

CDD/MEETING REPORT

CLIENT NAME Ziad Takiedding (sic)	DATE 18/11/08 TIME N/A – FILE NOTE DURATION
VENUE 40, Avenue Georges Mandel, Paris 75113 (sic)	PERSONS PRESENT Ziad Takieddine, William Harford
OBJECTIVES – Initial face-to-face meeting	

KYC INFORMATION

Client Background:

Ziad was born in Lebanon, in 1950 and is married with two sons: Karim and Nadim, who are in their teens. He has been resident in Paris for many years.

His family is well known, and well respected, in Lebanon, and he retains significant property assets in Beirut and Chouf for his personal use. In addition, he has substantial residential properties in London and Cap D'Antibes.

His connections and business interests have been confirmed by both 3rd party media and internal contact sources. The London head of the MENAT team, Alfred Shukry, has also met with Ziad, and has confirmed his standing and reputation based on information from his own contacts.

Given the client's political connections in France, and the nature of his business, it seems clear that he should be designated a PEP.

Purpose of account:

The initial relationship will be created in order to create an equity release over Ziad's residential properties in London and Paris. In addition, we will be taking custody over his shareholding in Athanor Securities, a Luxembourg quoted company, his shareholding currently valued at EUR 20M

The facility requested is an equity release from Ziad's residential properties in London and Paris. Due to the legal and tax implications involved with the portion of the transaction subject to French law, this will be structured as two separate facilities, as follows:

GBP 6M, booked in London, be used to refinance the existing facility over the London property held with Standard Bank.

EUR 6M to be used to complete the refinancing of the London property and make the final payment outstanding on a Boeing 727 private aircraft.

The estimated value of the two properties offered as security is GBP 18M (based on recent valuations from Savills received in the last month, which we requested given the recent fall in property values). This would indicate an overall LTV of 61%. I would suggest a facility limited to 11M or LTV of 65%, to allow for some flexibility on the final valuations (while well within policy), as the facility required is a discrete requested amount.

The need to transfer some of the funds released from the French property to complete the refinance of London (estimated at an additional EUR 600K) is due to our more conservative LTV limits and the fall in property prices.

Description of Company Business:

Ziad's business is primarily derived from arranging contracts between the French government and the Middle East, specifically Libya and Lebanon. He is a personal acquaintance of the French premier, Nicolas Sarkozy, and was responsible for introducing him to the Libyan government. His current income is derived from a contract he negotiated – for the provision of electronic surveillance equipment for monitoring e-mail and internet traffic – between the French and Libyan governments. This contract has EUR 5M left to pay over the next 2 years.

His latest, and most significant, venture has been the facilitation of a deal between the French energy company, Total, and the Libyan government for the provision of electricity to the country. The services will be provided via a floated Luxembourg SICAR, Athanor, of which Ziad owns 6.5%.

This contract has now been signed, and will provide income for Ziad, while he continues to hold his shares in Athanor, of c.EUR 2M per annum once delivery of electricity commences. His shareholding is currently valued at EUR 20M (shares we will hold in custody, but without formal charge. Ziad's intention is to sell his shareholding back to Total (who have the right of first refusal for the sale) once the services are up and running, a sale that would value his shareholding at EUR 100 – 150M. This is his normal practice in these situations, as his expertise is in the initial arrangement and brokering of these deals, not in their day-to-day management.

Client's net worth:

As is to be expected of a client of Ziad's nature, his assets are owned by way of offshore SPV structures, although he, and not a Trust, is the direct beneficial owner of all of them. Specific details are as follows:

London property: ownership via Panamanian SPV, Arcos Assets INCX, value GBP 14M

Paris property: ownership via Luxembourg SPVs, Illor I and Illor II, value EUR 10M

Paris office: owned via Luxembourg SPV, Immobiliere Rivoli SA, value EUR 2M

Cap D'Antibes property : owned via Luxembourg SPV, Riviera Property SA, value EUR 19M

Lebanon property – direct ownership, value EUR 7M

Yachts – owned via Immobiliere Rivoli and Arcos Assets, value EUR 6M

Aircraft – full title to be obtained on receipt of final payment, final value EUR 9M, 3M paid, 6M o/s

His 6.5% holding in Athanor, the vehicle for the delivery of the contract between Total and Libya, is floated on the Luxembourg Exchange and owned via Luxembourg SA, Concerta. This holding is valued on the exchange at EUR 20M. The securities are freely tradeable and transferable.

He holds cash balances of c.EUR 2M in Geneva

Once the Total contract with Libya begins supply of services, Ziad's additional income from the deal will be in the region of EUR 2M per annum, until such time as he sells his shareholding. However, we have not included this in our current estimation as payments will not commence until mid-2009. In addition, Ziad expects to lease the proposed new aircraft for c.400hrs per annum, at EUR 10,000 p.hour, a level sufficient to cover its running costs. The aircraft leasing and charter will be administered by a specialist aircraft management company.

