

## Barclays shares up on merger talk

Shares in UK banking group Barclays have risen on Monday following a weekend press report that it had held merger talks with US bank Wells Fargo.

A tie-up between Barclays and California-based Wells Fargo would create the world's fourth biggest bank, valued at \$180bn (£96bn). Barclays has declined to comment on the report in the Sunday Express, saying it does not respond to market speculation. The two banks reportedly held talks in October and November 2004.

Barclays shares were up 8 pence, or 1.3%, at 605 pence by late morning in London on Monday, making it the second biggest gainer in the FTSE 100 index. UK banking icon Barclays was founded more than 300 years ago; it has operations in over 60 countries and employs 76,200 staff worldwide. Its North American divisions focus on business banking, whereas Wells Fargo operates retail and business banking services from 6,000 branches. In 2003, Barclays reported a 20% rise in pre-tax profits to £3.8bn, and it has recently forecast similar gains in 2004, predicting that full year pre-tax profits would rise 18% to £4.5bn. Wells Fargo had net income of \$6.2bn in its last financial year, a 9% increase on the previous year, and revenues of \$28.4bn. Barclays was the focus of takeover speculation in August, when it was linked to Citigroup, though no bid has ever materialised. Stock market traders were sceptical that the latest reports heralded a deal. "The chief executive would be abandoning his duty if he didn't talk to rivals, but a deal doesn't seem likely," Reuters quoted one trader as saying.