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## Barclays slumps, dogged by capital worries

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LONDON (Reuters) - British Barclays Plc's (BARC.L: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) shares tumbled a third in value to a 24-year low on Wednesday as the threat it needs to raise funds or could be nationalised continued to dog the bank.

"The risk of nationalization is such that the risk/reward doesn't compute. It's a speculative buy at best," one dealer said.

By 0933 GMT (4:33 a.m. EST) Barclays shares were down 23 percent at 56.5 pence, after sinking to 47.3 pence, their lowest level since 1985. They were on course for a seventh straight day of losses.

Rival Lloyds Banking Group's (LLOY.L: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) shares were down 15 percent at 38 pence, as it faces an even greater risk of nationalization, analysts said. Britain already has a 43 percent stake in the lender.

The chairman of the British parliament's Treasury Committee on Wednesday urged the government to nationalize Royal Bank of Scotland (RBS.L: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) and Lloyds as the global financial crisis deepens.

Barclays has avoided selling the government an equity stake, but analysts said it would be next in line if its rivals go into state hands.

Barclays said on Friday its 2008 profit would be above 5.3 billion pounds even after writedowns, but the update failed to reassure investors about its capital position. Following the slump in its shares any fundraising would be painfully dilutive for shareholders.

One dealer said there was talk the bank would bring forward its results from February 17. Barclays could not immediately be reached for comment.

Other banks showed less dramatic moves. RBS shares were up 6.8 percent at 11 pence, while HSBC (HSBA.L: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) and Standard Chartered (STAN.L: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) were both near flat.

(Reporting by Dominic Lau and Steve Slater, editing by Dan Lalor)

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