It is highly likely that this is a conservative estimate of the client's income position, as this only represents income from disclosed assets. It is probable the client has cash/investment assets further to the declared

position, but he is reluctant to declare his full cash balances with 3rd parties at this stage in the relationship. His French residency, and associated tax regime, means he is cautious when discussing taxable income and assets.

Discussions with contacts of the IPB have confirmed Mr Takieddine's bona fides and reputation as a go-between for the French government and businesses when approaching Libya and Lebanon, and his lifestyle and income are commensurate with this position.

However, we feel that EUR 2.5M represents a fair indication of Mr Takieddine's stable average income, excluding any peaks from the sell-out of existing contracts.

Financial Structure:

Due to the client's residence in Paris, his asset-holding structure is quite complex. However, he has fully disclosed all elements of its structure, and provided full access to all the legal custodian involved (see supporting documents enclosed with this submission). A diagram of the assets structure as it related to our relationship is included in the appendix to this report.

Our lending relationship will be with the BVI SPV that owns the London property. The file note for this company is also submitted alongside this individual application.

Documents:

WPH gave Mr Takieddine the Barclays T&Cs and Depot. Factsheets, and completed the core services and accounts forms with him.

ID confirmation and home address:

Certified copies of:

Passport

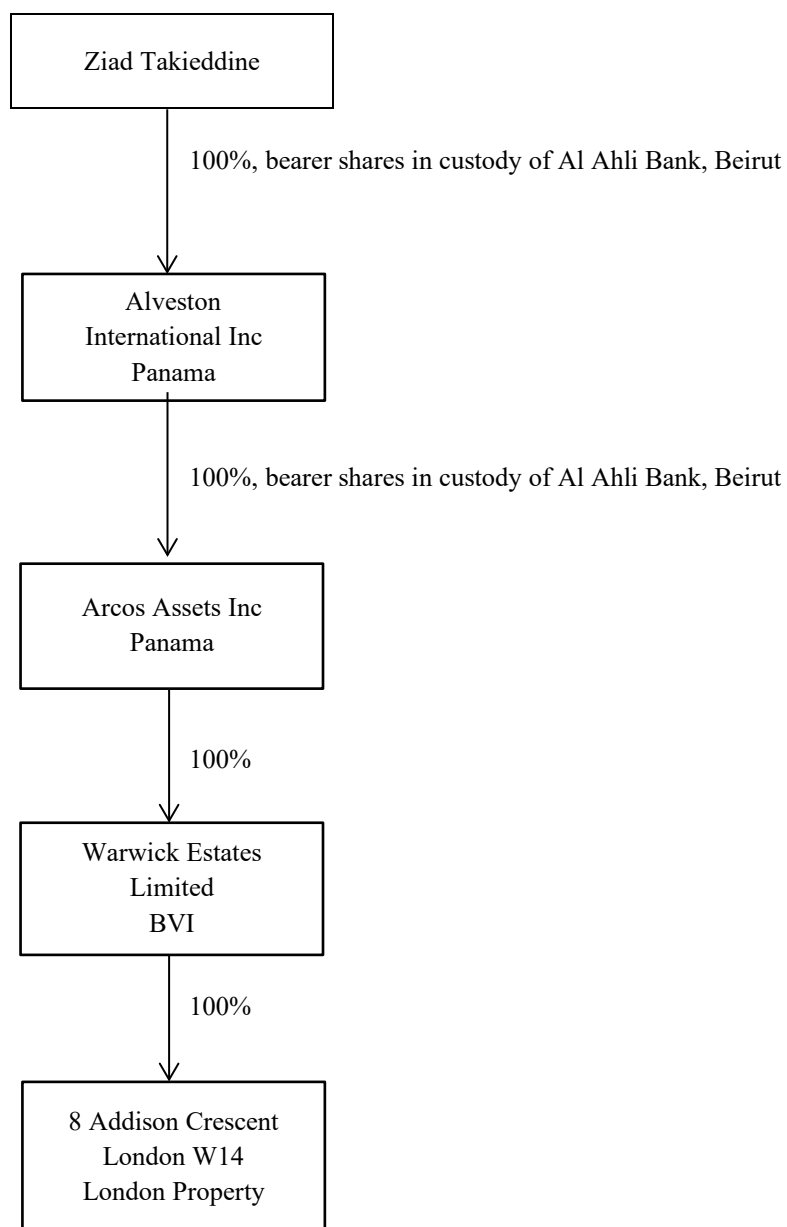
Personal visit by William Harford to the client's residential address in Paris on 18th November.

