	JAN 08	FEB 08	FEB EXPOSURES BY VINTAGE 04	05	06	07
Whole Loans							
EquiFirst (new orig.)	1,238	1,330	1,457				1,457
EquiFirst (old orig.)	4,453	4,468	4,239	2	4	144	4,089
Third-party	728	596	690	3	54	284	350
Total Whole Loans	**6,419**	**6,394**	**6,386**	**5**	**58**	**428**	**5,896**
Residuals							
NIMS	225	209	138		19	43	76
Post NIM Residuals	241	236	160	16	115	23	7
Total Residuals	**466**	**445**	**297**	**16**	**134**	**66**	**83**
Other							
RMBS Securities / ABX	**(1,618)**	**(1,852)**	**(828)**		**(3)**	**(751)**	**(73)**
Other direct and indirect sub-prime exposure	**2,122**	**2,370**	**2,356**				
	505	519	1,528	-	(3)	(751)	(73)
Grand Total	**7,390**	**7,357**	**8,212**				

Other US Sub-Prime Exposures Cont.

** Whole Loans are marked to Model with the following assumptions :

* Prepayment rates - At individual level
* Default rates - Use S&P levels model to project default rates at individual Loan level
*Yields - Base spread tracked to observable market spread level
*Liquidity - An additional spread is added to the yield in order to provide a liquidity discount.

** Nims / POST NIMS marked to Model with the following assumptions :

* Prepayment rates - At individual level
* Default rates - Deal specific “Roll Rate analysis using HOMEQ loan servicing portfolio (280,000 loans) to derive statistical loss projections
*Yields - Base spread tracked to observable market spread level
*Liquidity - An additional spread is added to the yield in order to provide a liquidity discount.

** RMBS Securities Market Values are computed based on the Net Asset Value of the underlying collateral

* The value of the underlying bonds is computed using the standard Barclays Capital model for ABS securities
* The total value of the underlying collateral represents the funds available to settle the obligations of the CDO in the event of unwind or liquidation
* If this value represents losses in excess of the value of the issued Capital Notes, these losses will be incurred by the Super Senior note holder
* This is therefore an economic representation of the impact of liquidation or consolidation

This valuation represents a worst case loss since :

* At liquidation competitive market bids will be sought for the collateral
* Any bid higher than the NAV would represent additional funds to be returned to the Senior notes

Alt-A Exposures

	DEC 07	JAN 08	FEB 08	FEB EXPOSURES BY VINTAGE 04	05	06	07
Alt-A Whole Loans	1,820	1,816	1,787	431		15	1,341
Alt-A Residuals	50	47	42				42
ALT-A Securities	5,605	5,718	5,634	64	417	2,115	3,038
Other direct and indirect Alt-A exposure	2,371	2,419	2,206				
	9,846	**10,000**	**9,669**				

** Whole Loans are marked to Model with the following assumptions :

* Prepayment rates - At individual level
* Default rates - Use S&P levels model to project default rates at individual Loan level
*Yields - Base spread tracked to observable market spread level
*Liquidity - An additional spread is added to the yield in order to provide a liquidity discount.

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Monoline Insurers

		$mm			
Monoline	**Current DG**	**Notional**	**Monoline Exposure**	**Current Reserve**	**Stress reserve 2 point downgrade**
AMBAC ASSURANCE CORPORATION	2	(8,720)	461.89	21.35	36.64
ASSURED GUARANTY CORPORATION	1	(6,110)	342.73	13.35	19.54
CIFG	1	(3,152)	137.45	3.61	5.77
FINANCIAL GUARANTY INSURANCE COMPANY	4	(3,958)	254.08	16.52	22.39
FINANCIAL SECURITY ASSURANCE INC	1	(6,232)	359.41	3.88	7.80
MBIA INSURANCE CORPORATION	2	(11,028)	1,365.03	115.29	149.72
XL CAPITAL ASSURANCE INCORPORATED	4	(2,948)	253.45	26.85	34.12
TOKIO MARINE	1	-	0.00	0.00	0.00
Grand total		**(42,148)**	**3,174**	**201**	**276**

External Equivalent	DG
AAA	1
AA	3
A	4
BBB	6
BB	10
B	14
CCC	18
D	22

** Monoline exposures represent the expected loss based on a CF stress analysis of the underlying collateral embedded in the referenced asset similar to the Super Senior exposures.

CMBS

Commercial Mortgages	DEC 07	JAN 08	FEB 08
US CMBS Secondary	652	652	652
LDN CMBS Secondary	1,941	1,727	1,528
	2,593	**2,379**	**2,180**

** CMBS Securities are Marked to Model using a standard cash flow based model.

Model assumptions:

* Prepayment - Set per deal based on deal composition
* Yields - Base spreads tracked to observable spread movements

*Approximate from RMBS desk offer sheets

BARCLAYS

CRE

CRE Exposures	DEC 07	JAN 08	FEB 08
US CMBS Primary	10,880	10,994	10,976
LDN CMBS Primary	9,479	9,512	9,566
Equity Bridges	1,048	1,045	1,038
Asia/Japan Whole Loans	834	811	811
	22,241	**22,363**	**22,391**

** Securitizable portfolio is fully hedged via a combination of interest rate swaps and CMBS Total return Index swaps, and marked to hedge levels.

** Take and Hold loans are initially marked down by their contracted origination fee (0.5% to 1%) and are monitored for property level performance. Any material property level performance issues will be reflected in individual loan marks

BARCLAYS

Leveraged Finance

EXHIBIT 48
[Filed Under Seal]

From: Michelena, Ander (IBD) [Ander.Michelena@morganstanley.com]
Sent: Thursday, April 03, 2008 4:36:22 PM
To: Parekh, Shyam (GCM); Moore, Donald (IBD); Chalmers, William (IBD); Hyman, John (GCM)
CC: bstcore; Moreland, Jennifer (GCM); Volker-Albert, Christine (GCM)
Subject: RE: Barclays / Diamond
Attachments: 2008-04-03 Barclays Discussion Materials vFinal.ppt

Dear all,

Please find attached the final presentation prepared for the meeting

Regards,

Ander

Ander Michelena
Morgan Stanley | Investment Banking Division
20 Bank Street | Canary Wharf | Floor 05
London, E14 4AD
Phone: +44 20 7677-7711
Mobile: +44 78108-15782
Fax: +44 20 7056-5629
Ander.Michelena@morganstanley.com

From: Parekh, Shyam (GCM)
Sent: 03 April 2008 17:31
To: Parekh, Shyam (GCM); Moore, Donald (IBD); Chalmers, William (IBD); Hyman, John (GCM)
Cc: bstcore; Moreland, Jennifer (GCM)
Subject: Barclays / Diamond

General chat - Diamond made clear, "I'm not the guy you want... I know you've been trying to see John, who's been away for a few weeks"

touched on UBS. Interested in hearing about what's in their portfolio, writedowns, taken, how much they've actually written down vs actually sold ("I've heard lots of different things")
Was very appreciative of the conference. Said he had a packed schedule of investor meetings - "not a fun thing at the moment but very useful"
His sense is that investor sentiment has changed a lot vs 3 monts ago - "people are a lot more willing to listen to your story about the future...and not just ask about your writedowns"
Quite suspicious of many of the hedge funds - thinks that in many cases they don't really care about hearing about Barclays and just want to extract information they want to use elsewhere (he cited the lev loan market specifically)
Observed that there appears to be increasing differentiation in the way the market is treating banks - expects this to accelerate over the course of the year
Made some comments which suggested there was nothing happening on the M&A front (certainly not with BoA)

Ander/Christine will circualte the final presentation (though we didn't use it)

Shyam Parekh, Managing Director
Morgan Stanley | Global Capital Markets
20 Bank Street | Canary Wharf | Floor 05
London, E14 4AD
Phone: +44 20 7425-2548
Fax: +44 20 7056-1505
Shyam.Parekh@morganstanley.com

_____

From: Parekh, Shyam (GCM)
Sent: 03 April 2008 15:08
To: Parekh, Shyam (GCM); Moore, Donald (IBD); Chalmers, William (IBD); Hyman, John (GCM)
Cc: bstcore; Moreland, Jennifer (GCM)
Subject: RE: barclays - more feedback

this from a UK perspective

* mixed emotions about Barclays, and in particular Diamond: on the one hand, track record is undenaiable. On the other, his overtly bullish tone - in this market - doesn't sound quite right
* In a similar vein, looking back at last year, there is relief they didn't get ABN at the price it went for, but also question marks over why they got involved
* Like RBS, investors are wary about the marks on their positions: They understand managements' arguments, but are suspicious the 'real' reason they don't want to take more conservative marks is because it would stretch the balance sheet and they would have to raise equity
* Cynics go on to point out that when banks come for equity these days, there has to be a management scalp - and they see no sign of this at Barc (or for that matter RBS)
* Investors are also puzzled about the stance of the FSA these days. They get the impression the FSA wants banks to rebuild their capital position, but they cannot tell what the FSA actually plans to do. 'Force' them to raise equity? Replace hybrids with common? Shrink the balance sheet? Cut dividends? Over what time frame?
* Putting all the above together, the consensus view in the UK is that none of the banks are likely to raise equity in the near future. If anything, raising equity (a la UBS) now would send a signal of 'distress' which managements at RBS, BARC and

HBOS have been at such pains to deny they are experiencing. As such, it's not clear that "clean up" + "cap raising" equates to a UBS-style bounce
*

Instead, they can see one of three possibilies emerging:

*

a) raise capital once problems in the UK really start to emerge - probably H2 this year or H1 next
*

b) muddle through even when problems start emerging, and raise capital when the cycle looks to be bottoming - although the new capital will be issued at v low valuations, the banks could legitimately argue they are doing it to capture future growth as the cycle turns
*

c) cut dividends this year/next as a 'substitute' for raising capital

Shyam Parekh, Managing Director
Morgan Stanley | Global Capital Markets
20 Bank Street | Canary Wharf | Floor 05
London, E14 4AD
Phone: +44 20 7425-2548
Fax: +44 20 7056-1505
Shyam.Parekh@morganstanley.com

