

# Worshipful Company of International Bankers Oral History Collection

## Interview Summary Sheet

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**Ref. No.:**

**Collection title:** Old City, New City (1979-86)

**Interviewee's surname:** Hambro

**Title:** Mr

**Interviewee's forenames:** Rupert

**Sex:** M

**Occupation:** Banker

**Date of birth:** 1943

**Father's occupation:** Chairman, Hambro Bank

**Mother's occupation:** Housewife

**Date(s) of recording:** 11.12.19

**Location of interview:** JO Hambro

**Name of interviewer:** John Thirlwell

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**Interviewee:** Rupert Hambro  
**Interview Date:** 11<sup>th</sup> December 2019  
**Interviewer:** John Thirlwell

[0'00" Introduction and background information]

Q: Interview with Rupert Hambro on 11<sup>th</sup> December 2019. Interviewer, John Thirlwell. Rupert.

A: Morning.

Q: Good morning. First question, in what year were you born?

A: 1943.

Q: And your parents, what did they do?

A: In 1943, my father was in the Coldstream Guards in the Second World War, and my mother drove an ambulance in London during that same period.

Q: And your father when he came out of the War?

A: My father sadly was invalided out of the war in 1944, where he lost his left leg in Northern France, and he was invalided out and never took part in any action again. My mother equally at that time had to retire to look after him, and so she retired as an ambulance driver as well, so that was the end of both their wars.

Q: Thank you. Your education?

A: I went to a school – I went to my father's alma mater, which was called Summerfield, St Leonard's on Sea, followed by Eton. And when I left Eton, I went to Aix-en-Provence University in France, where I officially went to go and learn about the – learn the language, but I found that really – and also to learn about French history, but I found really that my – the fun was not being in the foreign student part, it was being with the French, and so I stayed with the university and did another year of international law, which was to do with the Hague, and left in – I went there in 1961 and left in '63. I came back to England and joined the house of Peat Mitchell & Company, where I spent a year in London, followed by two years in Manchester. And then I did Part 1 of – and got through Part 1, and then when – my father, I remember saying to me, "I'm rather impressed, the fact that you managed to get through Part 1. I never thought you would. So do you want to leave now and come and join the family firm?" to which I leapt at the chance [laughs]. Much as I enjoyed Manchester, I'm afraid it was an opportunity to come back south again.

Q: Part 2 - sorry, Part 1 was enough.

A: Part 1 was enough, yeah.

[2'20" Joined Hambros Bank; 6 months in Danish banks, 3 months in Banque Pictet, Geneva, 6 months in London, Canada learning banking and mining]

Q: [Laughs] And so, yes, you joined the – the family firm.

A: I did, but I didn't join sort of straight away. The first thing I did was I spent a little bit of time – a year in the bank, and then I went to – learning about different departments. Then I spent six months in Denmark, working for two months in each of the main Danish banks. I learnt to speak en smådansk, speaking Danish, so I learnt to speak a bit of Danish. I then went to Switzerland, where I spent three months working for the Banque Pictet in Geneva as a stagiaire, followed by – back to London for six months, and then I went to Canada, where – to learn about banking in Canada and hard rock mining, and went from Quebec City across to

Vancouver and then up to Alaska and the Yukon. And I had a little yellow Ford, and I drove it down to Los Angeles and back up, across to New York. So I was very lucky, I had a wonderful chance to be educated in different things in the world.

Q: What was the – going to Canada, was that something that the bank wanted to do, to – some sort of –

A: We always – yes, we always had interesting business in Canada. We had an interest in a thing, which was called Falconbridge, which was a nickel mine, and a gold mine called McIntyre Porcupine. We had – those were interests. We also had an interest in a rather extraordinary business, which we rescued after the War, which was called the White Pass & Yukon Corporation. That was in Vancouver, and it had a – it had a ship which went from Vancouver to Skagway, and it had a railway, which was built in 1899, at the time of the great gold rush, which went from Skagway up to Whitehorse. So that took all the oil and the goodies back up there, and the refrigerators and everything else on the train, and brought the iron ore – oh actually, what did they have up there? There was asbestos, there was silver, lead, there were zinc mines, and they brought them back down again. So that was an interesting visit. So I went there really to see and learn about those and what they were.