Address confirmed as: 40 Avenue Georges Mandel, Paris 75116, France

FOLLOW UP ACTION REQUIRED	BY WHOM	BY WHEN	COPIES TO

ORIGINATED BY	William Harford
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Appendix 1: Client asset ownership structure



CDD/MEETING REPORT

CLIENT NAME SCI Lamartine	DATE TIME N/A DURATION
VENUE N/a	PERSONS PRESENT N/a
OBJECTIVES KYC File Note for SCI Lamartine ("Lamartine")	

KYC INFORMATION

Company Name:

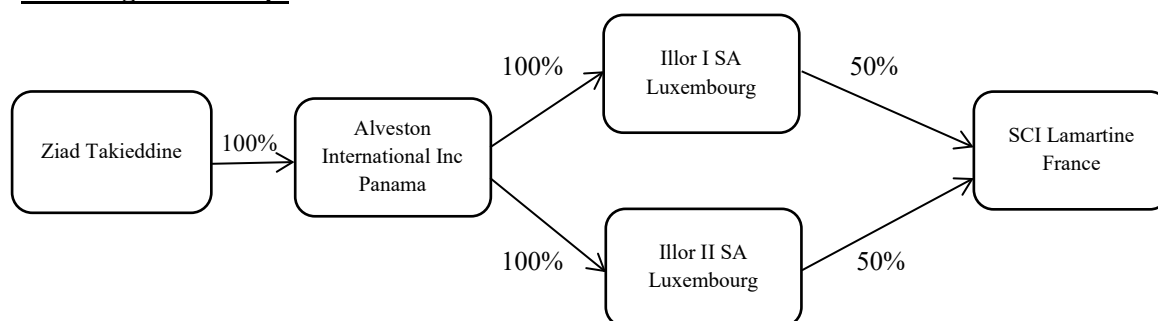
SCI Lamartine ("Lamartine")

Description of Company Business:

Lamartine is a French registered SCI used as an investment vehicle for a property in Paris. The company is owned by two Luxembourg SAs (Illor I & II). The shares of Illor I & II are held on a fiduciary account for the benefit of Alveston International, a Panamanian company. The bearer shares of Alveston International are held in custody by Ahli International bank in Beirut for the benefit of Mr. Ziad Takieddine, the ultimate beneficial owner. The overall ownership structure is shown below.

Incorporated

France, 24 July 1998

Percentage Ownership:

- The shares of Illor I & II are held on a fiduciary account for the benefit of Alveston International
- Alveston International have bearer shares in issue, held in bank custody by Ahli International bank in Beirut. We have the appropriate signed affirmations from the bank that the shares are held for the benefit of Mr Takieddine.
- We hold signed original headed letters from all custodians confirming custody and that Mr Takieddine is the ultimate sole beneficiary and owner.

Other Notes:

The signatory and gerant of SCI Lamartine is M Alain France, who holds the position in a purely professional capacity. We have signed assurance from both lawyers and the bank in Beirut, as to the beneficial ownership of the company resting with Ziad Takieddine by way of the asset structure.

The sole significant assets of SCI Lamartine are a property in Paris, 40 Avenue Georges Mandel, valued at EUR 9.75 Million.

Mr. Takieddine is drawing down a short term loan in order to refinance the property.

The loan has been approved by Credit Risk subject to CDD approval.

Mr Takieddine is to be a client of the bank's in London, with the relationship managed from their by William Harford.

The KYC and CDD application for Mr Takieddine is submitted in London in conjunction with this application

Full details of the loan can be found in the client account & notes for Ziad Takieddine

FOLLOW UP ACTION REQUIRED	BY WHOM	BY WHEN	COPIES TO

BARCLAYS PRIVATE BANK CREDIT PROPOSAL (Section 1)			
CLIENT GENERAL DETAILS			
Name of Credit Proposal Submitter*	Ziad Takieddine	Date of the Credit Proposal*	01/12/2008
Client known to Private Banker since*	01/10/2008	Client known to Barclays Group since*	01/10/2008
Borrower #	Borrower's Full Name*		Borrowers Client Number
Borrower 1	Warwick Estates Limited		TBC
Borrower 2	SCI Lamartine		TBC
Borrower #	Borrower's Full Address*		
Borrower 1	c/o Marc Bonnant, Bonnant Warluzel & Partners, 12 Rue de Saint-Victor, PO Box 473, 1211 Geneva 12		
Borrower 2	40 Avenue Georges Mandel, 75116 Paris		
Borrower #	Process Agent's Name (if applicable)	Process Agent's Address (if applicable)	
Borrower 1	Paddy Kelly, Laytons	Laytons, 50 Victoria Embankment, London EC4Y 0L5	
Borrower 2			
If Corporate Borrower			
Borrower #	Beneficial Owners / Shareholders names and % holding		
Borrower 1	Mr Ziad Takieddine, 100%		
Borrower 2	Mr Ziad Takieddine, 100%		
Borrower #	Country of Incorporation*	Company Registration Number	Company/Trust managed by UKPB/IPB*
Borrower 1	VIRGIN ISLANDS, BRITISH	345973	No
Borrower 2	FRANCE	419 956 719 R.C.S. PARIS	No
KEY CLIENT QUESTIONS			
Risk Tolerance*	Please indicate the client's overall Risk Tolerance according to the Financial Personality Assessment (FPA) or according to your own independent judgment if the FPA is unavailable?		Moderate
Credit History*	How would you characterise the client's credit history in Barclays Wealth to date?		No Credit History
Client Openness and Transparency*	How would you describe the client's openness and transparency with respect to sharing information on their financial affairs?		Open
Wealth Mode*	How would you classify the client's attitude to their capital?		Growth
Financial Literacy*	How would you describe the client's general level of financial literacy or the literacy of the person in charge of their financial affairs?		Experienced / Knowledgeable
Source of Wealth*	Which wealth category best describes the client's principal source of wealth?		Active Entrepreneur
Income Type*	What is the nature of the client's income in terms of structure, stability, future continuity, etc?		Long term work contract
Income Variability*	How volatile is the client's income?		High