From: Parekh, Shyam (GCM)
Sent: 03 April 2008 11:32
To: Moore, Donald (IBD); Chalmers, William (IBD); Hyman, John (GCM)
Cc: bstcore; Moreland, Jennifer (GCM)
Subject: barclays - some feedback

* Barclays is in a 'league of its own', relative to the other investment banks

* The latter (eg DB, CS, UBS) have recently evidenced a greater recognition of the challenges facing the sector, after denying the problems for some time

* Whereas Barclays and in particular Diamond remains amazingly sanguine on the environment

* There are a number of hedge funds who have been short this stock. The main reason is that they see additional writedowns of £3-7 BN. This compares, however, to average broker estimates of additional w/ds of only £1 BN (with ML being the highest at £3 Bn, although even they 'haircut' this by 50%) - more on this disconnect later

* Even if the write downs are at the lower end of this range, the point they make is that with a core capital of 5% and tangible equity/assets of ~1.5% (which is the benchmark people are using to create an apples to apples comparison vs US banks), Barclays has no room to manouvre

* From a valuation perspective, despite these risks, Barclays is still trading in line with the Euroepan average, at least on a P/TBV basis (1.7x08 vs average of 1.8x). It;s a bit cheaper on a PE basis at 7.2x08 vs average of just under 9x. This compares hwoever to HBOS at 0.8xTBV and Lloyds at 2.5x TBV

* These shorts have however been suffering some pain, for the reason that the additional writedowns and the capital raising don't seem to be materialising, despite their view of the risks

* There appear to be a few reasosn for this: a) how 'adamant' the company is about having no need for writedowns/capital b) the fact that the UK regulator seems unable/unwilling to force the big UK banks to be more conservative c) and the fact that these bank capital raisings are usually accompanied by management change - and there is no evidence to suggest Barcalys woould change sr mgmt esp Diamond

* In terms of disclosure of its asset exposires, these are seen to be 'average'. The bigger issue in investors minds are first, the level of writedowns taken, as per above; and second, the opacity around its hedging activity, something which Barclays has aggressively promoted in recent prsentations

EXHIBIT 49

[Filed Under Seal]

From: Assouline, Celine (GCM) [Celine.Assouline@morganstanley.com]
Sent: Monday, April 07, 2008 9:44:27 AM
To: Volker-Albert, Christine (GCM)
CC: de Guillenchmidt, Antoine (GCM); Smith, Alex (IBD); Skeet, Dominic (GCM); Moreland, Jennifer (GCM)
Subject: RE: Barclays Meeting/ 11 April 2008
Attachments: Barclays Discussion Materials (April 2008) v1 0 (2).ppt

Christine,

From the attached, I understand we are only looking at hybrid options, no senior convertible, is this correct?
If so, what type of capital are you looking at? Tier 1? Upper Tier 2?

Please let us know so that we can ask for spreads to the syndicate.

Thanks

Celine

-----Original Message-----
From: Volker-Albert, Christine (GCM)
Sent: 03 April 2008 17:55
To: de Guillenchmidt, Antoine (GCM)
Cc: Smith, Alex (IBD); Skeet, Dominic (GCM)
Subject: Barclays Meeting/ 11 April 2008

Antoine,

We will be meeting with Barclays (Chris Lucas) next Friday and as part of the presentation we would like to include pages on convertible options.

Presentation draft attached and email chain below. Please note that IBD is preparing a capital analysis and Dominic will look at this from a rating agency perspective.

Many thanks.

Best regards,

Christine

Christine Volker-Albert
Morgan Stanley | Global Capital Markets
20 Bank Street | Canary Wharf | Floor 05 London, E14 4AD
Phone: +44 20 7677-5406
Fax: +44 20 7056-0702
Christine.Volker-Albert@morganstanley.com

-----Original Message-----
From: Skeet, Dominic (GCM)
Sent: 02 April 2008 15:39
To: Parekh, Shyam (GCM); Moreland, Jennifer (GCM)
Cc: Chalmers, William (IBD); Volker-Albert, Christine (GCM)
Subject: RE: Banks & Div Fins: Reflecting on Day 1 of Banks Conference

S&P: AA/Neg outlook
Moody's: Aa1/Stable outlook

From an S&P perspective (based on an analysis published in Jan 08), Barclays has a relatively weak capitalisation and has fully utilised its S&P capacity for hybrids in the ATE ratio (as at June 07, only 5.3 bn of a total 7.5 bn in higher quality hybrids received ATE recognition due to the "33% of ACE" limit). Therefore (assuming the capital structure hasn't undergone a major change since June 07), we're going to have to look at mandatory converts or equity to solve any capital shortfalls due to further material writedowns. In any event, this would probably not prevent a downgrade for the same reasons we saw with UBS.
More difficult is the estimate of how big writedowns would have to be to cause a downgrade by S&P to 'AA-'. If they are in the region of 1 bn, I think there's a fair chance of a downgrade, but nothing like the certainty I felt with UBS. Moody's is very unlikely to downgrade in such a scenario, but could move outlook to negative.

Dominic Skeet - Managing Director
Morgan Stanley | Global Capital Markets
20 Bank Street | Canary Wharf | Floor 05 London, E14 4AD
Phone: +44 20 7677-1825
Mobile: +44 78876-61198
Fax: +44 20 7056-0935
Dominic.Skeet@morganstanley.com

-----Original Message-----
From: Parekh, Shyam (GCM)
Sent: 02 April 2008 10:47
To: Moreland, Jennifer (GCM)
Cc: Chalmers, William (IBD); Skeet, Dominic (GCM); Volker-Albert, Christine (GCM)
Subject: Re: Banks & Div Fins: Reflecting on Day 1 of Banks Conference

Ok.

I think the question on size for barc T1 cvt is not a mkt question but rather
- what non step capacity have they got
- what impact does that have on their reg cap ratios and ratings profile
- does it solve the 'perception' in the mkt of a capital shortfall
- how do the above answers all change if barc takes another £x bn of writedowns a la ubs to do a clean up. (Christine/ander know what the estimates are in the mkt of additional wds, + they've done their own analyssis).

----- Original Message -----
From: Moreland, Jennifer (GCM)
To: Hyman, John (GCM); Chalmers, William (IBD); Parekh, Shyam (GCM); Gortazar, Gonzalo (IBD); Grindley, Ben (GCM)
Cc: Volker-Albert, Christine (GCM)
Sent: Wed Apr 02 10:35:35 2008
Subject: Re: Banks & Div Fins: Reflecting on Day 1 of Banks Conference

William and Shyam, I have been started pitching a contingent capital structure to banks at the treasury level and began realising monday (when alex and I saw all the irish) that we probably need to focus this product at a higher level. I want to explain it to you to see if you like it, and if so, it can be included in friday's mtg w barclays assuming we're comfortable w showing them proprietary technology. I think it can be a healthy debate on which type of capital do they really need.

Problem is I am traveling all week but maybe I'll grab time w one or both of you mon or tues to go thru the idea.

Re your specific question on size I don't think we should rule out prefs or conv prefs due to a concern on size. Lehman just did 4 bn, bk of amer did 3 bn each in conv and non-conv on the same day, and there are more big examples.

Jennifer

----- Original Message -----
From: Hyman, John (GCM)
To: Chalmers, William (IBD); Parekh, Shyam (GCM); Gortazar, Gonzalo (IBD); Grindley, Ben (GCM); Moreland, Jennifer (GCM)
Cc: Volker-Albert, Christine (GCM)
Sent: Wed Apr 02 10:18:44 2008
Subject: Re: Banks & Div Fins: Reflecting on Day 1 of Banks Conference

From our session yesterday,looks like if they do something its a full blown rights issue

----- Original Message -----
From: Chalmers, William (IBD)
To: Parekh, Shyam (GCM); Hyman, John (GCM); Gortazar, Gonzalo (IBD); Grindley, Ben (GCM); Moreland, Jennifer (GCM)
Cc: Volker-Albert, Christine (GCM)
Sent: Wed Apr 02 10:14:32 2008
Subject: Re: Banks & Div Fins: Reflecting on Day 1 of Banks Conference

We did look at the capacity issue before our last meeting and they can do something, although it needs to be updated for year ends

However, if they are going to do something, it might aswell be big and I am not sure hybrid tier 1 can be done in sufficient scale.

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Parekh, Shyam (GCM)
To: Hyman, John (GCM); Chalmers, William (IBD); Gortazar, Gonzalo (IBD)
Cc: Volker-Albert, Christine (GCM)
Sent: Wed Apr 02 09:37:37 2008
Subject: Re: Banks & Div Fins: Reflecting on Day 1 of Banks Conference

On barc hybrid tier 1 christine is preparing a 'strategic' case study of the lehman deal, ie focused on investor/stock price reaction (+18%) rather than deal technicals. I'm sure they've taken note of it alrready, but you may want to send this to lucas ahead of the meeting next fri, as it would set the stage nicely.

