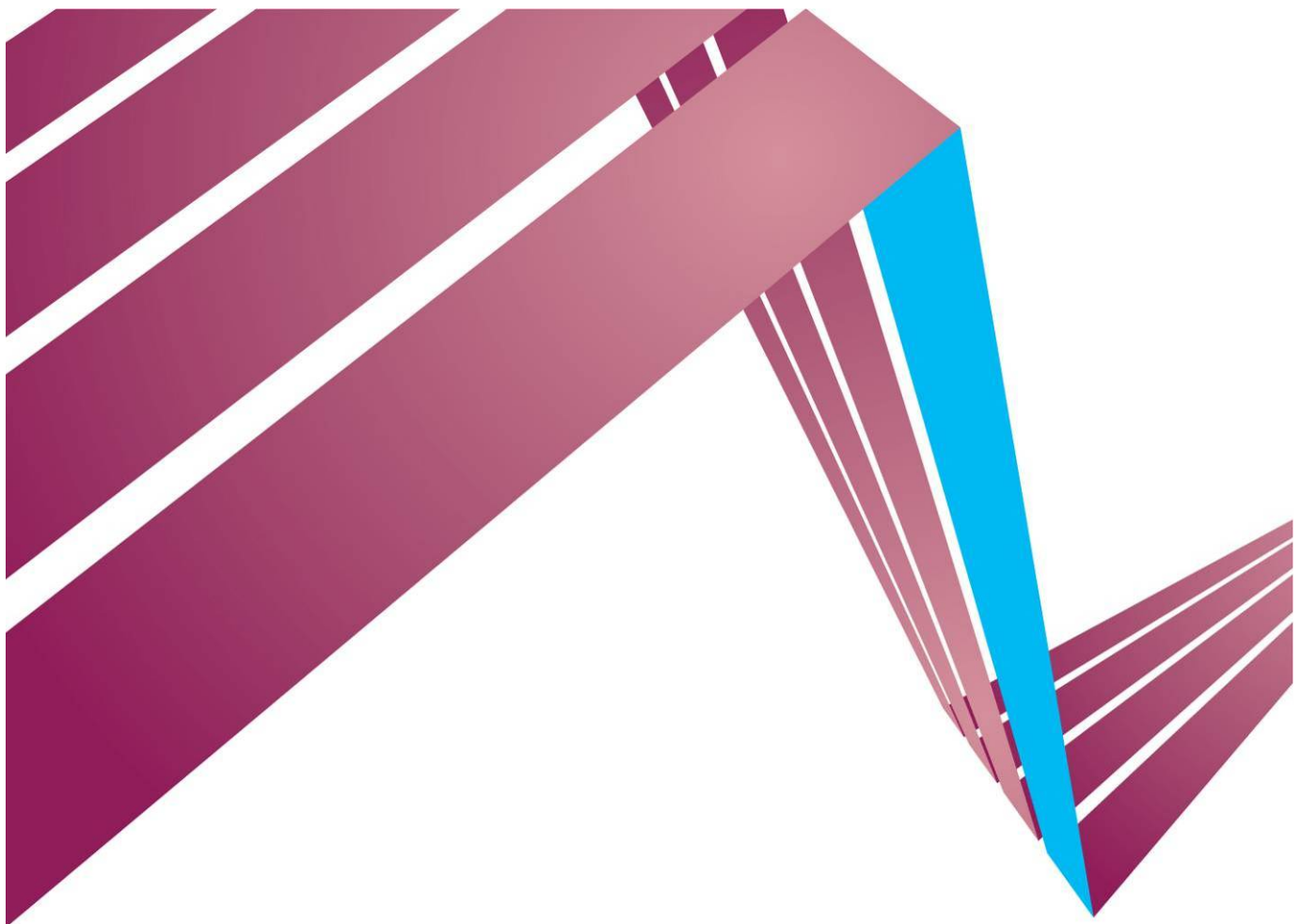


NOVEMBER 2009 – ISSUE FOUR



***WELCOME TO THE FINANCE &
BROKERS NEWSLETTER***

EDITORIAL

Welcome to this latest edition of the Finance and Brokers team newsletter. Since our last newsletter, in my view we are starting to see sustained and meaningful signs of recovery across the broader economy and this is slowly starting to reflect in an increased level of business activity and financial performance across many of our Finance and Brokers customers. However we are still a long way off the levels of activity we saw prior to the recent crisis and I think most of us recognise that staying competitive in a post-Lehmans business environment has required a significant degree of re-engineering and re-inventing of our businesses. This has been true particularly around risk management, counterparty relationships and the increasing need for transparency.

