

"File Note: Call to RED from Paul Tucker, Bank of England

Date: 29th October 2008

Further to our last call, Mr Tucker reiterated that he had received calls from a number of senior figures within Whitehall to question why Barclays was always towards the top end of Libor pricing. His response was "you have to pay what you have to pay". I asked if he could relay the reality, that not all banks were providing quotes at the levels that represented real transactions, his response "oh, that would be worse". I explained again our market rate driven policy and that it had recently meant that we appeared in the top quartile and on occasion the top decile of the pricing. Equally, I noted that we continued to see others in the market posting rates at levels that were not representative of where they would actually undertake business. This latter point has on occasion pushed us higher than would otherwise appear to be the case. In fact, we are not having to 'pay up' for money at all. Mr Tucker stated the levels of calls he was receiving from Whitehall were 'senior' and that while he was certain we did not need advice, that it did not always need to be the case that we appeared as high as we have recently.

RED"