

press release

16 February 2010

Barclays kicks off banking season with 92% rise in profits

- Profits rose from £6.1bn to £11.6bn during the 12 months ending 31 December
- Barclays remains our preferred bank

This morning, Barclays kicked off the banking season by announcing a 92 per cent rise in full-year profits to £11.6bn. Nick Raynor, investment adviser at The Share Centre, comments on the bank's results and explains what they mean to investors.

"Shareholders will be delighted with this morning's results given the huge increase in profits. Subsequently, Barclays' share price rose almost seven per cent to 294.5 pence during early-morning trading.

"Barclays has been our favourite bank since it refused to be bailed out by the government, instead opting to take matters into its own hands. Today's news that both the bank's chief executive and president turned down a bonus for a second year in a row, goes to show its management is well aware of its position and the public's interest and concern over bonuses within the sector.

"Profits for the 12 months ending 31 December rose from £6.1bn to £11.6bn. The bank's income was boosted by the sale of Barclays Global Investors (BGI), which was sold for £6.3bn. Barclays' underlying profits, excluding the BGI gain, were £5.6bn, up from £1.6bn in 2008.

"Shareholders will also be pleased that the bank increased its final dividend by 1.5 pence, meaning its full year dividend will now be 2.5 pence. Barclays has certainly taken a step in the right direction.

“However, we remain concerned about Barclay’s European exposure to the ‘PIGS’ (Portugal, Italy, Greece and Spain) group. If one of the countries was to falter as a result of its budget deficits there could be serious repercussions for all UK banks. As such, the outlook for the banking sector remains volatile and novice investors should tread carefully.”

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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 SIPPs 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.

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