Btw, william, have you ever looked at whether non step tier 1 capital (which is what a hybrid cvt is, albeit at a lowr coupon) actually 'works'? Ie do they capacity & does it improve their ratios & does it actually 'solve' their capital challenge. Or do they really need straught equity

----- Original Message -----
From: Hyman, John (GCM)
To: Chalmers, William (IBD); Parekh, Shyam (GCM); Gortazar, Gonzalo (IBD)
Sent: Wed Apr 02 09:33:23 2008
Subject: Re: Banks & Div Fins: Reflecting on Day 1 of Banks Conference

Agreed the UK will wake up

----- Original Message -----
From: Chalmers, William (IBD)
To: Hyman, John (GCM); Parekh, Shyam (GCM); Gortazar, Gonzalo (IBD)
Sent: Wed Apr 02 09:32:29 2008
Subject: Fw: Banks & Div Fins: Reflecting on Day 1 of Banks Conference

Couple of points

1. The response of the market on valuation feels like it will last as long as the current rally

2. As long as it does last - there is perhaps a fairly obvious moral - if you want the market to focus on and value earnings, then get the capital structure and balance sheet risk sorted out

Clear implications for the UK

Sent from my BlackBerry Wireless Handheld

----- Original Message -----
From: Morgan Stanley Research
To: Chalmers, William (IBD)
Sent: Wed Apr 02 08:02:43 2008
Subject: Banks & Div Fins: Reflecting on Day 1 of Banks Conference

MORGAN STANLEY RESEARCH

BANKS & DIV FINS: REFLECTING ON DAY 1 OF BANKS CONFERENCE - April 02, 2008 GMT (7 pgs/ 91 kb)

Huw Van Steenis +44 (0)20 7425 9747 Morgan Stanley & Co. International plc+

The first day of our banks conference underscored the shifts in investor and CEO/CFO thinking. We continue to see a risk rally from broader appreciation of the cutting off of tail risks by the Fed and wider US policy response, and now expectation of further policy response in Europe. The swift risk rally, alongside catalysts - such as the Lehman or UBS announcements - is encouraging investors to close shorts or lock in profits swiftly, and encourage some longer-term investment opportunities when clarity has been brought to a situation. The speed and scale of this underscores how underweight we find levered and unlevered investors have been. We hope the intensity of focus on MTM moves will start to ease on the securities firms as pre-announcements prove to be no worse than expected (viz UBS, DBK), but still expect idiosyncratic risk from the odd European wholesale bank.

That said, it was interesting how little focus there wasin manyofthebanks' presentations on earnings power and appropriate leverage going forward. On the one hand, this speaks to the appropriate near-term focus on capital, liquidity and avoiding losses/large marks. On the other, it speaks to the uncertainty on the future outcomes, particularly for some wholesale finance dependent models and the need for further deleveraging (which could inter alia from asset sales, lower asset growth or capital raises). We think the market will start to shift to this focus as the quarter continues, and we reiterate that, without major changes in funding environment, some businesses do look more challenged - e.g. the single A mid-cap mortgage banks. We see the need for deleveraging by many financial institutions.

While we see the risk rally supporting a broader rebound in some stocks as tail risk is averted, we still feel it is important to be long strong free cash flow generative, deposit-rich banks/financials away from overheated/ over-levered markets, and short high leverage, high wholesale finance dependency and high credit risk.

Industry View: Cautious

Read the complete report
<http://linkback.morganstanley.com:80/web/sendlink/webapp/BMServlet?file=b77a3267-0082-11dd-b85c-234f1219c3c6&user=7au3w4uqs7f-438&__gda__=1301727720_0977c1e9eebd140419d86d20b2b49d39>

The full report also contains analyst certification and other important disclosures relating to the companies mentioned in this email.

FULL RESEARCH TEXT BELOW:

Model Portfolio investment philosophy

The ideas in this portfolio derive from the team's proprietary research insights and bottom-up analysis, including ModelWare forecasts, risk-reward scenario analysis, and residual income valuation models. Team members generally base positions on consensus macro-economic assumptions rather than making top-down macro-economic calls. The portfolio has a flexible time horizon and contains a mix of long-term and short-term investments. Individual analysts recommend positions, and these recommendations are subject to a vetting process before being added to the portfolio. Up to 30% of the portfolio may consist of securities that we do not cover; for these positions, we will conduct sufficient research to provide a reasonable basis for the position. The stocks were equally weighted within the portfolio until November 1, 2007; since that point, we have used specific percentage weights in calculating our weighted average performance.

We track performance using the latest closing prices. Beginning January 2008, we are using FactSet Analysis to run the portfolio. As a result, we now take into account currency movements. In practice, this means that performance is calculated in euros and that we benchmark the portfolio performance against the STOXX 600 Banks, rather than the BE 500 Banks index, which we used previously.

Portfolio positions may differ from our individual stock ratings. This is because our portfolio positions target absolute returns, whereas our ratings are defined relative to industry performance. Also, portfolio positions may have shorter expected time horizons than the 12-18 month horizon of our stock ratings. Portfolio is 130/30 in style and has outperformed SX7P by 1594bps since inception July 2007.

Exhibit 1
European Banks Model Portfolio Constituents [Refer to PDF for chart/tables]
Note: Past performance is no guarantee of future results. Results shown do not include transaction costs and dividends. Inception date: July 23, 2007. Greek Banks basket: Piraeus (EUR20.1), NBG (EUR34.2) and Marfin Popular Bank (EUR5.2). AM Basket: Invista Real Estate Inv. Mngt, Henderson, New Star.
e = Morgan Stanley Research estimates
Source: FactSet, Bloomberg, Morgan Stanley Research

Exhibit 2
Banks Model Portfolio: Relative Performance vs. Stoxx 600 Banks

[Refer to PDF for chart/tables]
Source: FactSet, Morgan Stanley Research

Exhibit 3
Contribution by Stock Since Inception
[Refer to PDF for chart/tables]
Holding periods are shown in the table above Source: FactSet, Morgan Stanley Research.
Exhibit 4
Return by Stock Since Inception
[Refer to PDF for chart/tables]
Holding are periods shown in the table above Source: FactSet, Morgan Stanley Research

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INDUSTRY VIEW: CAUTIOUS

END OF RESEARCH ABSTRACT

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[Refer to PDF for chart/tables]

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Stock Rating Category
Count
% of Total
Count
% of Total IBC
% of Rating Category

Overweight/Buy

1036
43%
328
44%
32%

Equal-weight/Hold
1001
42%
327
43%
33%

Underweight/Sell
351
15%
99
13%
28%

Total
2,388

754

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EXHIBIT 50
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From:	Rodrigues, Renato (IBD) [Renato.Rodrigues@morganstanley.com]
Sent:	Wednesday, April 09, 2008 8:46:14 PM
To:	Parekh, Shyam (GCM); Grindley, Ben (GCM); Moreland, Jennifer (GCM); Skeet, Dominic (GCM); Volker-Albert, Christine (GCM); Michelena, Ander (IBD); Oates, Paul (GCM); Hyman, John (GCM)
CC:	Chalmers, William (IBD); Smith, Alex (IBD)
Subject:	Barclays
Attachments:	Barclays Discussion Materials (April 2008) v7.0.ppt

All,

Please find attached a version of the Barclays pack ahead of our call tomorrow at 8:00 am.

Regards,
Renato

Renato Rodrigues
Morgan Stanley | Investment Banking Division
20 Bank Street | Canary Wharf | Floor 05
London, E14 4AD
Phone: +44 20 7425-7178
Mobile: +44 77172-71986
Fax: +44 20 7056-0366
Renato.Rodrigues@morganstanley.com

EXHIBIT 51
[Filed Under Seal]

BARCLAYS

Discussion Materials

11 April 2008

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Table of Contents

• **Section 1**	Update on Capital Markets Developments
• **Section 2**	Perceptions of Barclays
• **Section 3**	Barclays' Asset Exposures & Capital Position
• **Section 4**	Capital Raising Alternatives – Strategic Considerations
• **Appendix A**	Additional Materials

Section 1

Update on Capital Markets Developments

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Is Thinking Shifting?

Themes from The Morgan Stanley Banks Conference 2008

- **Financials have rallied sharply in the last 2 weeks**
  - **US banks up 11.2% [1]**
  - **European banks up 16.4% [1]**
- **Mood in the market seems to have changed from three months ago. Underlying 'drivers':**
  - **Fed PDCF: Mar 16**
  - **Fed 75 bps cut: Mar 18**
  - **JPM/BSC deal: Mar 16 (renegotiated Mar 24)**
  - **Unwind of macro trades (weeks of 24/3 and 31/3)**
  - **UBS and Lehman capital raising: Apr 1**
- **5 key themes from the conference listed at right**

Key Take-Aways

Fed Appears to have Reduced 'Tail Risks'

- Hedge funds covering shorts and reappraising
- Macro funds unwinding 'long commodities / short (European) financials'

More Realistic Tone from Bank Managements has Been Positively Received

- E.g. UK banks, Deutsche, BNP and Soc Gen now saying this is the most challenging environment for some time
- CEOs less focused on earnings and more on maintaining capital, maintaining liquidity, and managing mark-to-market volatility

'Tension' over Marks Subsiding (at the Margin)

- Investors believe banks are moving closer to investors' views (cf. UBS)
- But gap remains significant for some European banks
  - 80% of investors expect a number of European banks to need capital as a result

Rally To Continue for Now

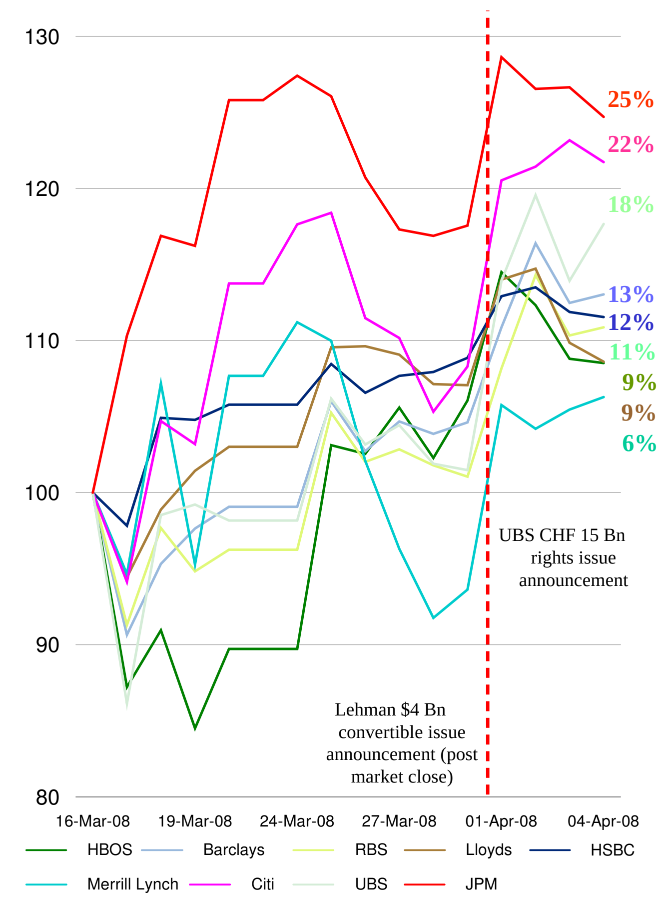
- The recent rally has been costly for hedge funds short financials or long funds underweight financials
- We have reached a peak in the hedge fund de-leveraging cycle and clients are now looking to engage in stocks again
- Given how underweight most investors are, the risk rally can continue for a bit further