Inside this edition of the newsletter you will find a series of articles from a sample of the experts from across the Barclays Group. We have a large dedicated team of relationship directors focussing solely on Finance and Brokers customers and whilst this in itself ensures that we provide our customers with timely dedicated and innovative solutions another key role of the relationship director is to help our clients navigate the wider Barclays Group. This ensures that you have access to the best advice and product sets available to support your business as it reacts to the challenges of current and future market conditions.

The success of this approach is demonstrated very well in the article from our client HiFX where we have successfully not just supported this business in their day to day banking needs but proactively bought together innovative solutions from across Barclays Commercial and Barclays Capital to enable them to evolve and broaden their business proposition.

One trend which we are seeing in our Finance and Brokers customer base and markets is an ever increasing number of our customers wanting to talk to us about the possibility of moving to a bank agnostic payments solution. Our relationship directors are fully engaged with our Cash and Trade team to provide detailed solutions based on Swift for Corporates and other host to host solutions we are developing. I think this trend to more open payments solutions is a sensible reaction to the events of the last eighteen months and a way of protecting companies from counterparty risks whilst providing increased operational flexibility.

Our Finance and Brokers team has certainly delivered in 2009 with growth across our market segments. With growth has come an expansion of our team and I would like to take this opportunity to introduce a new Relationship Director, Dan Russell. Dan has brings a wealth of experience including serving in our Armed forces in both Iraq and Kuwait. At Barclays we look for transferable and diverse qualities, with Dan's background bringing a impressive set of management and leadership skills.

As you consider your business strategy and options moving forward we look forward to working with you to look at how we can provide you with innovative, flexible banking solutions from across the Barclays Group to support your business now and in the future.

Best Wishes
Phil



Phil Bowkley
Head of Finance & Brokers
Global Transactional Sales

NEWS & VIEWS

BARCLAYS TODAY- 2009 INTERIM RESULTS

“In challenging market conditions, we have continued to benefit from our diversified business base. The investments we have made, particularly in our international businesses, are driving very strong income performance and allowing us to absorb the consequences of the economic downturn. Our capital base is stronger and we have significantly reduced leverage.

Our goal for 2009 is very clear: we seek to deliver another year of solid profitability. Our first half performance is a good start to this.”

John Varley Group Chief Executive

2009: Returns before growth

- Staying close to customers and clients
- Managing our risks
- Maintaining strategic momentum

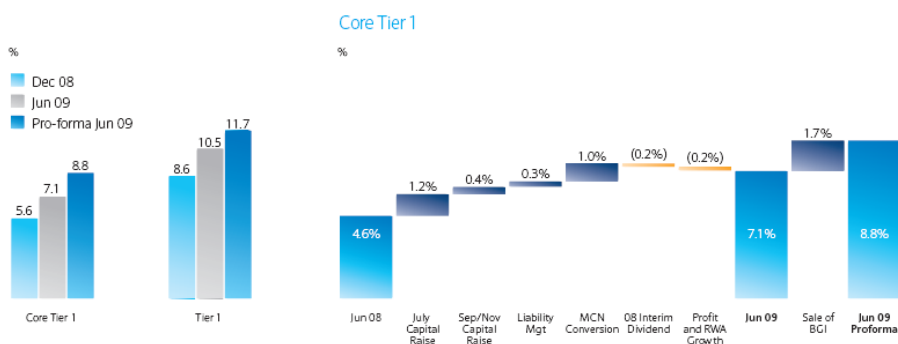
Income by geography



Another period of strong income growth and solid profitability...