BARCLAYS PRIVATE BANK CREDIT PROPOSAL (Section 2)											
BARCLAYS PRIVATE BANK FACILITIES											
ID	Borrower's Name*	Facility Type*	Pre-Deal				Post-deal		Change in Limit (£)	Currency*	Exch. Rate into GBP
			Current Limit*	Sterling Value (£)	Current Balance	Sterling Value (£)	Proposed Limit*	Final Sterling Value (£)			
1	Warwick Estates Limited	Loan		0		0	6,000,000	6,000,000	6,000,000	GBP	1.0000
2	SCI Lamartine	Loan		0		0	6,000,000	5,000,000	5,000,000	EUR	1.2000
								11,000,000	11,000,000		Get Exch Rate
ID	Booking Centre	Repayment Type	Interest Rate Type*	Interest Rate Term*	Interest Rate Value (%)*	Margin (%)*	Fee (%)*	Facility Expiry Date	Time to Maturity xxx (illegible)	Total Annual Interest Charges (£)	Account Number to debit the Fee
1	(illegible) BPB PLC On-shore?	Interest only	LIBOR	3 Months	2.650%	1.75%	0.50%	31/12/2013		294,000	
2	Monaco	Interest only	EURIBOR	3 Months	2.820%	1.75%	0.50%	31/12/2013		253,500	
										547,500	
ID	Product Type	Multi-currency facility (Y/N)*		Add-on for Derivatives Facility Types*		Facility/Product Description					
1	BPB and BWI Offdom Residential Owner Occupied UK Property Finance (SPV or Trust Structures)	No				Equity release against owner-occupied residential property. 1 property in London, 1 property in Paris					
2	Wealth European Residential Owner Occupied Property Finance (Excluding UK, Channel Islands, IOM, Gibraltar)	No				Equity release against owner-occupied residential property. 1 property in London, 1 property in Paris					

Date of last Sanction*				Limits proposed unit*					
CREDIT LINES WITH THIRD PARTIES									
ID	Facility Type	Limit	Sterling Value	Expiry Date	Certainty Factor	Annual Interest Charges (£)	Currency	Exch. Rate into GBP	Provider
1	Loan	6,000,000	6,000,000.00	31/12/2008	2	300,000	GBP	1	Standard Bank
<div><div>6,000,000.00</div><div>300,000</div></div>									

BARCLAYS PRIVATE BANK CREDIT PROPOSAL (Section 3)

Security portfolio – liquid collateral types

#	New/ Existing*	Security type*	Latest market value*	Market value in £	Main Currency of security*	Exchange rate into GBP*	Security sub- type*	IDs of Facilities Covered
1	New	Cash	150,000	150,000	GBP	1.0000	Currency (no mismatch)	1
2	New	Cash	150,000	125,000	EUR	1.2000	Currency (no mismatch)	2

Get Exchange Rate

Name(s) and Address(es) of the Security Provider (s) if different from the Borrowers			Weighted Average LVP (%)	Weighted Average MCP (%)	W.Average Lending Value in £	If Structured Product:	
#	Name	Address				Remaining Term in Months	Protected Amount in £
1		Interest Cover 6 months	0%	0%			
2		Interest Cover 6 months	0%	0%			

Collateral Evaluation page

Other Securities – non-liquid collateral types

#	New/ Exist ing *	Security type*	Valuation/ latest market value*	Market value in £	Main currency of security*	Exchan ge rate into GBP*	Security sub-type/ Location *	IDs of Facilit ies Cover ed
21	New	UK Residential Property	10,750,000	10,750,000	GBP	1.0000		1
22	New	Worldwide Residential Property	9,700,000	8,083,333	EUR	1.2000	France	2
23	New	Personal Guarantee	6,000,000	6,000,000	GBP	1.0000		1
24	New	Personal Guarantee	6,000,000	5,000,000	EUR	1.2000		2
25	New	Debenture	10,750,000	10,750,000	GBP	1.0000		1
26	New	Debenture	9,700,000	8,083,333	EUR	1.2000		2

Name(s) and Address(es) of the Security Provider(s) if different from the Borrowers						
#	Name	Address	Weighted Average LVP (%)*	Weighted Average Lending Value in £	MVA for Life policies	Expiry Date if IoU*
21			67%	7,202,500		
22			64%	5,173,333		
23	Ziad Takieddine	40, Avenue Georges Mandel, Paris	0%	0		
24	Ziad Takieddine	40, Avenue Georges Mandel, Paris	0%	0		
25	Warwick Estates Limited	Pledge over shares of SPV	0%	0		
26	SCI Lamartine, Illor 1, Illor 2	Pledge over shares of SPV	0%	0		

Letter of Undertaking

If the Asset Trustee is part of the Barclays Group, please identify in the following tables which of the above assets are being managed by that Trustee under the Letter of Undertaking.

