

Business

Quote of the day



This is grim. The consensus always looked too optimistic, but this reading is at the bottom end of our expectations

Ian Shepherdson
The Pantheon
Macroeconomics
economist on weak US
manufacturing data

Business Editor Elizabeth Anderson

+4420 7361 5718

@business@inews.co.uk

BANKING

Treasury appoints two women to Bank's watchdog

By Holly Williams

Two of the UK's most prominent women in banking have been appointed to the Bank of England's financial watchdog.

Former Virgin Money boss Dame Jayne-Anne Gadhia has been named as an incoming external member of the Bank's Financial Policy Committee (FPC), just days after being recognised in the Queen's New Year's Honours list.

The Treasury also announced that Banking Standards Board chairwoman Dame Colette Bowe will join the FPC as it boosts the ranks of senior women on the committee.

The Bank previously came under fire for missing its own targets on gender diversity. Last year it appointed two men to senior roles, including Sir Dave Ramsden on the

Monetary Policy Committee. The Treasury revealed that 20 of the 42 applicants for the FPC roles were women, with five women and three men reaching the shortlist stage.

Chancellor Philip Hammond said: "The Financial Policy Committee's importance to the protection and resilience of our economy cannot be overstated, which is why we have some of the finest talent in finance on it."

"The insight and experience that both Dame Colette and Dame Jayne-

Anne bring will be valuable assets to the committee's vital work."

Bank of England Governor Mark Carney added further praise for the new FPC hires. He said Dame Colette – also a former chairwoman of the regulator Ofcom – has "led the way in developing and embedding better standards of conduct across the banking sector".

He also welcomed Dame Jayne-Anne's "deep and relevant experience in retail banking".

"In her public policy she has championed the transformative impact of adopting new technologies and of greater diversity within the workforce of the financial services industry," he said.

The duo will replace incumbent external FPC members Richard Sharp and Martin Taylor, who are stepping down at the end of the

There was also a backlash to the Bank's treatment of women last year when Deputy Governor Ben Broadbent described the UK economy as "menopausal" in May.



Dame Jayne-Anne Gadhia joins the Bank's Financial Policy Committee

first quarter and second quarter respectively. Dame Jayne-Anne will take up her role in time for the FPC's second quarter round of meetings, with Dame Colette taking up her post in time for the third quarter round.

It comes after the ex-Virgin Money chief executive received a Damehood for her contribution to financial services and women in the finance industry; she was also appointed a CBE in 2014.

ENERGY

DNO raises Faroe stake in takeover approach

By Ravender Sembhy

The Norwegian energy firm DNO has warned takeover target Faroe Petroleum that it will not give up its pursuit of the North Sea oil producer.

DNO, which is pushing for a £608m hostile takeover of Faroe, gained the backing of just 13 per cent of investors for the deal on Wednesday. But yesterday, it triggered a mandatory offer by taking its own stake in Faroe to the 30 per cent threshold.

In doing so, chairman Bijan Mossavar-Rahmani said: "DNO is not going away. Even if DNO's offer lapses or is allowed to lapse, DNO is not going away. For too long, shareholders have given the Faroe board of directors a free pass."

Faroe said DNO's 152p-per-share offer was "opportunistic" and substantially undervalues the company. It described DNO's attacks on Faroe's exploration record and its implied criticism of the technical team as "puzzling".

Faroe shares rose 4.9 per cent to 153p yesterday.

To succeed in its pursuit, DNO requires more than 57.5 per cent of investors to back the deal. Given it now owns more than 30 per cent of Faroe itself, the Norwegian firm has overall support from 43.1 per cent of the investor base.

Earlier this week, Faroe hired industry experts at Gaffney, Cline & Associates to come up with their own valuation of the company, which concluded that its assets are valued in the range of 186p to 225p per share, or between \$879m (£688m) and \$1.1bn.



The 30 Second Briefing

ABU DHABI ISLAMIC BANK

Is this the UK's most valuable bank branch?

Bank branches are being shut by the hundred across the country, but at one of London's most exclusive addresses – One Hyde Park – they're still very much in demand. It is understood that a European investor has bought Abu Dhabi

Islamic Bank's prestigious branch at the £1bn development for £275m – a £10m rise on when it was last sold six years ago.

How did the deal come about?

The undisclosed buyer paid the cash to a private Turkish vendor for the ADIB branch at 100 Knightsbridge, next door to Rolex's store and McLaren's supercar showroom. The new owner will get nearly £900,000 a year in rent from the investment and underlines the huge demand for commercial property in London despite Brexit uncertainties. One Hyde Park (pictured), created by the tycoon Candy brothers, is London's most expensive private development.

What is the bank?

Abu Dhabi Islamic Bank, the second-largest Islamic lender in the United Arab Emirates, was founded in 1997. It opened its first UK branch in 2012 to target wealthy Gulf clients in Europe. Sheikh Khalid Bin Zayed Al Nahyan, a member of the Abu Dhabi royal family, joined Prince Andrew in opening the ADIB office.

How does it differ from a typical high street bank?

The principle behind Islamic finance is not to make money from money. Therefore, Sharia-compliant banks are not allowed to pay or charge interest. Instead, they make money by focusing on business, rental and trade activities to generate profits.