[4'42" Returned to Hambros Bank, international division; chair of Association of International Bond Dealers; expanding the bank, including Canada, North Sea, Qatar]

Q: And then you came back to London.

A: Came back to London, yeah.

Q: And in the bank, what were you doing?

A: I started in the bank in what was called sort of the international division, which – because I looked after the sort of – spent a lot of time in Scandinavia, because of – that was where we did a lot of our business. But also then I took over running all our international activities, all the international people reported to me. But what I really liked, what I got most involved with, was in the medium term lending and eurobond markets, which we had a – in the early days, in sort of late '60s, we had a very strong position. It was really sort of Warburgs, Rothschilds and ourselves who had the strongest positions. We were strong because of our relationship with Scandinavia, and then it was us really and the Americans – us being the merchant banks and the Americans who were doing most of the business. And that – we built – I built that business up, so it actually in the end was the most profitable business in the bank, and it was – and we did well. And then they gave me the honour of asking me to chair their association, so I became chairman of the Association of International Bond Dealers and Market Makers<sup>1</sup>, which I did for three years, quite a complicated time. I remember, we went to Venice one year for our annual meeting, and the mayor of Venice asked me to come and see him, which I did, and he said, "I hold you personally responsible for any damage or anything the bond dealers will do in Venice." And as there were two thousand of them, I didn't really think how I could be responsible for all two thousand. Anyway, that was it.

Q: [Laughs] The '70s?

A: The '70s was really a period during which all of the – the building of the bank really, the building of the bank in all sorts of activities. But during that period, we were looking at the idea of what we might do to expand our business overseas, and one of the places we decided we should spend more time with was in North America. So in – I went – used to go to Canada two or three times a year, and fly to Vancouver and work my way back across Canada, to see what was going on, and one of the things that I did was to run into a sort of Scottish-American – Scottish-Canadian, sorry, called Angus McKenzie, who we brought to England, and we got a licence to drill for oil in the North Sea, raised the money in London to do the drilling, and we actually found oil in the North Sea, so it was a sort of wonderful pioneering thing that we were able to do at that time.

Q: When was North Sea?

A: Well, this was in sort of '76 that we did this.

Q: Really?

A: Yeah. That was one of the things that I got involved in. Then the other thing I got involved with was getting to Qatar in the Middle East, and it was always – that was in the late '70s – the late '60s, sorry. That was a period when – there was nothing going on in the late '60s then, but they had found oil and in Qatar they'd found gas. They hadn't got a hotel, so when you went there, it was a very complicated journey. You had to fly to Baghdad and change, and then go down there, so I used to stay with a political agent, who was a man called Randal Boyle<sup>ii</sup>. And at that time you could go and you could do deals, and we did do two quite major deals with the government there, or at least with the ruler, where we built an aluminium plant and we also built an ammonia urea plant down there. And he had fifty percent by giving us the gas for free, we brought the Norwegians in, Norsk Hydro, to come and be the managers of the plant, and to – actually, the important thing was they were able to sell the product too, which we were producing there. And it was fun. I used to spend a lot of time with the ruler, and he was just – the – we used to sit for hours, talking about all sorts of strange things. But one of the things that always fascinated him was whether you ought to have – in his country, it was right to have roundabouts or traffic lights, so we spent a lot of time discussing that.

Q: [Laughs] So if we move on –

A: Move forward.

[8'40" Big Bang: the Stock Exchange referral; Hambros buy 29.9% of Strauss Turnbull; American and Japanese banks]

Q: And as I was explaining, the period that we're very interested in was the '79 – the run up to Big Bang.

A: Yes.

Q: So at what point did Hambros start thinking, what should we be doing?

A: We started thinking about it from the day really that Nicholas Goodison<sup>iii</sup> came back as the chairman of the Stock Exchange and told everybody that the – that the commission structure had changed and that no longer was it going to be – we were going to have stockbrokers and market makers in the form of jobbers, and everybody was going to be allowed to involve themselves in all the activity.