But uncertainty remains

- Liquidity/Funding pressures remain
- Current improvement in equities and credit is arguably a 'bear market rally'
- Significant macro uncertainty (especially in UK) if there is global economic 'recoupling'
- De-leveraging will reduce banks' long-term earnings power/ROE
- Longer term, banks may have to hold more capital

Peer Group Share Price Performance

Since Bear Stearns Announcement (Rebased to 100)



Source Factset – April 4, 2007

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Note
1. Based on the performance of the KBW bank Index for US and the MSCI European Banks index for European banks

BARCLAYS

Case Study: UBS Rights Issue

Investor Feedback

- **Market reaction to UBS rights issue has been surprisingly positive**
  - **Viewed as opening a 'new chapter' for UBS**
  - **Valuation focus has shifted back to P/E rather than P/TBV**
- **UBS closed at CHF 32.4 up 12.27% on the day of announcement and positive momentum has been sustained**
- **Note also market reaction to Lehman convertible, also announced at the same day (see Appendix)**

Opening A 'New Chapter'

- Separation of problem assets into new workout vehicle (cf. precedents[1])
- Organizational changes & strategic refocusing (especially the Investment Bank)

Capital Raising

- Largely expected, but still seen as a positive
- Large size also has been well received

Disclosure/ Communication

- Management successfully delivered message about wanting to 'put a line' under its challenges
- Greater transparency on exposures (ahead of right issue in May)

Confidence on Capital Position

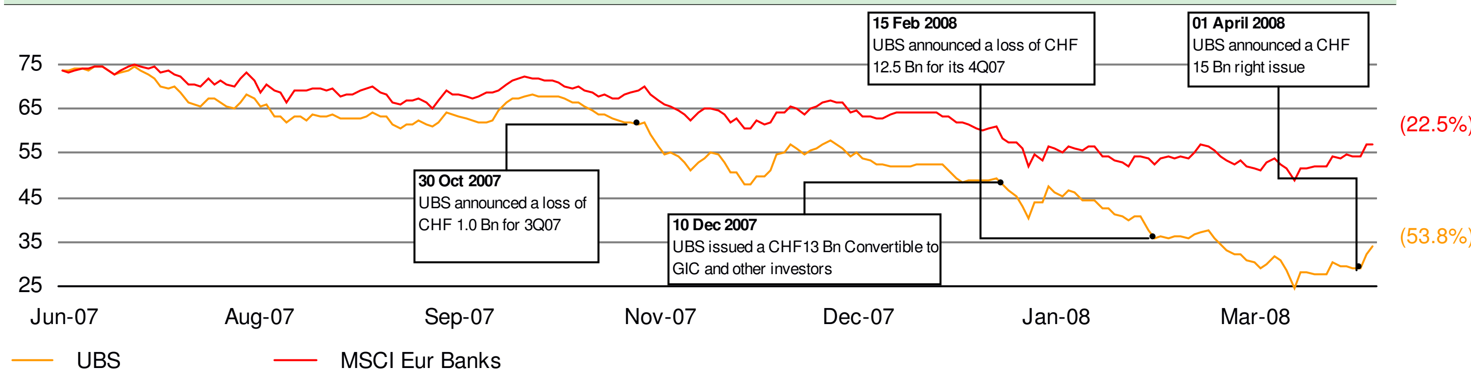
- Size of write-downs also seen as drawing a line under the issue
- Underwriting commitment by banks also seen as implicit confirmation
- Active risk management (e.g. sales and hedging as well as write-downs) also positively received

Result: 'Mentality Shift Back' to P/E Valuation

- Write-downs plus capital raising means investors willing to re-focus on underlying earnings power and franchise value of UBS
- For the first time in some months investors willing to look at P/E instead of P/TBV

UBS Share Price Development

UBS vs MSCI EU Banks (€)



Source Bloomberg

Note

1. UBS, Northern Rock, WestLB, Wells Fargo, Dresdner Bank, Midland Bank/ Crocker, Mellon Bank/ Grant Street National Bank, Nordbanken/ Securum

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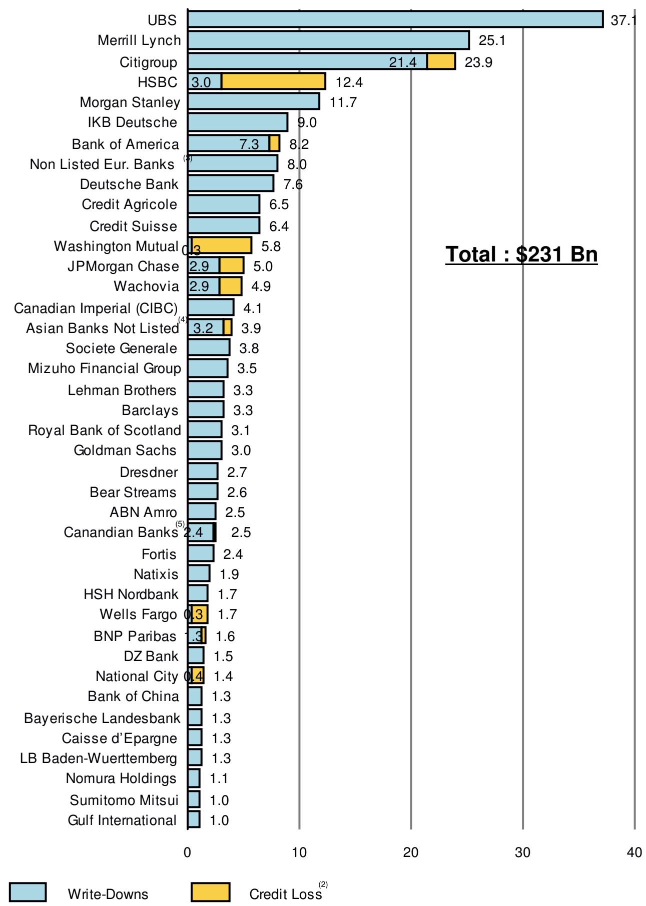
Update on Capital Markets Developments

Write-Offs to Date

Total losses have reached $231 Bn

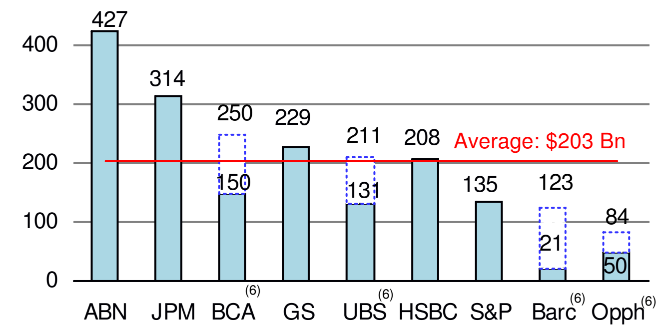
- **Total writedowns by financial institutions have now exceeded $231 Bn**
- **While investment banks have experienced significant losses, mainstream institutions have also been reporting substantial losses**

Total Write-Downs
Major Banks ($ Bn)



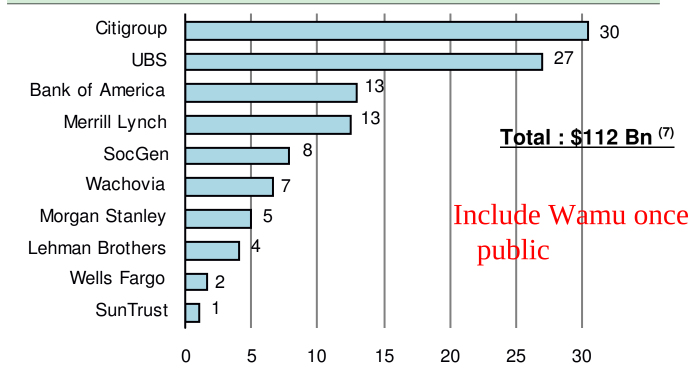
Source Broker Reports, Bloomberg

Expected Potential Additional Losses Globally
$ Bn



Source Broker Research

Total Equity and Hybrid Equity Raised (1)
Since September 2007 ($ Bn)



Source Company Data, Broker research

Notes
1. Raised or announced
2. The difference between write-down and credit loss: Investment banks and the investment-banking units of financial conglomerates mark their assets to market values, whether they are loans, securities or collateralised debt obligations, and label that a "write-down" when values decline. Commercial banks take charge-offs on loans that have defaulted and increase reserves for loans they expect to go bad, which they label "credit losses". Commercial banks can have write-downs on holdings of bonds or CDOs as well
3. European banks whose losses are smaller than $1 Bn each are in this group: ING Groep, Allied Irish Banks, Bradford & Bingley, Aareal Bank, Deutsche Postbank, Lloyds TSB Group, Standard Chartered, Northern Rock, HBOs, Dexia, WestLB, Commerzbank, NordLB, Rabobank, HVB Group, Sachsen LB, Intesa Sanpaolo
4. Asian banks with write-downs smaller than $1 Bn: Mitsubishi UFJ, Shinsei, Sumitomo Trust, Aozora Bank, DBS Group, Australia & New Zealand Banking Group, Abu Dhabi Commercial, Bank Hapoalim, Arab Banking Corp., Fubon Financial, Industrial & Commercial Bank of China
5. Canadian banks included in this group: Bank of Montreal, National bank of Canada, Bank of Nova Scotia, Royal Bank of Canada
6. Some brokers have only provided a range of expected further losses based on different assumptions
7. Includes $3.5 Bn of 5 equity raising smaller than $1.0 Bn

