

Metro Bank shares crash as bidder walks away

Metro Bank shares crashed 18% today after private equity firm Carlyle ditched its takeover pursuit of the troubled lender.


It had until December 2 to make a firm bid, but has now walked away.

Metro said in response that the board “strongly believe in the standalone strategy”.

Rising interest rates ought to be good for all banks, but Metro has been plagued by problems, starting with an accounting issue that saw it wrongly class certain loans.

The stock, once more than 400p, fell 23p to 109p.

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Other bidders could emerge, but it is not clear how attractive Metro is at this point.

Ian Gordon at Investec said: “We see the main obstacle to a viable transaction as Metro’s high fixed cost base, largely a function of expensive long leases on its network of 78 stores which suggests (to us) limited strategic flexibility for Metro either on a standalone basis, or in the hands of any would-be

third party acquirer.”

Metro made an early splash in the market, with brash marketing and a pledge to open branches as other banks closed them.

The colourful founder Vernon Hill quit as chairman after the accounting scandal.