

Diamond's Panmure in talks about £37m takeover of finnCap

The former Barclays chief Bob Diamond's investment vehicle is in talks about a roughly-£37m takeover of finnCap, its rival City broker.

Sky News has learnt that Panmure Gordon, which Mr Diamond's Atlas Merchant Capital has controlled since 2017, has proposed an all-cash deal worth just over 20p-per-share.

The two companies have been locked in discussions for several weeks, and Panmure was on Tuesday handed a deadline of 13 December to announce a firm intention to make an offer for finnCap.

One source said that an earlier proposal which included a separate deferred payment for Energise, a net zero and sustainability consultancy which is 50%-owned by finnCap, had been rejected by leading investors.

Insiders said the prospects of a merger between two of the City's best-known mid-cap investment banks still hung in the balance.

A slowdown in corporate activity has driven a hunt for enhanced cost savings among brokers, with the prospects for corporate activity in 2023 dampened by the economic backdrop.

FinnCap has endured a difficult period, losing Sam Smith, its prominent chief executive and one of relatively few female City bosses, during the summer.

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Its shares have more than halved during the last year, and it now has a market value of less than £32m.

Panmure itself also used to be listed on the London stock market until its takeover by Mr Diamond in 2017.

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That move came five years after he stepped down as Barclays

chief executive days after it was fined for manipulating the Libor interbank rate.

Since then, he has parachuted in Rich Ricci, a former Barclays colleague, as Panmure's CEO.

Its other shareholders include a vehicle backed by the Qatari royal family.

Panmure reported in May that it had turned a profit for the first time since Mr Diamond took control.

Other broking firms are expected to participate in industry consolidation, including WH Ireland, which is under siege from an activist shareholder.

Spokespeople for Atlas Merchant Capital and finnCap both declined to comment.