JP Morgan sent to Coventry as Co-operative Bank deal nears

The Coventry Building Society has enlisted the Wall Street behemoth JP Morgan to strengthen its proposed takeover of the Co-operative Bank.

Sky News has learnt that the Coventry has drafted in JP Morgan to work alongside KPMG on the deal, nearly three months after entering exclusive talks to buy its rival high street lender.

The appointment comes as an exclusivity period to negotiate the terms of the deal continues, ahead of its planned expiry at the end of this month.

The Coventry's bid for the Co-operative Bank would effectively remutualise the latter and create a financial services powerhouse with close to £90bn in assets.

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On Tuesday, the Coventry issued a £500m bond that strengthens its capital base for regulatory purposes, with sources saying that the society received £1.8bn-worth of demand.

Alongside JP Morgan, Barclays, Lloyds Banking Group and NatWest Group acted on the debt-raising.

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The combined Coventry and Co-operative Bank would be comparable in size to Virgin Money, the London-listed banking group, and would have about five million customers across Britain.

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Banking analysts have touted a price of approximately £800m for the Co-operative Bank, although the final figure remains subject to negotiation.

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Combining the organisations would give the Coventry a major boost in the personal current account and business banking markets.

The Coventry and JP Morgan both declined to comment.