#	Security Type	Market Value (£)

Total Lending Value of Liquid Collateral in £	0
Total Lending Value of Non-Liquid Collateral in £	12,375,833
Total Lending Value of Collateral	12,375,833

Total Market Value of Liquid Collateral in £	275,000
Total Market Value of Non-Liquid Collateral in £	48,666,667
Total Market Value of Collateral	48,941,667

Check against total value of Proposed Loans in £	11,000,000
Total Unsecured Amount	0

BARCLAYS PRIVATE BANK CREDIT PROPOSAL (Section 4)									
BORROWER'S ASSETS									
Pre-Deal Asset Base								Post-Deal Asset Base	
ID	Asset Type*	Exch. Rate Into GBP	Currency *	Asset State	Value*	Sterling Value	Certainty factor *	Current value*	Sterling value*
1	UK Residential Property	1.0000	GBP	Existing Asset	10,750,000	10,750,000	2	10,750,000	10,750,000
2	Non-UK Property	1.2000	EUR	Existing Asset	9,250,000	7,708,333	2	9,250,000	7,708,333
3	Non-UK Property	1.2000	EUR	Existing Asset	2,000,000	1,666,667	2	2,000,000	1,666,667
4	Non-UK Property	1.2000	EUR	Existing Asset	19,000,000	15,833,333	2	19,000,000	15,833,333
5	Non-UK Property	1.2000	EUR	Existing Asset	4,000,000	3,333,333	2	4,000,000	3,333,333
6	Non-UK Property	1.2000	EUR	Existing Asset	3,000,000	2,500,000	2	3,000,000	2,500,000
7	Yachts	1.2000	EUR	Existing Asset	6,000,000	5,000,000	2	6,000,000	5,000,000
8	Planes	1.2000	EUR	New Asset	3,000,000	2,500,000	2	9,000,000	7,500,000
9	Cash	1.0000	GBP	New Asset			1	6,000,000	6,000,000
10	Liquid Market Securities	1.2000	EUR	Existing Asset	20,000,000	16,666,667	2	20,000,000	16,666,667
11	Cash	1.2000	EUR	Existing Asset	2,000,000	1,666,667	2	2,000,000	1,666,667
12									

£67,625,000

£78,635,000

Get Exch Rate

Change in Total Assets	£11,000,000
Check against proposed increase in Liabilities	£11,000,000

ID	Asset Description
1	London residential home, 8 Addison Crescent, London W14
2	Paris residential property, 40 Ave. Georges Mandel, 75116 Paris
3	Offices in Paris
4	Holiday home, Castelet Sainte-Anne, 43, Avenue des Pins du Cap, Cap D'Antibes
5	Residential property, Beirut, Lebanon
6	Family castle, Chouf, Lebanon
7	Riva 24 ("la Diva") and Riva 12 ("Challenger")
8	Boeing 727 (xxx illegible – Tall V1-BA1?). EUR 3M down payment made, balance to pay
9	Cash to be released from proposed refinance to repay existing loan
10	6.5% equity holding in Athanor SICAR, Luxembourg
11	Cash balances with CSFB Geneva
12	

BORROWER’S CONSOLIDATED INCOME AND EXPENDITURE SCHEDULE						
INCOME STATEMENT						
ID	Income Category *	Exch. Rate into GBP*	Currency*	Certainty Factor	Value*	Sterling Value
1	Long term work contract	1.2000	EUR	2	2,500,000	2,083,333.33
2						
3						
						£2,083,333
ID	Income Description					
1	Income from existing contracts to supply equipment to the Libyan government on behalf of the French Government					
2						
3						
ESTIMATED EXPENDITURE						
		Total Value*	Currency*	Exch. Rate into GBP*	Sterling Value	
	All Costs of Living	200,000	EUR	1.2000	2,083,333.33	
SUMMARY						
		Assets	Liabilities	Implied Gearing	Net Wealth	
	Pre-Deal Position	67,625,000	6,000,000	8.87%	61,625,000	
	Post-Deal Position	78,625,000	17,000,000	21.62%	61,625,000	
		Income	Expenditure	Net Income (Before Interest)	Total Interest Charges	
		2,083,333.33	166,666.67	1,916,666.67	847,500.00	
CREDIT RISK ASSESSMENT						
	BBG – Barclays Business Grade			3		Please click here to check the Credit Risk Assessment
	LGD – Loss Given Default (£)			£3,903,881		
	LGD – Loss Given Default (%)			32.51%		
	EAD – Exposure at Default			£12,007,058		
	RT – Risk Tendency			£17,567.46		

BARCLAYS PRIVATE BANK CREDIT PROPOSAL (Section 5)

Important information on the Credit Consumer Acts (UK Residents only)

