

Rathbones snaps up Investec wealth business in £839m deal

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athbones has snapped up the wealth and investment division of rival [Investec](#) Group in a deal worth about £839 million.

The move will see the creation of the UK's "leading discretionary wealth manager" with combined funds under management of £100 billion, the firms said.

Investec Wealth & Investment UK, a private wealth manager, is set to merge with asset manager Rathbones to create a bigger group, referred to as the "enlarged Rathbones Group", which the companies say will benefit customers and shareholders.

Investec chief executive Fani Titi said: "The combination of Investec Wealth & Investment UK and Rathbones brings together two businesses which have a long-standing heritage in UK wealth management and closely aligned cultures.

"The strategic fit of the two businesses is compelling, with complementary strengths and capabilities to enhance the overall proposition for clients."

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The tie-up will create £18 million in cost savings as the two businesses' technology platforms and operations are merged, and £32 million from other operational efficiencies including overlapping offices.

But it is also set to spend £34 million in incentivising staff to "deliver the benefits of the combination" over approximately five years, primarily given out as Rathbones shares.

Rathbones chief executive Paul Stockton said volatility in the financial markets and recent inflationary pressures have driven the opportunity to merge and create a stronger combined force.

The enlarged Rathbones Group will occupy an office in the same [London](#) building as Investec, and will continue to be chaired by Clive Bannister.

The terms of the deal will see Rathbones shares issued in exchange for 100% of the share capital of Investec's wealth business.

Investec will be a long-term shareholder in the merged company and will be able to nominate two non-executive directors to join the board for as long as it holds at least a 20% stake.