Q: Yes, because I think John Nott<sup>iv</sup> sort of said the OFT ruling was – yes, we were going to have that Stock Exchange, at the same time I think Exchange Control, of course, was abolished.

A: Yep.

Q: At the same time, sort of '79, it all started.

A: So we – I mean, that was the time really when Nicholas Goodison, who I knew quite well at the time – and I remember going to see him, saying, "Well, what actually does this mean?" And he explained to me what it all meant, and I couldn't quite see, when the first transaction take place – and I can't remember what it was actually, to be honest with you, but when a bank bought a broker in the form of a twenty-nine percent interest in a broker, and I couldn't – it was a bit of a mystery to me why they wanted to do it, why they felt that it was an attractive thing to do. And I remember, our broker at the time was Rowe & Pitman, and they were the ones who were our stockbrokers, and so we spent a fair amount of time talking to them. My father's cousin, Julian Martin Smith, was the – was the senior partner. But the person I talked to was Peter Wilmot-Sitwell<sup>v</sup>, who actually took over from him, about, you know, what was going to happen, and he was against the idea of it. He sort of felt that the brokers are going to lose their independence if – if they landed up as part of another organisation. And actually

in the end, he said that the capital – they didn't have enough capital, so they did a deal with Charter Consolidated, which was not a bank, it was a South African controlled mining business. Anyway, so internally we had a lot of discussions about whether it was a good idea or not, and I was always against it. I didn't like the idea of spending our hard-earned capital on giving people a nice life to go off and play golf and lose their ability to transact anymore, so we didn't do anything in it until 1984, when we bought a twenty-nine percent interest in Strauss Turnbull, because they had a big Eurobond business, a big Eurobond dealing business, and that was more akin to the areas that we knew and understood, and that made a little bit more sense. The Strauss family were good friends, so it all – it felt more natural than to do – just go to an ordinary stockbroking business, 'cos they were market makers and stockbrokers as well.

Q: Right.

A: So we did get involved in that. But during that period, it was a – everything was changing, the – the way in which people worked. The Americans were getting stronger and stronger in London. The Japanese were around, and they were playing a major part of what was going – everybody's banking activities were – were under pressure, margins were under pressure, commissioners were under pressure, we were seeing it all start to look rather –

[12'19" Margins squeezed; competition from large banks; RH's view that the bank had to get much bigger or much smaller; the family Trust; deal with Phoenix Securities fell through; the family left the Bank]

Q: Yes. What sort of margins were there?

A: Well, we used to make a margin on our money of one and a half percent, so we were quite happy with that. That was good. This was sort of creeping down, and it got down to three quarters of one percent quite quickly, and you found that these big banks with large capital bases were competing with us. We couldn't keep going on that basis, and quite a lot of the things that we were doing, like foreign exchange, leasing, other activities which were perhaps somewhat capital intensive, and indeed running an investment management business with a sort of stock market business behind – not a stock market, sorry, a stock department behind it, was all getting rather expensive. Regulation was coming in and that was starting to get more expensive as well. So, I had a very intelligent man working in the bank, who was an ex-member – an ex-writer of the Lex column in the Financial Times, with whom I spent a good deal of time trying to work out really what the future was. And I believed that the future was going to have to be either to get much bigger or much smaller, and I couldn't understand how we were going to get much bigger unless we could produce a huge amount of capital to compete with the big banks, so smaller seemed to be the answer. I proposed this idea to my board – we were a public company – to the board, and they didn't like it 'cos they couldn't understand how we were going to cut out some of the activities we had at the moment, like the personnel department, the banking hall, what are we going to do with the computers, what are we going to – how are we going to cut all these things in half and go on using them. I was not really – I didn't really want the answer to all that. I wanted to get a commitment to say, okay, we're going to be small and not big, and then I could work it out. I never quite got to that point, when actually somebody came in and said to us – who was actually one of the partners of Pitman, saying, "Are you really happy?" He was family – "I hear that you want to change the way the bank looks at the moment and it's proving very, very complicated. Do you really think that you – that the capital that you have, which is tied up in the bank, is going to serve you absolutely right for the future?"