Have you established if your client is subject to UK law for the purposes of the Credit Consumer Act? Please choose from the drop down list below
No
If yes, is your client booked in BBPLC? Please choose from the drop down list below
If yes, upon sanction sign a Statement of HNW(PLC) on behalf of BBPLC and send it to Credit Operations; click the link below
<u>HNW (PLC) Form</u>
If no, upon sanction provide the Client with a Statement of HNW (non PLC) form for his accountant to sign: click the link below. Upon return send to Credit Operations
<u>HNW (Non PLC) Form</u>

Important information for deals booked in Singapore

Please choose the category that your client belongs to from the drop down list below
<p>“Bank” refers to branches and office of BBPLC located in Singapore “Related corporation” refers to a corporation that is deemed to be related to the Bank under section 6 of the Companies Act (Cap 50) Section 6 of the Company Act (cap 50) states that where a corporation: (a) Is the holding company of another corporation; or (b) Is a subsidiary of another corporation; or (c) Is a subsidiary of the holding company of another corporation then that first mentioned corporation and that other corporation shall for the purposes of the Act be deemed to be related to each other</p>
<p>1. A request for a ‘Derivatives’ facility can be translated into a ‘Trading Limit’ in the Facility Letter which includes several products (FX forward, FX option and equity option);</p> <p>2. Overdrafts, Short Term Loans and Mortgage Revolving Terms Facilities are interchangeable in the Facility Letter, that is, even if this Credit Proposal requests for individual loans or overdrafts, Credit Operations will still record a ‘Multi-currency, revolving on-demand loan and overdraft’ line in the Facility Letter</p>

Credit Proposal Comments

To be completed in bullet points – short concise information relevant to the risk assessment of the proposal

Background information concerning the borrower’s finances and relationship with BPB, and the client’s brief xxx(illegible – history?)
<p>Ziad Takieddine is a new client to BPB.</p> <p>Ziad was born in Lebanon, in 1950 and is married with two sons: Karim and Nadim, who are in their teens. He has been resident in Paris for many years.</p> <p>His family is well known, and well respected, in Lebanon, and he retains significant property assets in Beirut and Chouf for his personal use. In addition, he has substantial residential properties in London and Cap D’Antibes.</p> <p>Ziad's business is primarily derived from arranging contracts between the French government and the Middle East, specifically Libya and Lebanon. He is a personal acquaintance of the French premier, Nicolas Sarkozy, and was responsible for introducing him to the Libyan government. His current income is derived from a contract he negotiated - for the provision of electronic surveillance equipment for monitoring email and internet traffic- between the French and Libyan governments. This contract has EUR 5M left to pay over the next 2 years.</p>

His latest, and most significant, venture has been the facilitation of a deal between the French energy company, Total, and the Libyan government for the provision of electricity to the country. The services will be provided via a floated Luxembourg SICAR, Athanor, of which Ziad owns 6.5%.

This contract has now been signed, and will provide income for Ziad, while he continues to hold his shares in Athanor, of c.EUR 2M per annum once delivery of electricity commences. His shareholding is currently valued at EUR 20M (shares we will hold in custody, but without formal charge). Ziad's intention is to sell his shareholding back to Total (who have the right of first refusal for the sale) once the services are up and running, a sale that would value his shareholding at EUR 100 – 150M. This is his normal practice in these situations, as his expertise is in the initial arrangement and brokering of these deals, not in their day-to-day management.

His connections and business interests have been confirmed by both 3rd party media and internal contact sources. The London head of the MENAT team, Alfred Shukry, has also met with Ziad, and has confirmed his standing and reputation based on information from his own contacts.

Client's financial structure XXXX(illegible) business interests (uncomplicated or assets held through Trust structures)

As is to be expected of a client of Ziad's nature, his assets are owned by way of offshore SPV structures, although he, and not a Trust, is the direct beneficial owner of all of them. Specific details are as follows:

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He holds cash balances of c.EUR 2M in Geneva

BARCLAYS PRIVATE BANK CREDIT PROPOSAL (Section 5)

