

press release

7 August 2009

Barclays and HSBC back in the black

- Barclays and HSBC both announce profits of £2.98bn for the first half of 2009
- Low-medium risk investors should hold on banks
- High risk investors looking to buy within the sector could consider Barclays

Barclays and HSBC are officially in the black this morning after announcing first quarter profits of £2.98bn. Graham Spooner, investment adviser at The Share Centre, comments on today's results and what they mean for investors.

"This morning both banks announced profits of £2.98bn for the first half of 2009. While this means an 8 per cent rise in profits for Barclays, the figure is about half of what HSBC made in the same period a year ago.

"Barclays has managed to navigate its way through the challenging markets and has emerged stronger as a result. Its investment banking division, Barclays Capital continues to perform well as profits more than doubled to £1bn.

"But it's not all good news. Profits at Barclays UK retail banking arm have fallen significantly and the bank's bad debts are also on the rise. However, it's worth remembering the bank doesn't owe the government any money. Instead Barclays shunned government support by seeking Middle Eastern funds and opted to sell its iShares fund management business.

"HSBC also turned down government help. Despite making a profit during the first quarter, the bank continues to suffer hefty losses from its retail lending operations in the US. On the plus side, HSBC's Far East origins, on which they will place more emphasis on, have stood them in good stead, and they remain well placed to take new business in the future.

"Given the ongoing volatility in the sector we continue to list both Barclays and HSBC as a hold for low-medium risk investors. However, for investors with a bigger appetite for risk, looking to buy within the sector we would recommend Barclays."

the**share**centre:

-- Ends --

thesharecentre:

For further information please contact:

The Share Centre
Lisa-Marie Nelson
PR Executive
01296 439 426
Lisamarie.nelson@share.co.uk

Lucy Forgan
PR Assistant
01296 439 256
Lucy.forgan@share.co.uk

Lansons Communications
Inez de Koning / Neil Gregory / Rachel Cashmore
0207 294 3623 / 0207 294 3611 / 0207 566 3663
Inezd@lansons.com / neilg@lansons.com / rachelc@lansons.com

Risk Warnings:

Investing in general, and the products and services mentioned above may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment. Past performance is not a reliable indicator of future performance.

The bases and levels of taxation relating to ISAs, CTFs and SIPP's are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

About The Share Centre:

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on www.share.com. Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#)

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

The Share Centre Limited is a member of the London Stock Exchange and is authorised and regulated by the Financial Services Authority under reference 146768.

Registered in England No. 2461949. Registered office: Oxford House, Oxford Road, Aylesbury, Bucks. HP21 8SZ.