Q: How much capital did the bank have?

A: At that time the capital in the bank was about £250 million, quite a lot of capital. We had – we had a company, a family holding company called the Hambro Trust. That had what they call heavy shares, heavy voting shares. So the way it was – the reason we had the votes is they were partly paid, so it was supposed to be £1 paid and they were only 25p paid, and so we – the call was on us, should anything go wrong, to pay up the rest. So we had quite a lot of thought about what really was right, and in the end we really sort of had to make a decision

about whether we wanted to stay or go. And I felt very strongly actually that I couldn't really see why we had a future in Hambros Bank with the majority of our money tied up in it. Was it going to be a sensible thing for us to do, or should we go on doing that? Anyway, to cut a long story short, we went to an organisation, which was doing a lot of the financial advisory work for stockbrokers, called Phoenix Securities, run by a group of people who we knew well. The chief executive was John Craven<sup>vi</sup>, and there was somebody called David Reid Scott, and we worked with them. So we went to them and said, "Listen, we want to think about this because we as a family are not sure what we want to do." So we had quite a lot of conversations, and in the end we said to them, "Alright, understood. What we will do is we will leave and we'll bring our family holding company, and Phoenix Securities will be merged into our family holding company, and together we'll build a bigger business." And it seemed – it was like sort of – it was a start again feeling. So we went to – it was a rather weird moment. We went to the board and said we were going to leave, because we didn't really feel that it was the right thing to do, and there was a lot of, "Why do you want to go?" and, you know, "What's wrong?" and all that sort of thing, so we explained to them why we wanted – we had too many eggs tied up in one basket, the future was terribly uncertain, and for all the reasons that I had given them before. Anyway, the upshots of all that was we gave a commitment to the board, to the management, that we would not sell the bank over their head. So every time anybody went inside the front door of our office at 41 Bishopsgate, they were told to go away because the management had this agreement with us that if they didn't like it, we wouldn't sell. So in the end, there was one person who came forward, amazing enough, who said they wanted to buy it, but unfortunately that name was unacceptable to the Bank of England. And I'm not going to tell you who it was because otherwise – I think it would be wrong.

Q: No, no.

A: So in the end, instead of being able to do the deal with Phoenix Securities, which was what we wanted to do, we then found that what we had to do was sell our family holding company back to the bank. They issued new shares, which were underwritten by Kleinworts, and we then placed those shares. So we had our – what we did was we gave up our family holding company, took cash, but then we didn't really want to put all that cash between the lot of goodwill that Phoenix Securities had, so we said to them, "We're really sorry, we can't do this deal."

[18'03" Starting again as investment bankers, called JO Hambro; Jennifer d'Abo and Rymans; private client business; Hambro Magan acted for Deutsche Bank buying Morgan Grenfell, Swiss Bank Corp buying Warburgs, Jaguar selling to Ford]

So rather mysteriously, we were then sitting – it was my father, my two brothers and me, with cash in a – and so we rented an office on the top floor of the LIFFE building in Threadneedle Street, and on the floor there were only telephones. And I remember going in on the Monday morning and thinking, well, this is pretty surprising, what are we going to do? There's only telephones on the floor. So luckily, I had a great friend called Jennifer d'Abo<sup>vii</sup>, who had a business called Ryman's, and I rang her up and I said, "Listen, got a bit of a problem here, we haven't got anything." "What do you mean you haven't got anything?" Well, I said, "We haven't got a desk, a chair, paper, pencils, rubbers, paperclips, anything." And she was wonderful. She said, "Well listen, don't worry, I'll be round at lunchtime with the lot." And she duly turned up with a van with everything in it, desks, chairs, the lot, so by Monday afternoon we were in business again. And on Tuesday morning, a friend of mine rang me up and said could I help him and advise him on a particular transaction, and that sort of gave one a feeling that maybe the world was going to be alright, that we were going to have something to do. But what we knew we were going to do was to do what we had always believed Hambros Bank should be in the future, fee and commission earning, merger and acquisition, investment management. Those were the two areas that we wanted to get into.