Facility Requested and Purpose (Details of what is wanted and why together with comments if outside of XXX(illegible) Risk Policy
Is the facility leveraged? Yes/No
No
Expected Drawdown Date (if applicable)
<p>The facility requested is an equity release from Ziad's residential properties in London and Paris. Due to the legal and tax implications involved with the portion of the transaction subject to French law, this will be structured as two separate facilities, as follows:</p> <p>GBP 6M, booked in London, be used to refinance the existing facility over the London property held with Standard Bank.</p> <p>EUR 6M to be used to complete the refinance of the London property and make the final payment outstanding on a Boeing 727 private aircraft.</p> <p>The estimated value of the two properties offered as security is GBP 18M (based on recent valuations from Savills received in the last month, which we requested given the recent fall in property values). This would indicate an overall LTV of 61%. I would suggest a facility limited to 11M or LTV of 65%, to allow for some flexibility on the final valuations (while well within policy), as the facility required is a discrete requested amount.</p> <p>The need to transfer some of the funds released from the French property to complete the refinance of London (estimated at an additional EUR 600K) is due to our more conservative LTV limits and the fall in property prices.</p>
Serviceability: Explanation of the borrower's income and how interest repayments will be met
Where the proposed facilities are fully drawn, annual interest charges - this includes interest (at today's interest rate value), margin and fees where applicable - will amount to approximately:
£547,500
Our estimate of the client's Net Income is as follows - these funds would be available to service interest charges:
income from existing contracts to supply equipment to the Libyan government on behalf of the French government - 2,500,000 EUR
Our assessment of the Client's income position is based on:
<p>The annual income for the client represents Ziad's share of the annual payments outstanding for contracts for the supply of Intelligence equipment to the Libyan government.</p> <p>Once the Total contract with Libya begins supply of services, Ziad's additional income from the deal will be in the region of EUR 2M per annum, until such time as he sells his shareholding. However, we have not included this in our current estimation as payments will not commence until mid-2009. In addition, Ziad expects to lease the proposed new aircraft for c.400hrs per annum, at EUR 10,000 p.hour, a level sufficient to cover its running costs. The aircraft leasing and charter will be administered by a specialist aircraft management company.</p> <p>It is highly likely that this is a conservative estimate of the client's income position, as this only represents income from disclosed assets. It is probable the client has cash/investment assets further to the declared position, but he is reluctant to declare his full cash balances with 3rd parties at this stage in the relationship. His French residency, and associated tax regime, means he is cautious when discussing taxable income and assets.</p> <p>Discussions with contacts of the IPB have confirmed Mr Takieddine's bona fides and reputation as a go-between for the French government and businesses when approaching Libya and Lebanon, and his lifestyle and</p>

income are commensurate with this position.

However, we feel that EUR 2.5M represents a fair indication of Mr Takieddine's stable average income, excluding any peaks from the sell-out of existing contracts.

Please confirm what evidence has been seen to support the proposal (e.g. tax statement, bank statement, etc.). This section must be completed.

William Harford has reviewed the existing contracts with the Libyan government in Paris. William Harford was able to review the proposed contract with Total before it was subsequently signed in London. In addition, media reports have confirmed the existence of both the contracts with the Libyan government and Mr Takieddine's role in their creation.

Capital Repayments (Explanation of borrower's xxx(illegible) and how the facilities will be repaid)

Ultimate capital repayment will be achieved from:

Ultimate capital repayment will be achieved from either one of, or a combination of, the following:

Sale of Athanor shares

Surplus income

Sale of property held as collateral

BARCLAYS PRIVATE BANK CREDIT PROPOSAL (Section 5)

Security (Available security proposed xxxx (illegible – within?)...policy guidelines)
<p>The security offered is as follows:</p> <p>1st Legal charge over residential London home: 18 Addison Gardens (sic) W14 c.GBP 11M 1st Legal charge over residential Paris home: 40 Avenue Georges Mandel, c. EUR 11M (GBP 9M)</p> <p>This would provide an LTV of c. 60% well within policy. The valuations are a downgrade on the initial values supplied by the client, and have been given to us as a result of a recent valuation by Savills. They therefore represent a recent estimate factoring in the recent downturn in European property prices.</p> <p>In addition we will have a full PG from Mr Takieddine for principal, interest and charges for both facilities We will also hold debentures over the shares of the Warwick Estates, SCI Lamartine, Illor 1 and Illor 2. We will also take custody of Mr Takieddine's shareholding in Athanor equities SICAR, currently valued at EUR 20M. While we will hold no formal charge over this custody holding, the transfer is being made as a gesture of good faith by Ziad. Finally, we have asked for a charged cash deposit equivalent to 6 months interest over each facility, given the contractual nature of Ziad's income.</p>
THE PROPERTY
*** Complete REGULATED/UNREGULATED Mortgage Checklist as applicable (for UK property only) ***
*** For new Valuation requests complete the 'valuation' tab ***
Full property address (including Postcode):
Warwick House, 8 Addison Gardens, London W14 40, Avenue Georges Mandel, 75116 Paris
Client Solicitors/Legal Representative/Notary Details:
Solicitors/Legal Representative/Notary name:
Paddy Kelly
Firm's name:
Laytons
Address:
Laytons, 50 Victoria Embankment, London EC4Y 0LS
Telephone:
0207 842 8000
Full names of all adult occupiers in the Property:
Ziad Takieddine Ziad Takieddine
IF BANK GUARANTEE & SBLOC
Full Name and Address of the Beneficiary:
What wording is to be used? If standard please provide background on purpose of guarantee (please attach the wording to be used).
If existing guarantee please provide MRCI number:
Where is the Guarantee to be sent (e.g. Applicant, Beneficiary, Third Party – please choose from drop down list below)

