

Investec eyes bid for banker to the Queen

Investec has joined a cluster of international banks eyeing bids for the international arm of Coutts, the wealth manager whose customers include the British queen, Sky News reported yesterday. A successful bid would form part of Investec's ambitions to build a solid private bank in the UK in the next three to five years.

Sky News said it understood that Investec was among at least half a dozen parties to have expressed interest in buying Coutts International, which has been put up for sale by its owner, Royal Bank of Scotland (RBS).



At the end of last year UK based Investec MD Bernard Kantor told Business Day sister publication Financial Mail that the banking group's aim was to serve wealthy individuals in the mould of Coutts.

"That is the goal we would love to achieve. We think our digital platforms, systems and high-touch transactional banking offering give us enormous competitive scope in the UK," Mr Kantor said at the time.

Investec CEO Stephen Koseff said the growth of the private UK banking business would be organic, although acquisitions would not be ruled out.

Sky News said Coutts International was expected to change hands during the course of this year, having been identified as noncore by Ross McEwan, RBS's CEO. The sale will form part of a wider retrenchment from the global empire-building which became the hallmark of Fred Goodwin, the former RBS boss who took the Coutts brand to mainland China in an attempt to tap demand from the country's fast-growing middle classes.

It is unclear exactly how much the Coutts International business is worth, although analysts have speculated it could fetch between £500m and £650m.

A sale will not include a licence to use the famous wealth management brand, which will remain attached to Coutts' UK operations. RBS is retaining the domestic franchise, which is among the world's oldest private banks, with a heritage dating back to the late 17th century.

Investec, which is understood to have hired advisers to help it plot a takeover, has been expanding its wealth management activities rapidly in recent years, with profits rising sharply as a result. However, it will face stiff competition for the Coutts International unit.

Sky News reports that the Singaporean bank DBS and French lender Société Générale are in talks to team up to buy the business and carve it up along geographical lines.