Half year ended June	2008 £m	2009 £m	change %	Profit before tax	2008 £m	2009 £m	change %
Income	11,843	16,253	37	UK Retail Banking	690	268	(61)
Operating expenses	(6,753)	(8,747)	30	Barclays Commercial Bank	702	404	(42)
Impairment charges	(2,448)	(4,556)	86	Barclaycard	388	391	1
Profit before tax	2,754	2,984	8	GRCB – Western Europe	115	31	(73)
Cost:income ratio	57%	54%		GRCB – Emerging Markets	52	(86)	–
Earnings per share	27.0p	17.5p		GRCB – Absa	298	248	(17)
Return on equity	14.9%	10.1%		Barclays Capital	524	1,047	100
Net asset value per share	437p	342p		Barclays Global Investors	265	276	4
Net tangible asset value per share	313p	250p		Barclays Wealth	182	75	(59)
				Head Office Functions and Other Operations	(462)	330	–

...and capital ratios strengthened



NEWS & VIEWS

PARTNERING SUCCESS AND INNOVATION



Founded in 1997, HiFX has rapidly secured its position as the premier provider of foreign exchange services to corporate clients and private individuals around the globe. Their network of offices in the UK, Europe, North America and Australasia manage £20 billion in foreign exchange transactions annually. In the UK they are trusted by over 2,000 companies in over 100 different industry sectors from airlines to major technology companies and last year HiFX helped over 30,000 private clients buy and sell currency for a variety of reasons including salary transfers, personal migration and international property related transfers. Barclays has been HiFX's trusted banking partner since the business was formed developing and delivering their own payments solutions that help us remain innovative and competitive.

In April of this year, HiFX launched a highly innovative international bank-to-bank money transfer service for private individuals with live exchange rates. The service allows customers to quickly and securely transfer amounts of £250 - £50,000 at highly competitive rates. The service is the first to show real time, moving exchange rates. Customers can watch the live rate, choosing when to make the transfer themselves and unlike other online transfer methods, there are no hidden charges.

Matthew Knowles, MD of HiFX explains "With sterling having recently touched record lows, every penny counts when it comes to transferring money overseas. In developing an online money transfer service we are able to offer people a convenient way of accessing the great exchange rates we previously could only offer on larger transfers". Working with Barclays, and our Relationship Director, Martin Griffiths, HiFX was quick to realise the opportunity presented by SEPA Credit Transfers to lower transactional costs for payments in Europe.

The company has also launched a new white-labelled international payment service which allows businesses to provide their customers with an international money transfer service which offers security, fixed competitive rates and simple online transfer options. First to snap up the new service has been the Post Office® – already a market leader in travel services, the Post Office® is offering the International Payment service as a secure way to make

overseas property money transfers. The peace of mind service has been designed for people buying property abroad and even to transfer money for people emigrating.

Knowles explains "HiFX has a strong track record for developing innovative solutions to help both corporate clients and private individuals make international currency transfers. We have a wealth of experience on a global scale and are delighted to be working with the Post Office to offer their customers this new service. We have worked closely with the Barclays team who truly understand our business given their sector specific expertise to ensure these innovations become as successful as possible "

With 80% of private client transactions already being undertaken via the new online service, HiFX is keen to replicate this success in the corporate world where every year, their currency specialists help thousands of companies manage their foreign exchange needs and arrange their international payments in a speedy and efficient way, directly via Barclays SWIFT-MACUG service.

"Our aim is to become our clients trusted business partner by ensuring we conduct all of their foreign exchange transactions with maximum ease and minimum fuss. We'll act as their eyes and ears in the market, providing them with all the tools and information needed to get the best exchange rates and manage their foreign exchange more cost effectively" continues Knowles. "Corporate clients already have access to a secure and convenient online payments service which ensures they're able to process international payments easily and in a cost effective manner. The ability to access real time market information and dealing facilities online will not only enable us to enhance the service we already provide to our current client base but it will also allow us to broaden our client base to incorporate SMEs with smaller FX requirements. As the company continues its strong growth despite the turbulent markets, we look forward to strengthening our excellent relationship with Barclays. From our inception they have remained strong supporters and advocates of HiFX and their market leading capabilities in the Global Payments space form an integral part of our customer proposition"

For more information on HiFX's corporate and private client foreign exchange services, visit their website www.hifx.co.uk

WHAT'S HAPPENING IN...