Section 2

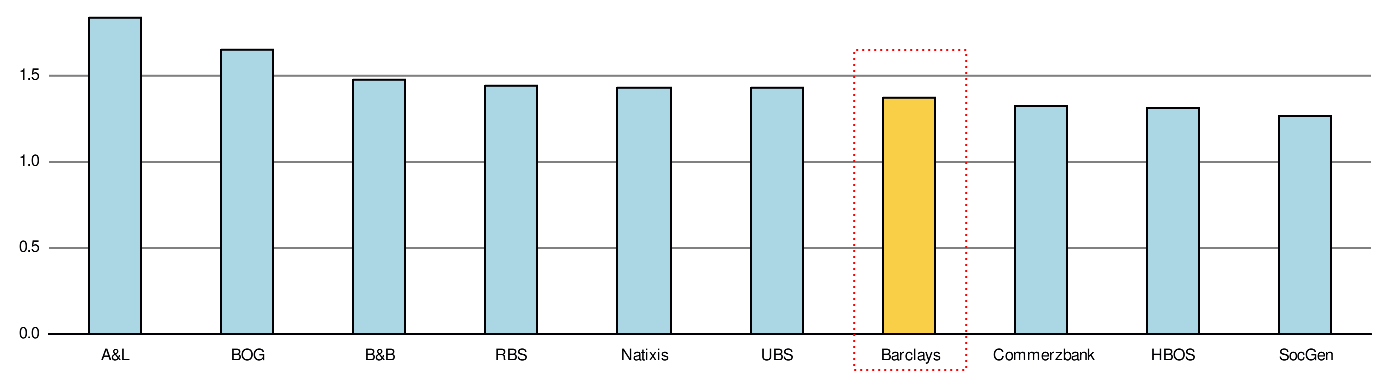
Perceptions of Barclays

Perceptions of Barclays

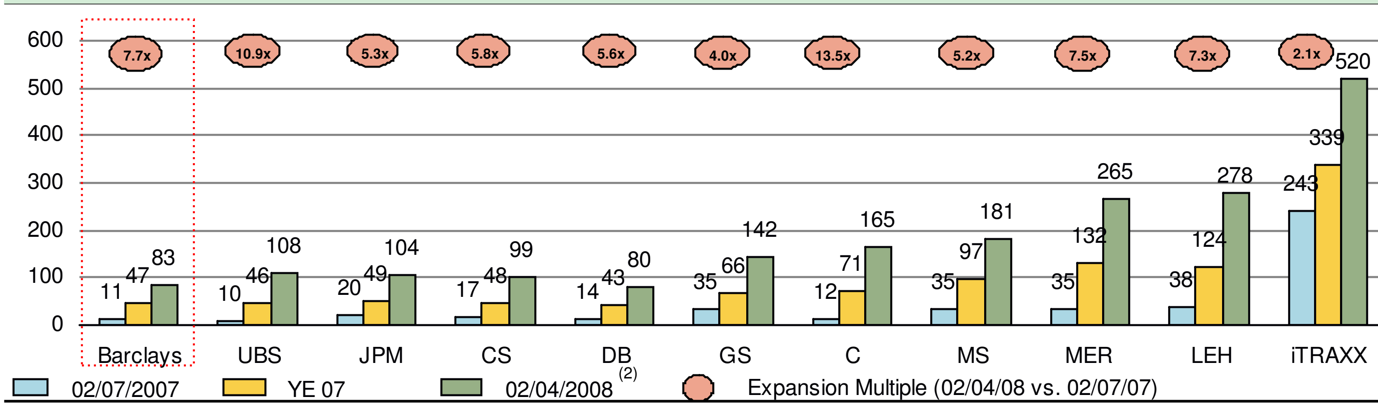
Sensitive Market Conditions

- **There is a 'disconnect' between the way equity and debt markets are treating Barclays**

Highest 'Beta' Bank Stocks [1]
(average multiplier)



Broker CDS Spreads
5 Yr Senior CDS, bps



Source Bloomberg

Note
1. 'Beta' calculated as the relative performance to the DJs Banks Index since September 2007 on the days where the market performance was lower than -2%
2. Based on 14/03/08 for GS, MS, MER and Leh as no later data available

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Perceptions of Barclays

Investor Views & Recent Trading in Barclays

- **Investor views on Barclays are polarized around the question of whether additional writedowns/capital may be needed**
- **There is little doubt, however, that this debate suggests an 'overhang' on Barclays stock price**

Arguments For Further Write-Downs

- Expectations of further writedowns on the order of £3-7 Bn (cf analyst projections of ~£1 Bn)
- Tangible equity / assets of ~1.5% is already well below investment banking peers
- Capital base is therefore stretched and cannot absorb even de minimis shocks
- Perception that despite management's arguments about the appropriateness of its marks, the 'real' reason for not taking further write-downs has to do with the capital position
- Opacity of hedging activities also a source of uncertainty

Source Investor Views

Arguments Against Further Write-Downs

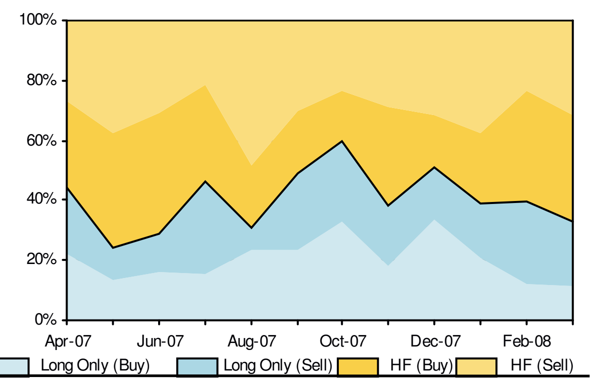
- Company has stated no need for further marks - as recently as [15 November 2007]
- At least until recently, management generally seemed more sanguine than competitors
- Likelihood of capital raising therefore isn't clearcut, despite appearances
- UK regulator does not appear to be 'forcing' the capital issue yet
- Valuation is not expensive on a ROTE vs P/TBV basis

Source Investor Views

- **Hedge fund trading accounted for majority of MS flows in Barclays**
- **No major change in trading flows trends after the earnings announcement in mid-February**
- **Large majority of Barclays shares have been traded by European investors**
  - **However, over 30% of the trading flows originate from the US**

Hedge Funds vs. Long Only

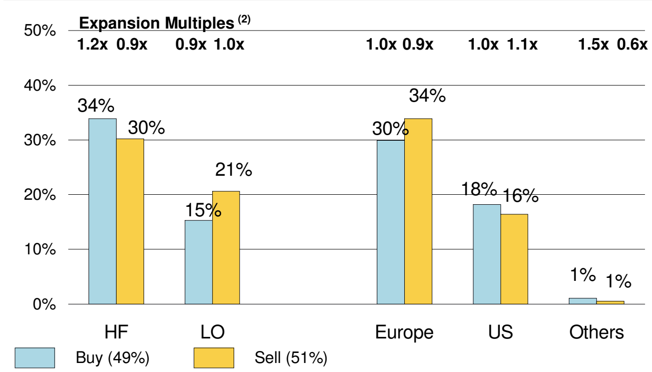
Last Twelve Months



Source Morgan Stanley Proprietary Trading System

MS Trading Flows in Barclays

Since Earning Announcement Date[1]



Source Morgan Stanley Proprietary Trading System

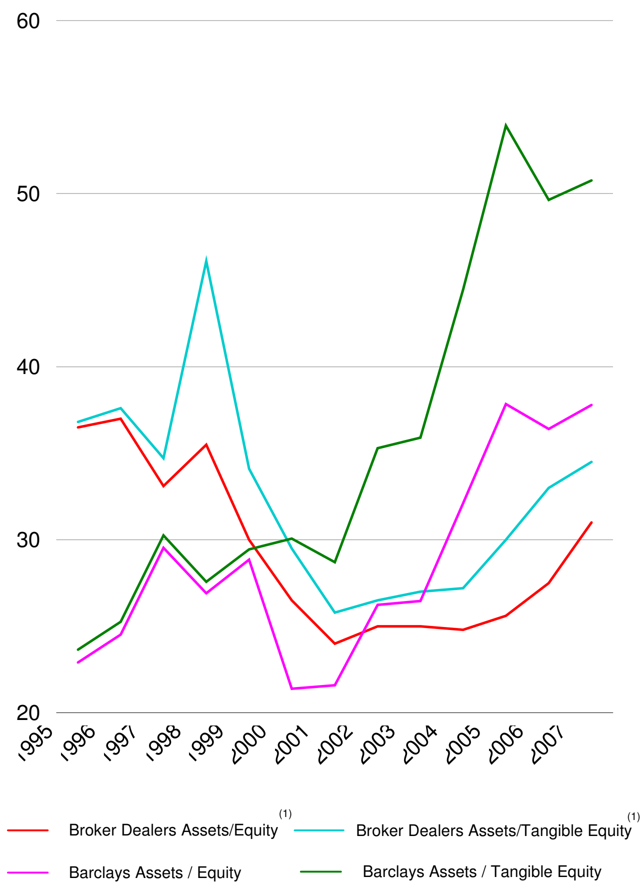
Notes

1. 19th February 2008
2. Expansion multiple for % share since announcement vs. last 60 days pre announcement