Conduct of account: Facts and opinion on previous xxx (illegible –issues?)/dealings with borrower/client
<p>Mr Takieddine will be a new client to the bank, so we do not as yet have a credit history.</p> <p>However, Ziad has a reputation in both Lebanon and Paris as a businessman of high repute, and his reputation as an intermediary between French commercial interests and Middle Eastern governments is highly dependent on an impeccable financial history.</p> <p>He has very little gearing over his property portfolio, save for the London property, which we will be refinancing as part of the proposal. In conversation, he has told me that his preference is to repay outstanding principals as soon as possible. His need for finance is due to his recent EUR 20M investment in Athanor, leaving him with a need for short-term liquidity to finance the final payment on the proposed aircraft purchase. In addition, he is using this as an opportunity to refinance the existing facility on the London property. It is his intention the repay the facility once he exits from the deal and sells his shareholding.</p> <p>However, should the sell-out be delayed, he has existing income from contracts sufficient to service the debt and cash balances (not charged) equivalent to c. 3 yrs interest service.</p>
Monitoring of Collateral: Xxx(illegible)...will be made xxx (illegible)...by whom?
Collateral will be monitored by the Credit Admin teams in London and Monaco (French property)
Remuneration: what is the client's business worth to BPB and wider group?
Suggested pricing: please suggest the margin and fee percentages to be applied.
Margin: 1.75
Lending Fee: 0.50
Is 1% Prepayment fee to be included in facility letter? (UK/CI only). Please choose from drop down list below:
No
Credit solutions input
Has Global Credit Solutions agreed discount? Please choose from drop down list below:
Who at Global Credit Solutions has agreed this? Please choose from drop down list below:
Interest Applicator Account (if applicable)
Other remuneration information
<p>While the margin proposed is within policy, it may appear unaggressive. However Mr Takieddine has also agreed to give the bank custody of his EUR 20M shareholding in Athanor as a gesture of his willingness to enter into a relationship with us. The custody fee of 25bp charged on this holding is, in effect, an additional margin received as a direct result of our lending.</p>
Business development: xxx(illegible – what?) opportunities might xxx(illegible-synergise?) or extend our relationship with this client?
<p>There are significant business development opportunities from this client from three sources:</p> <p>1) The nature of the deal negotiated with Total includes the right of first refusal for Total w/regards Ziad's Athanor shareholding. The intended exit from the deal is for Ziad, once the infrastructure is in place and revenue streams commence, to sell his shares to Total for a significant profit. In the meantime, the client has agreed that BPB will take custody (but not a charge over) his shareholding as a condition of the facility. The client has indicated that he will use a portion of the sale of this to repay the principal of the loan, but will be interested to hear our investment proposals for the remainder. We would be ideally placed to gain wallet share at this point, since the shares being sold will be in our custody, and the proceeds will be paid in BPB accounts.</p> <p>2) In addition, the client's contacts in Libya are clearly of the highest order. On a number of occasions while meeting with Ziad, he has expressed a desire to explore potential opportunities for the bank in the country,</p>

<p>whether BPB or BarCap. Conversations with existing clients and contacts of IPB bear out Ziad's claims of influence in the country.</p> <p>3) In addition, the potential for introduced business from Ziad is substantial. He has impeccable business, personal and official contacts in France, Libya and Lebanon and has significant influence with a number of them. It could prove extremely beneficial should we be able to provide the facility requested to have a man such as Ziad to speak well of the bank to his acquaintances.</p>
<p>Other matters: xxx(illegible – may include something about Country Risk?)</p>
<p>None</p>
<p>Summary/Recommendations (Provide comment including why you are recommending this application)</p>
<p>All the information we have received from existing contacts of the MENAT desk have confirmed my impression that Mr Takieddine is the kind of person we should be endeavouring to develop a relationship with. His contacts and influence in Libya are significant, and we are actively pursuing business in that country.</p> <p>A subsequent meeting between Ziad and Alfred Shukry confirmed our expectations of his influence in Libya, and identified significant potential opportunities for partnership between him and the Barclays group in the country.</p> <p>My meetings with Ziad have given me the firm impression that he is a man of significant influence and contacts in his field and I would strongly recommend that we take this opportunity to enter into a relationship that should provide significant opportunities for future business. In addition, I was much encouraged by Ziad's understanding of our desire to avoid lending-only relationships, and his subsequent willingness to give us custody of his Athanor shareholdings, which represent his most significant potential asset.</p> <p>In addition, the deal has business line support and has been approved for the 2008 Credit Pipeline.</p>
<p>Out of policy support required? If yes, what is the cause and why is it proposed?</p>
<p>Yes.</p> <p>The deal proposed involves a KBI, John Hall of St James's Place. John is a senior partner at the firm, which has a longstanding relationship with the bank. The upfront fee I have quoted does not include his own commission, which has not yet been formally negotiated. The 0.50% represents the fee I am proposing be retained by us. As a result, the gross fee charged may be greater, to incorporate John's commission, which we would discuss with the client in advance of drawdown.</p> <p>The out of policy element requires business line support, which we have received from Alfred Shukry.</p>
<p>*** FOR FRONT OFFICE USE ONLY ***</p>
<p>Clean Documentation Received from Credit Operations? Please choose from drop down list below:</p>
<p>Number of Documents requiring re-work:</p>

Business Line recommended by:

Name: William Harford

Date: 01/12/08

Business Line recommended by:

Name: Alfred Shukry

Date: 01/12/08

Credit Solution recommended by:

Name:

Date: