

Barclays Lent Qatar \$3 Billion to Fund 2008 Deal, PCP Says

by **Jeremy Hodges**

September 1, 2016, 9:32 AM EDT

Updated on September 1, 2016, 10:05 AM EDT

-
- PCP Capital Partners helped broker Middle East transaction
 - Shareholders hurt by bank's 2008 fundraising, PCP Says
-

Barclays Plc <<https://web.archive.org/web/20170608142909/https://www.bloomberg.com/quote/BARC:LN>> loaned \$3 billion to Qatar to help fund a share purchase as the lender sought investments from the Middle East at the peak of the 2008 financial crisis, according to a U.K. lawsuit brought by Amanda Staveley's investment firm.

Barclays failed to disclose the loan and paid the Qatari investors an additional 280 million pounds (\$371 million) in "hidden" fees, lawyers for investment firm [PCP Capital Partners](https://web.archive.org/web/20170608142909/https://www.bloomberg.com/quote/PCPEMKA:KY) <<https://web.archive.org/web/20170608142909/https://www.bloomberg.com/quote/PCPEMKA:KY>> said in documents filed at the U.K. High Court Sept. 1. The London-based bank's 7.3 billion-pound capital raising was a "fraud on its shareholders," according to the lawsuit.

"Barclays' October 2008 Capital Raising was a fraud on its shareholders perpetrated through a series of unlawful transactions and dishonest conduct

towards existing shareholders and prospective investors," PCP said in reply to Barclays' defense.

Barclays avoided a government bailout in 2008 by seeking a capital injection from private investors in Abu Dhabi and Qatar. The bank is facing regulatory probes into the bailout deals. PCP says it was misled about the deal and is suing Barclays for about 750 million pounds, according to its court documents.

"We believe the claim against Barclays is misconceived and without merit and Barclays will be vigorously defending it," the lender said in an e-mail. PCP declined to comment. The allegations were reported earlier Thursday by Sky News.

Staveley received as much as 40 million pounds in commissions for her role in raising money for Barclays, the New York Times reported in 2008.

The case is: PCP Capital Partners LLP & Anr v. Barclays Bank Plc, High Court of Justice Queens Bench Division, CL-2016-000049