Valuation Implications

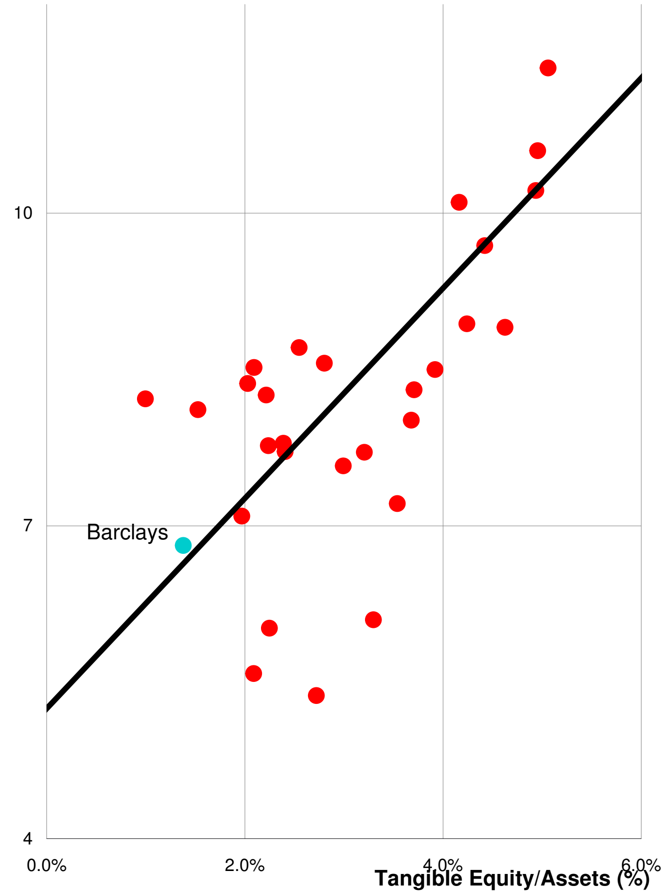
- **As earnings have become more uncertain**
  - **Valuations have fallen dramatically**
  - **Increased focus on tangible equity as a reference point even though lack of correlation to risk weightings**
- **PRV comparability issue?**

Leverage Comparisons with Broker Dealers
Assets to Equity (x)



Source Morgan Stanley Research, Company Financials

Selected European Banks: P/E vs. Tang. Eq./Assets
P/E 2008E (x)



Source Factset as of 7 April 2008, Company Filings

Notes
1. Broker dealers consist of Bear Stearns, Lehman, Goldman Sachs, Morgan Stanley and Merrill Lynch

NEW SLIDE

BARCLAYS

Perceptions of Barclays

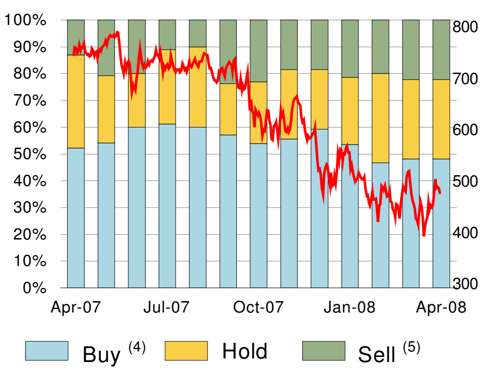
Research Outlook on Barclays

Recent Broker Reports

- **Brokers overall bullish on Barclays**
  - **Reported solid results**
  - **Key area all show underlying growth**
  - **Confidence on balance sheet strength**
- **However major concerns come from**
  - **Further writedowns related to subprime**
  - **Declining asset quality in UK banking**
  - **Risk of investor disinterest**

Analysts Recommendations

12 Months Rolling Recommendations



Research Market Commentary (1)

Current Market Price £ 478p(1)   Median Target Price £ 570p

Broker	Recommendation	Price-Target (€)		Comments/Concerns
[HSBC] 21-February-08	Underweight	410p ● 488p ●	Upside(2): -16.0% Current Upside(3): -14.2%	• We'd been warming to the idea that the ratings of UK banks were now discounting a very severe recession • Barclays' CDO and subprime exposure, plus extraneous positive items in 2007 earnings, leave the stock with above average risk • The fixed income house has achieved an extraordinary revenue of 14%, helped by a £657m write-up of £57bn of own debt, and £953m of private equity realizations • With the rating moving back to 7x we see better value elsewhere
[Merrill Lynch] 20-February-08	Buy	477p ● 600p ●	Upside(2): 25.8% Current Upside(3): 25.6%	• Barclays robustly defended its position on capital and the validity of its valuation of structured finance positions and underscored this with a 10% increase in the dividend and message of long-term confidence • With the stock offering a yield of 7.6% for 2008 and 8% for 2009, with, in our view, significantly diminished risk of capital raising, we think investors are being well compensated to await an upturn in earning momentum in 2009/2010e • The biggest risk we see to Barclays share price performance in the near-term is not related to the risk of capital raising, dividend cut concerns or additional write-downs relating to Barclays Capital's portfolio of assets but more the risk of investor dis-interest
[JP Morgan] 20-February-08	Neutral	477p ● 570p ●	Upside(2): 19.5% Current Upside(3): 19.3%	• Barclays announced a new cumulative Economic Profit (EP) target of £9.3bn-£10.6bn between 2008E and 2011E giving a CAGR of 5-10%. As a reference Barclays reported £2.3bn in 2007. We think this looks challenging given the need to grow profits in a tough operating environment particularly when we think the level of equity backing the asset base will be increased, meaning capital charges at 10.5% of equity are likely to move up materially relative to profits • Key risks are the possibility of further significant writedowns at BarCap and declining asset quality in UK banking. Risks to the upside are a recovery in credit markets, reducing funding costs and helping the investment banking environment and also material progress in the US roll out and domestic restructuring
[Lehman] 20-February-08	Overweight	477p ● 534p ●	Upside(2): 11.9% Current Upside(3): 11.8%	• We regard Barclays as the best risk/reward investment among the major domestic UK banks, a sector where prospects remain uncertain. We believe the group's business mix gives it superior growth opportunities to its domestic peers • Current year consensus also likely to be maintained. Increased EP targets established • DPS increased 10%; management comfortable with existing capital targets
[Deutsche Bank] 19-February-08	Buy	460p ● 700p ●	Upside(2): 52.2% Current Upside(3): 46.5%	• Barclays reported EPS of 68.9p, 2% ahead of consensus, almost entirely driven by lower than expected mark-downs of risk assets • Dividend per share of 34p is in line with our forecasts (+10% YoY) and, combined with a tier 1 ratio of 7.8% should give greater confidence on balance sheet strength • BarCap produced an exceptionally strong result with profits up 5%YoY despite a £1.6bn of risk asset losses. CDO exposure rose...US sub-prime and SIV loans were broadly steady • Though cyclical profit pressures are clear, with earnings and dividends in line with market expectations and capital ratios substantially ahead, we remain constructive on the long term outlook for Barclays

370 400 430 460 490 520 550 580 610 640 670 700

● Target Price at Publication ● Price at Publication

Notes

1. As of 8 April 2008
2. Calculated over share price at publication of the report
3. Calculated over share price as on 8 April 2008
4. Buy includes recommendations of 'Buy' and 'Outperform'
5. Sell includes recommendations of 'Sell' and 'Underperform'

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Section 3

Barclays' Asset Exposures & Capital Position

BARCLAYS

Barclays' Asset Exposures & Capital Position

Structured Credit Market Development

- **Conditions in ABS markets have deteriorated in Q1**
  - ***UBS (01 April): "Conditions... have further deteriorated during the first quarter, particularly in the month of March"***
  - ***Deutsche Bank (01 April): "Conditions have become significantly more challenging during the last few weeks"***
- **Although there have been slight improvements recently thanks to better liquidity/ Fed support, ABS markets remain disrupted**
  - **Still considerable 'fear' in US regarding asset quality**
  - **Issues rally has been modest**
  - **Actual turnover has not improved substantially**

Structured Credit Market Development

Price Indexes

Source Morgan Stanley Research

Morgan Stanley

Note

1. Morgan Stanley calculation assuming 30 August 2007 as the initial start point of the index; assumes an average duration of 7.5 for the CMBX AAA index and of 4 for Itraxx Europe

Asset Exposures: Peer Comparison

From ‘60,000’ Feet

- **Barclays’ ABS and real-estate exposures are a source of investors concern**
  - **due to size of positions and expectations of write-downs**
- **NB: Analysis is based on explicit disclosed numbers to date**