DEPOSITS ENVIRONMENT

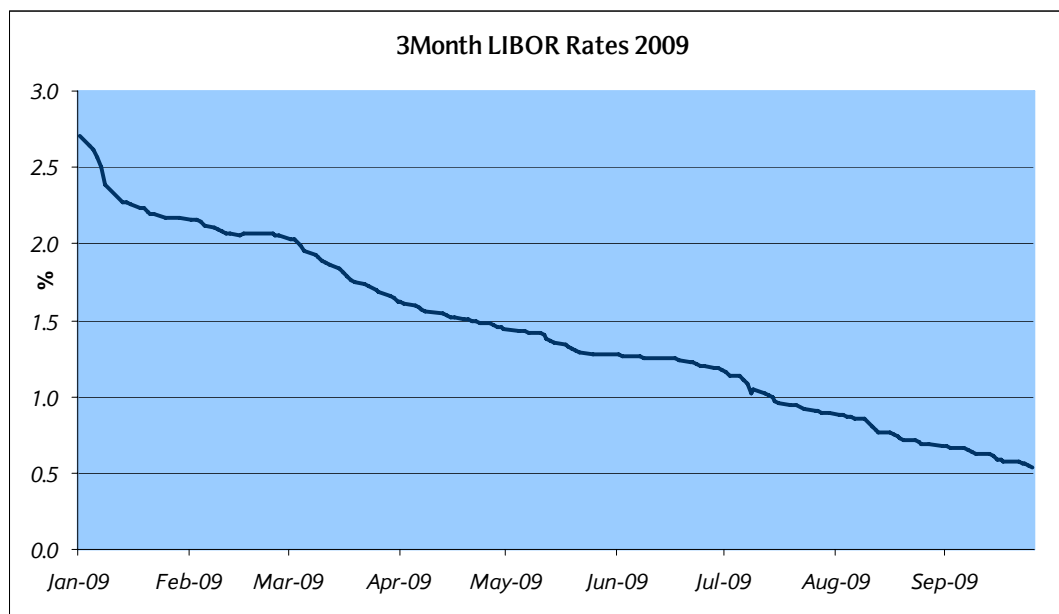
Deposit strategy continues to demand its place at the top of the agenda. Treasurers and Finance Director place great emphasis on deposit strategy and these decisions are being driven by some significant change in the deposits environment. The main element of this change is the wider banking community's confidence to lend to each other, effectively measured by LIBOR. We can see from the graph below that 3 month LIBOR rate has fallen considerably over the course of this year. We are roughly at a rate 80% lower than that of the start of the year and reverting back to a more normal interbank lending environment. With the returns of Treasury Deposits being directly correlated to LIBOR there has been a significant reduction in deposit rates. So on one side we have the positive of banks being more willing to lend to each other, providing a catalyst to growth in the economy in general and, on the other side we have a reduction in the income being derived from traditional investment vehicles, Treasury Deposits. Therefore we have a more positive outlook for businesses but also a reduction in the returns on corporate cash.

Another significant measure that is having a huge impact on the wider investment policy decisions for corporates in the UK is the direction of the UK Base Rate currently at 0.5%. Economists have conflicting views on when the Base Rate will move, however the general consensus is that the next movement will be north rather than south, as we start to see positive data coming out. Widely available forecasts (outside of Barclays), range from, the first movement being as far out as 2011, to a movement as early as later in 2009. With regards to where rate will end up in the short / medium term, there is one extreme view that the UK Base Rate will hit 4% in 2011.

All of the above factors are currently being debated in corporate investment committees as they set their plans for short term investment and investment strategy for 2010. Given that the general consensus is that UK interest rates are going to go up in the near term, we are seeing corporates desiring the ability to take advantage of this movement. The traditional yield curve would price this movement into the curve, but the timing of the movement is so uncertain that we may not see this priced in conclusively.

The highest returns will continue to come from the longer term investments, however there is a significant amount of interest rate risk creeping into the decision making process, leading to some corporates taking the view that a forgoing yield in the shorter term may lead to higher yielding investment opportunities later on. Many companies are also looking to switch the type of investment vehicle. What we are seeing is a significant increase in the demand for Base linked accounts which will immediately incorporate the base rate movement. At Barclays we would be happy to assist any investment committee by providing a list of options available and also giving an insight into the current economic environment.

Spencer Rhodes
Director of Deposit Sales
UK Cash and Trade



IN FOCUS

SWIFT FOR CORPORATES: FUTURE PROOF AND RISK MITIGATING

Today's banking environment is one of increasing risk and complication. The norm for larger businesses is multiple banking relationships, based on credit, capability, risk, and geographic considerations. In this more fluid environment, an increasing number of companies are choosing a SWIFT solution to manage risk and relationships.