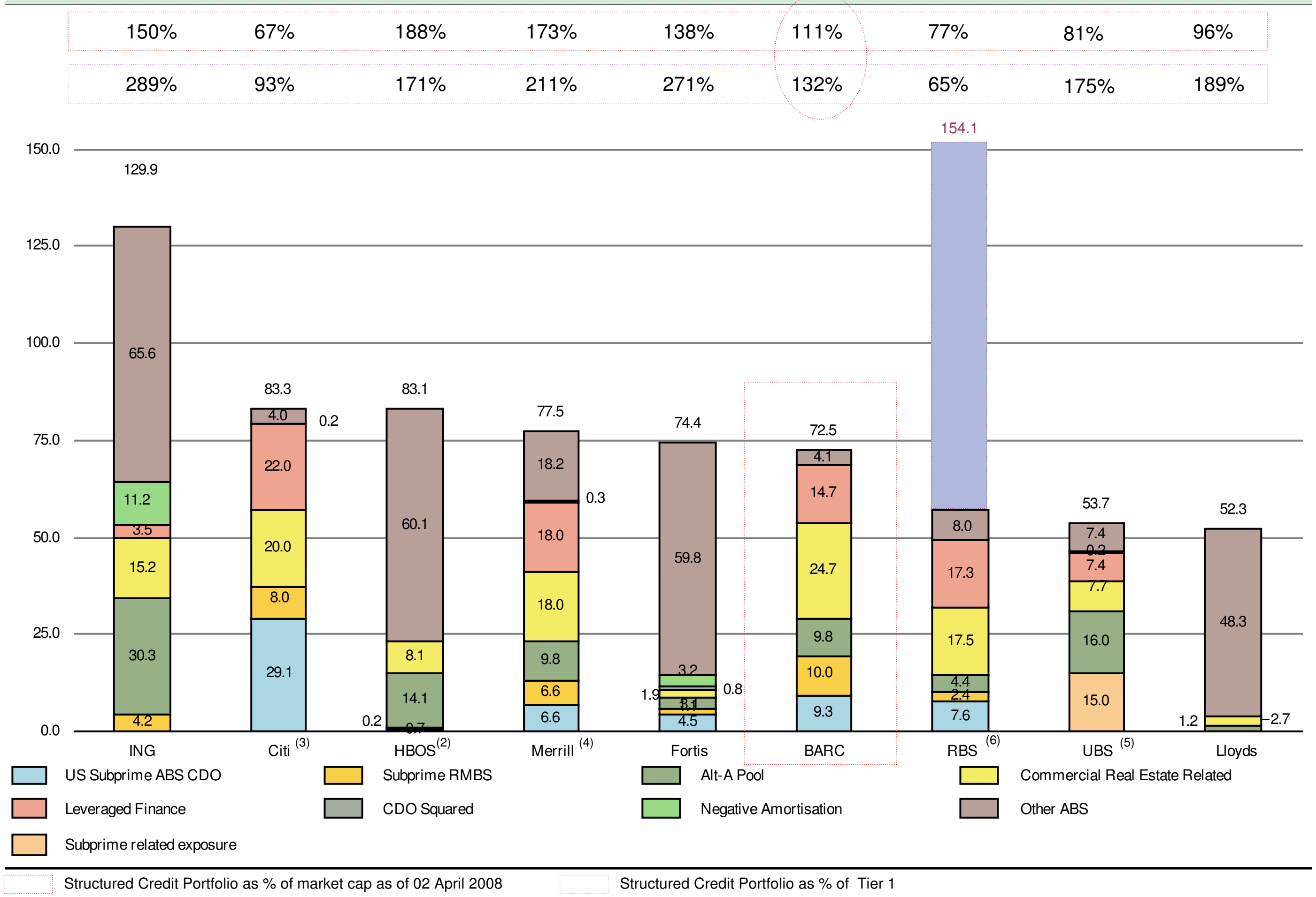
Sellside Broker Expected Further Writedowns

(£ bn)	Total
UBS	9.0
Barclays	3.9
HBOS	2.3
RBS	2.2
Credit Suisse	2.0
Dexia	1.5
Société Générale	1.2
Deutsche Bank	1.0
HSBC	1.0

Source FPK – March 13, 2008

Disclosed Structured Credit (Net Exposure) [(1)]

$ Bn



Notes

1. Net exposures disclosed as of 02 April 2008, including monoline exposures
2. Includes £18.6 Bn of Grampian assets
3. Excludes unfunded LBO commitments of $21 Bn, and prime exposure of $213 Bn
4. Excludes $28 Bn of prime exposure
5. Excludes $3.9 Bn of unfunded LBO commitments
6. Portfolio disclosure in 4Q07 results presentation. In its annual report, RBS has disclosed a total Structured Credit portfolio of £68.3 Bn, without giving details of its composition
7. Includes subprime CDOs and sub-prime RMBS when split is not provided (UBS in 1 April 2008 report)

BARCLAYS

Barclays Asset Exposures: Overview

- **Barclays' exposure to assets under scrutiny reached £36.5 Bn as of Dec 2007**
  - **Net write-downs for 2007 amounted to £1.8 Bn**
- **Brokers do not seem overly 'fussed' by risk of additional write-downs, or the need for additional capital**
  - **But these remain hot topics with investors and some estimate additional write-downs of £3+ Bn**
  - **Complicating factor is the combination of potential write-down vs. Barclays current capital position**

Barclays: Expected Additional Broker Writedowns
£ Bn

Goldman Sachs	0.4 [1]
Citigroup	1.5 [1]
UBS	0.9
Merrill Lynch	1.5 [2]
Lehman Brothers	0.9
FPK	3.9
Deutsche Bank	1.0
Average	**1.4**

Barclays Exposures

	31 December 2007 £ MM	Net Writedowns and Charges £ MM	As a %
ABS CDO Super Senior			
High Grade	4,869		
Mezzanine	1,149		
Exposure Before Hedging	6,018		
Hedges	(1,347)		
Net ABS CDO Super Senior	**4,671**	**(1,412)**	**23**
Other Exposures			
Whole Loans-Subprime	3,205		
Other Direct and Indirect Subprime Exposures	1,832		
Total Other US Subprime	***5,037***		
Alt-A	4,916		
Monoline Insurers	1,335		
Commercial Mortgages	12,399		
Of Which—Commercial Real Estate	***11,103***		
Total Other Exposures	**23,687**	**(823)**	**3**
SIV Lite Liquidity Facilities	152		
SIVs	590		
Total SIVs	**742**		
Leveraged Finance	**7,368**	**(188) [1]**	**2**
Revaluation of Own Debt		**658**	
Total Exposures	**36,468**		
Total Charges		**(1,765)**	

Source Company Data and Broker estimates

Morgan Stanley

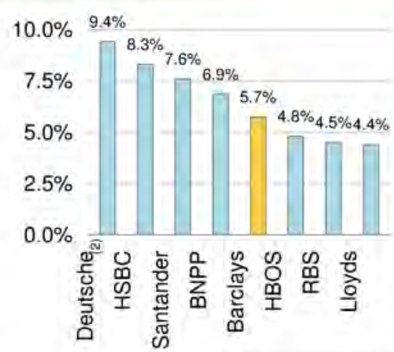
Note
1. £188 MM of leveraged finance charges includes £130 MM of unrecognised fees

Capital Position

- **Barclays looks reasonably moderately capitalised compared to peers**
  - **There is a debate going on as to the extent of further marks and the extent of their impact on capital**

Peer Group ATE

2007A (%)



Source Company Financials, S&P

Brokers' Perceptions on Capital

"With growth in risk-weighted assets expected to slow in 2008 from the 18% recorded in 2007, downward pressure on the ratio should moderate. Management has reconfirmed that it is comfortable with the level of leverage in the group although we believe in the current environment the exceptionally low level of equity relative to assets in the group balance sheet will bear down on the rating of the shares. Any de-leveraging of the balance sheet would necessarily entail a reduction in income" - *Bear Stearns, 12 March 2008*

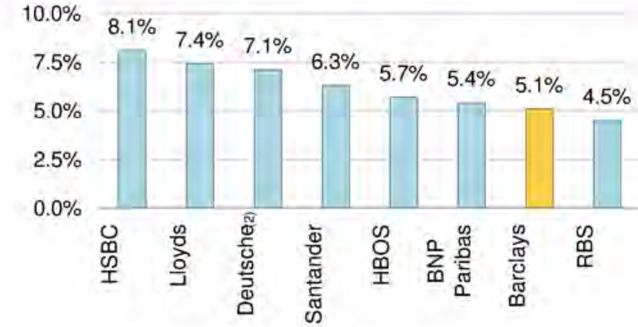
"The group will continue to target (a core equity Tier I ratio of) 5.25%. However the overall Tier I ratio of 7.8% was above its target figure. The capital indications suggest dilution from capital raising is unlikely, unless the group does require major write-downs" – *Lehman, 20 Feb 2008*

"Our view is that in the current funding environment much of the balance sheet use for revenue streams such as negative basis trades are no longer profitable, which is naturally likely to lead to a reduction in total assets" – *JP Morgan, 20 Feb 2008*

"We remain comfortable with the structure of Barclays balance sheet and do not foresee the need for substantial capital issues to recapitalse the balance sheet in the near term. Notably, between end-June and end-December, the net increase in the balance sheet was wholly accounted for by the change in derivative balances, which is caught under a grossed up reporting due to vagaries of IFRS. We also observe the contraction in trading portfolio assets which has been offset by increased loans and advances to customers" – *Merrill Lynch, 20 Feb 2008*

Equity Tier I – 2007A (1)

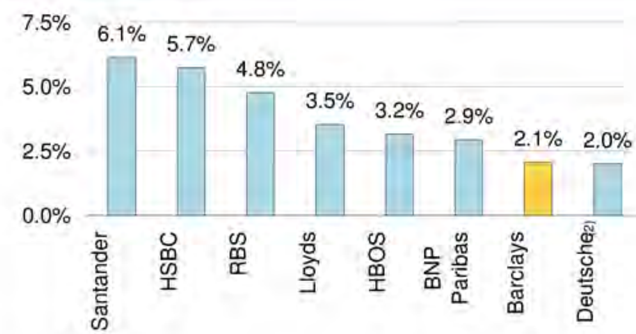
Peer Group (%)



Source Company Financials

Equity / Tangible Assets – 2007A

Peer Group (%)



Source Company Financials

Note
1. Equity Tier I ratios of HSBC, Lloyds, HBOS, BNP Paribas and Barclays reported using Basel II
2. As of September 2007

Rating Considerations

- The lack of rating action following the 2008 earnings announcement indicates that the announced write-downs have been absorbed within the current rating levels
  - However, this does mean that capacity for further write-downs at the current rating level is diminished
  - The ‘Negative’ outlook at S&P and Fitch suggests further write-downs and losses could lead to a downgrade
- A hypothetical further £3 Bn loss without a capital issue would likely reduce capital ratios to a level not compatible with the existing ratings
- Even with replenished capital levels, further losses would raise questions about the bank’s hedging strategy and ability to work-out the exposures
  - Which would lead to a downgrade, although likely by one notch only

- S&P and Fitch have assigned negative outlooks to Barclays’ ratings owing to its exposure to structured finance assets, leveraged loans and the general difficult conditions for banks with large capital markets activities. Moody’s maintains a stable outlook
- Looking at additional write-downs of up to £3 Bn, on top of the £2.3 Bn already announced, Morgan Stanley estimates that Barclays’ Tier 1 ratio falls by 0.8%-points to 7.0% and the S&P ATE ratio by 1.1%-points to 4.6% without any restorative action. This is a material reduction in the capital base and is likely not compatible with the current rating levels
  - Morgan Stanley estimates that Barclays’ ratings would be maintained if additional write-downs are limited to £1 Bn, even without a capital increase (but some risk to S&P rating)
- If write-downs exceed £1 Bn, a capital injection may be necessary to ease S&P’s concerns regarding core capital ratios. Due to the high hybrid leverage, we believe this capital injection would need to be in the form of equity or mandatory convertible instruments. If write-downs exceed £2 Bn even a capital injection may not be sufficient to avoid a one notch S&P downgrade due to concerns about perceived risk management failures
- The agencies would also note that further losses would raise questions about the efficacy of the bank’s hedges and the ability to manage the workout of the exposures
- Without a capital increase to cover any additional write-downs of £4 Bn or more, Barclays could suffer multiple notch downgrades

Current Ratings on Barclays Bank PLC	
Standard & Poor’s	AA/Negative/A-1+
Moody’s	Aa1/Stable/P-1
Fitch	AA+/Negative/F1+

Strategic Flexibility

- **Thus far Barclays has enjoyed a relatively comfortable capital position**
- **There appears to be limited capital flexibility for significant growth whether organic or M&A led**

Self Financing Growth [1]

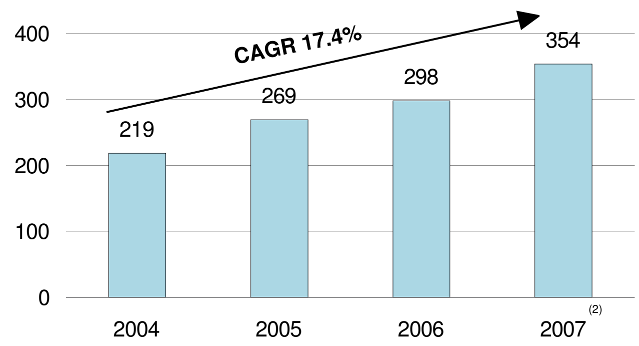
	2007A	2008E	2009E	2010E
Consensus Forecast Earnings (£ MM)		4,388	4,780	4,959
Consensus Forecast Dividends (£ MM)		2,321	2,485	2,555
Incremental Retained Earnings (£ MM)		2,067	2,295	2,404
Target ET 1 Ratio (%)		5.25%	5.25%	5.25%
Max. Organic RWA Growth (£ Bn)		39.4	43.7	45.8
RWAs (£ Bn) [2]	353.9	393.3	437.0	482.8
Max. Organic RWA Growth (%)		11.1%	11.1%	10.5%

Acquisition Equity Tier I Impact

		Equity Tier I (%) [2]		
		2008E	2009E	2010E
Goodwill Impact (£ MM)	Status Quo	5.4 %	5.7 %	5.9 %
	1,000	5.2 %	5.4 %	5.7 %
	2,000	4.9 %	5.2 %	5.4 %
	3,000	4.6 %	4.9 %	5.2 %

RWAs

£ Bn



Source Company Financials

Key Assumptions

- Earnings and dividend estimates as per IBES consensus
- RWA estimates are an average of JP Morgan, Merrill Lynch and Deutsche Bank estimates
- Target Equity Tier I ratio assumed to remain at 2007A levels
- For Tier I calculations minorities, intangibles and deductions assumed to equal 2007 levels
- For Acquisition Tier I impact, target assumed to have same capital ratios as Barclays

Note

1. Based on IBES Broker Forecasts
2. Basel II

Section 4

Capital Raising Alternatives – Strategic Considerations

Capital Raising Debate

Four Strategic Considerations

1. Whether or not to raise capital?

2. If yes, when to raise capital?

3. Size of capital raising (& message to investors re write-downs, growth needs & capital targets)

4. Form of capital raising

① Whether to Raise Capital

'High Level' Menu of Options

- Barclays has a range of options for addressing shareholder concerns/ perceptions around its capital position
  - Further communication/ IR would be a sensible step

Carry on 'as is'

Undertake further IR/ communication (cf. Fortis)

Raise Capital (cf. UBS, Lehman)

Address capital in context of strategic activity

Further IR/Communication

Comparison of Peer Disclosure

Peer Disclosure	Barclays	RBS	Lloyds	HBOS
Size Information				
Total ABS Portfolio	Unclear	No	Yes	Yes
Sub Positions (Alt-A etc.)	Yes	Yes	Yes	Yes
Leveraged Finance	Yes	Yes	No	No
Monoline Exposure	Yes	Yes	Partial	Yes
Detailed Information				
Vintages	Subprime SS ABS CDO	n/a	n/a	Direct subprime RMBS
Loan-to-Value	EquiFirst other subprime whole loans, commercial mortgage loans, Alt-A whole loans	n/a	n/a	Alt-A
First Lien	EquiFirst other subprime whole loans	n/a	n/a	Prime RMBS
Country Exposure	Commercial mortgage loans	Commercial mortgages	n/a	n/a
Rating	CMBS, Alt-A	n/a	ABS bonds in Cancara, CMBS	All positions
Level of protection	Subprime SS ABS CDO	n/a	n/a	Alt-A
Level of Disclosure				
Presentation (# pages)	2	2	3	4
Additional Reports	High	Low	Medium	High

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Case Study: Fortis

Market Feedback to Enhanced Disclosure

- **Fortis has faced several challenges in the last few months**
  - **Concerns about asset portfolio (€50 Bn of structured credit assets, including €5 Bn of subprime CDOs)**
  - **Weakened capital position due to last year's €24 Bn ABN deal plus subprime writedowns**
  - **Limited disclosure on Structured Credit assets led to fears of a 'black hole'**
  - **Stock traded with 'high downside beta'**
- **Fortis gave a detailed presentation on 7 Mar outlining its Structured Credit portfolio, which eliminated a good deal of the uncertainty**
  - **4% rally on the day**
  - **6% out performance to date**

GSAM
(Credit)

"The presentation is fantastic in terms of clarity, level of information and exposures"
"Fortis has set a new standard for the industry…We will only invest in banks that has provided this level of information"
"We see disclosure as extremely important and welcome Fortis approach"

GSAM (Credit)

Research Analyst Views

"Fortis management reassured on the three key issues: the structured credit portfolio (full disclosure), the capital position (no need to raise capital) and ABN integration (smooth enough). The low valuation is unwarranted, in our view."

"Full disclosure (probably the best we have seen so far from a European institution) on its €48 Bn structured credit portfolio; our main reading of the 20 pages and over half an hour spent on the subject is that we should not expect further major write-downs, unless the credit market deteriorates in a very material way from here.

Lehman Brothers

"Fortis provided welcome new disclosure on structured credit exposures. Overall the details were reassuring, with generally decent vintage and tranche profiles, and high attachment points, such that further impairments are likely to be limited. Marks taken on ABS CDOs are at the conservative end of the range among peers with similar exposures."
"The company went further than any others that we cover, to disclose details of this portfolio."

Citigroup

"Fortis's 4Q results should give investors comfort for two reasons
First, the company gave a detailed disclosure of its much-feared structured credit portfolio, and it took an impairment on this portfolio that was more aggressive than expected.
Secondly, the bank announced a 'look through' core Tier 1 ratio of 5.4%, which was ahead of expectations "Combined, these events should be enough to take Fortis off the critical list for capital resuscitation; a severe stress test of the structured credit portfolio (€1.9 Bn additional impairments) implies a core tier 1 ratio of 4.9%, which we think would not trigger a capital increase."
"Our view on the stock, though, is that the vastly improved disclosure will lead to improved investor perception."

Merrill Lynch

"Fortis had previously given virtually no disclosure regarding its €50 Bn structured credit portfolio. Friday's detailed disclosure is welcome and finally gives some clarity… Enhanced disclosure on the €48 Bn structured product portfolio revealed a mix broadly in line with expectations. Importantly, there were no significant new areas of concern and this comes as a relief… Disclosure confirmed that the portfolio, while large relative to market cap, is of relatively good quality. Moreover, there were no additional impairments outside of subprime. Overall, the portfolio has a duration of four years and Fortis is limiting subsequent reinvestment."
"Fortis has relatively high exposure to risky assets. This leaves the group potentially vulnerable to further credit deterioration and is compounded by the tight capital position. Economic newsflow is therefore likely to remain the key driver"

Bear Stearns

Source Broker Reports

Morgan Stanley

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2 When to Raise Capital?

- **Wide range of investor views on whether UK banks should/ will raise capital**
- **IF they were to raise capital, four possible scenarios shown at right**
- **Large Capital raising by RBS would change sector dynamics**

3 Conceptual Scenarios

1 Raise capital now – ie. ahead of a clear macroeconomic deterioration in the UK

– Remove doubt over capital position vs. Signalling expected deterioration

2 Raise capital after current turbulence, to capitalise on growth opportunities (cf. HBOS £1.1 Bn equity raising in 2002)

– Potentially avoids issuing at current valuation vs. Continued doubt on reality of capital position

3 'Stopgap' approach: Reduced dividend payments for the next 1 to 2 years and see how the environment develops

– Minimises dilution vs. Very slow and potentially inadequate
Market doubts / valuation issues likely to continue

Capital Raising Alternatives – Strategic Considerations

3 Size of Capital Raising

Including Related Message to Investors

- **Conceptually, Barclays has two broad options for sizing a capital raising**
- **Optimal strategy depends on multitude of factors**

Option 1	**Option 2**
• Small(ish) capital raising (£2-3 Bn)	• Sizeable capital raising (£4-5 Bn)
• Similar scale of write-downs ("to reflect market developments in Q1")	• More sizeable write-downs (e.g." highly conservative assessment")
• Pro forma Tier 1 targets (7.8%) maintained	• Pro forma Tier 1 strengthened
⇨ Management maintaining consistency with previous communications but updates for Q1 market developments	⇨ Management insuring against scenario for raising "growth capital" (e.g. Barclays Capital US expansion)