SWIFT is the banks' communication channel, allowing the corporate to use the same secure and robust communication channel for payments and reporting as the banks, rather than relying on any one bank's payment and information infrastructure. In an environment of volatility, a non-proprietary channel makes good business sense. Further, SWIFT connectivity allows the corporate to maintain a better control of the business, key from both an economic and regulatory standpoint.

Beyond the risk mitigation benefits of SWIFT, an investment in corporate access is one that will not become obsolete; on the contrary, SWIFT provides an ability to scale banking operations to any geography or bank as and when needed. Further, the types of payment capabilities supported by SWIFT (such as SEPA), continue to expand, providing returns to the investment well into the future.

Barclays is a global leader in sponsoring companies' SWIFT access, with dozens of successful implementations and satisfied customers across a variety of industries and geographies. We actively market the solution with experienced sales, product, and implementation professionals. Our consultative approach has made us an industry leader, and our clients, via their positive experience with Barclays' SWIFT sponsorship; actively assist our sales process as references.

We are happy to have a consultative overview of SWIFT with you and assist in determining if a Barclays SWIFT Service will provide you with the benefits we have provided to other clients.



Alex Billinis
Industry Director
UK Cash and Trade

WHAT WE OFFER

BARX LITE – REMOTE FX SOLUTION

BARX Commercial is an online foreign currency trading system which is fast, convenient and secure, offering a range of features. What sets Barx Commercial apart from other platforms is that you do not need a Barclays account to trade.

Key Features

- Fast and Easy to use
- Spots and forwards in over 40 and 240 currency pairs
- Quality market information
- Simple to track outstanding FX trades and historical deal information
- Comprehensive help facility
- Secured Access

Instant Access and Control

- Secure access with our industry standard Public Key Infrastructure security
- Flexible service, allowing different levels of access to individual users

Fast and Efficient

- Specific dealing rates streamed in real-time directly to your OC
- Deal Records available online, providing a clear audit trail for future reference

Quality Market Information

- Access to market research both in the form of text and charts
- Access to real-time exchange rate information

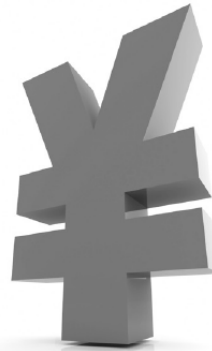
Support

- Help Facility is available within BARX Commercial
- Further assistance is provided through our dedicated Client Services team

Comprehensive Deal Capabilities

- Handles a number of deal types including spot, option dated and fixed dated forward deals
- Enables you to trade multiple foreign exchange deals based on single spot rate

If you require further information on BARX, please contact your Barclays relationship point or alternatively Lindsay Van Dyk on 07500 78 3081.



ASSESSING YOUR COUNTERPARTIES

Changing rules in assessing your counterparty risk seems to be a key discussion point within all businesses in the context of what we've seen happen during the economic crisis. Counterparty risk and how you analyze, consider and reflect that - both in your investment decisions and business decisions - is part and parcel of what you do. As part of our ongoing commitment to supporting our customers, Barclays Global Transactional Sales team would like to invite you to join us in this must attend training program developed by the world renowned Michael Pimley of Pimley & Pimley Inc. Further below:

Dates: 17th May 2010 – 21st May 2010 (Four days)

Location: Barclays Bank, 1 Churchill Place, E14 5HP

Course: Counterparty Risk Analysis – The Barclays Approach

Program

An introduction to the role of risk analysis of financial institutions in general, and banks in particular, with a focus on to name a few:

- Financial Profile: how banks differ from industrial companies
- Capital Adequacy: importance of capital adequacy with an emphasis on Basel II developments
- Earnings: techniques for measuring earnings sustainability and impact on financial stability
- Liquidity: focusing on sources of funding, gap analysis, and asset and liability management
- Asset Quality: measurements for assessing a bank's asset quality and impact on equity value
- Market Valuation: introduction to the way equity markets evaluate banks with an emphasis on multiples and other techniques
- Quality of Earnings: arising from net interest income, trading revenues, income from liability management, fee related income
- Balance Sheet – Traded Assets: cash and marketable securities, reverse purchase agreements and expense reporting
- Risk Analytical Techniques: market, liquidity, operational, settlement and presettlement, legal and documentation, regulatory, reputation

The final module of the program combines the disciplines of identifying, through a combination healthy curiosity and commercial scepticism, the key risks which underpin the full range of transactions underwritten by Barclays today.

Target Audience

Aimed at senior credit officers, heads of lines of business and corporate financiers at non bank financial institutions who are clients of Barclays who wish to improve their financial conversational and working knowledge of the importance of the financial statement analysis of financial institutions in general, and banks in particular

Program Duration

Four Days

Cost: £2000.00 per person (incl VAT)

Established in 1991, Pimley & Pimley Inc. is a leading provider of credit training and corporate finance programs. Based in Princeton, New Jersey, the firm has conducted training for commercial banks, business banks, investments banks, insurance and reinsurance companies, accounting firms and trade associations in 40 countries.

For further information, please contact you Relationship Director or alternatively Lindsay Van Dyk on 07500 783 081.

FINAL WORD

The end of 2009 approaches and for some of us the last twelve months can be summarised into three categories; winner, losers and luck.

For Barclays, and in our case Barclays Commercial Bank, we have touched on all three of these in some degree.

In terms of the winners, Barclays is now widely seen by the market as being in a fortunate position of along with peers such as JPMorgan, HSBC and Deutsche Bank. Avoiding UK Government funding and not participating in the Asset Protection Scheme seems to have endorsed this view. It is not just my humble opinion, but the banks share price from a low of 57p to above £3 in less than a year underlines this view.

Losers is not a term that the community wants to dwell on as we all know friends and colleagues who have both personally and professionally suffered post the financial crisis. I know from some of the sectors that I manage we have a number of customers that have continued to struggle and I wish them the very best and hope that through the tough times we have been able to do the right things when we have touched their operations.

And finally luck. As a Group I'm sure Barclays could be seen to have had our fair share, however I don't believe in luck, I think its more being in the right place and the right time and being aware of the opportunity. At the time I believed, and still firmly believe, that in the case of both successful and unsuccessful acquisitions and other decisions not so widely reported we have had the best senior executives that made the right calls.

The world of regulation continues to evolve rapidly. November sees the arrival of the Payment Service Directive (PSD) and this will transform the European banking arena for financial service providers and consumers.

However, this has not had any impact on our Euro services, as a number of you that use our Euro payment services or recently attended our PSD breakfasts will be able to vouch. The regulation seems to be shifting to favour the consumer and does have impact on service providers as we have to implement these directives at a cost that in fairness is rarely going to be recovered.

2010 will quickly be upon us and its now that we start the plan to ensure we deliver solutions and relevant news to you, I reiterate Phil's opening comment and challenge you to contact me with ways we can improve and enhance these quartile publications that I hope you enjoy reading.

To close, this week we announced the broadening of our Group Executive Committee and changes to its structure and senior management responsibilities, positioning our businesses to deliver strongly in the evolving financial services industry.

Corporate and Investment Banking and Wealth management, comprising Barclays Capital, Barclays Corporate and Barclays Wealth, will be led by group president Robert E. Diamond JR.

John Winter has been appointed Chief Executive Officer of Barclays Corporate, reporting to Rich Ricci and Jerry Del Missier, Co-Chief Executives of the Corporate and Investment Bank.

As a result of these changes, Frits Seegers, currently Chief Executive of Global Retail and Commercial Banking will leave Barclays following a handover and resigns as director of Barclays plc and Barclays bank plc with immediate effect.

This is breaking news, and over the coming weeks we will be able to explain via your relationship director what benefits we can bring as a combined business. Barclays Corporate will remain a distinct business, that will be relationship based and we plan to continue improving the service to you, our client.

I'm sure there will be many more questions, for now its business as usual and we are excited about the future and joint opportunities this brings.

Thanks for reading

Andy



Andy Reid
Head of Non Bank Financial Institutions
Global Transactional Sales

OUR DEALS

UK Wealth Manager

£100m
Credit Balance
Solution

Q3 2009

US Private Equity Fund

Portfolio
Acquisition
Vehicle

Q3 2009

UK Mortgage Provider

£65m
Credit Balance
Solutions

Q3 2009

CONTACT US

We welcome your views on this newsletter & would encourage you to share your challenges with us. Our future newsletters will endeavour to cover the news and issues facing the funds market and the economy as a whole. Please feel free to email us at gtsfandb@barclays.com



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