Q: Proper merchant banking.

A: Not really, it was investment banking rather than merchant. Merchant banking was really where merchants – you understood each other, and the bill on London, and they accepted, you know, if I wrote you a cheque, a post-dated cheque, that I would take responsibility for it

because I understood you. None of that anymore, no banking anymore. It was all going to be sort of advisory work.

Q: I nearly found myself with Hill Samuel – well actually, I did in the end.

A: Oh right, yeah. Well, so that was – so we started, and then we had a lovely man, who sadly died the other day, I went to his funeral, called Roddy Dewe, who was sort of helping us. He had a business called Dewe Rogerson. So we said we didn't know what to call ourselves, but he said, "Listen, why don't you name it after your father?" And his initials were JO, so we called it JO Hambro, and we agreed we would suitably differentiate ourselves from the people in Bishopsgate, and off we set. The first thing we did, we set out a private client investment management business, with two people from Rowe & Pitman who joined us, David Chaplin and Anthony Balniel. Then after that – I always wanted to get back into the M&A business, so after a lot of sort of huffing and puffing over everything, George Magan<sup>viii</sup> agreed to come and joined us. We formed a business called Hambro Magan. We took that in – that was on 1<sup>st</sup> April 1988, we started that, and we took that in six years to number five in Europe, which was pretty amazing. I mean, did really, really well. We did major transactions. We acted for Deutsche Bank when they bought Morgan Grenfell, the Swiss Bank Corporation when they bought Warburgs, Jaguar when they were sold to Ford. We had a lot of big transactions back then, and we were retained by Henry Kravis<sup>ix</sup> to look after – help him in Europe. So we had lots of things like that, which worked really well for us. We were very lucky. And that – so in the end, we sold – that business we sold to the Nat West, because – the reason we sold it is we were going to have a lot of capital. We were going to have to open offices in New York, open offices in different places, and that was going to be very expensive, so we decided that we didn't want to do that. We'd rather sell it, which we did, and then the Credit Suisse bought our private client fund management business, and some Australians bought the other one. The only one with the name left on it is JO Hambro Capital Management, which is the public funds management business. So, that was fine. So, at that point, we distributed the shares in each of them to the shareholders in JO Hambro, who were – the shareholders were us and our family trust, so everybody had shares in each one of those entities.

Q: Yes.

[22'07" Middle brother Rick, investment banker, restaurateur; younger brother Jamie, investment management]

A: My – then sadly, my middle brother, Rick<sup>x</sup>, contracted cancer, and he'd taken – for eighteen years, we had an amazing – because of my grandfather, we had a restaurant in London, and I'd run it for eighteen years, and he took over running that, which is called Wiltons in Jermyn Street. And so – and then he decided he'd like to open another restaurant down the road, which – although my brother and I were rather against the idea. Anyway, he went ahead and did that, which is now called Franco's. And so he occupied – and then he sadly got cancer, and died eleven years ago. And then my younger brother, Jamie<sup>xi</sup>, always liked investment management and, as I say, he's got his own investment management business.

[22'52" Hambro Perks and building start-ups]

I'd always liked backing people. I'd always liked building businesses with start-ups, and I'd done quite a lot. I'd had one with – three of us backed somebody called Joel Cadbury<sup>xii</sup>, and we built up business in pubs and restaurants, and we built a gym and the Groucho Club, and did all sorts of things like that. It was – which was great fun, doing that. So my life is always wanting to sort of be entrepreneurial and support that, and getting – I mean, I'm seventy-six years old now and so at my age - although I founded this business here, Hambro Perks<sup>xiii</sup>, with Dominic Perks. Dominic's only forty-two, so we have quite an age difference, but we know a completely different sector of people, and we get on very well, so it works. And he runs it, I'm the chairman of it and non – I mean, I don't – I'm very much – although I come here four days a week, I'm the sort of non-executive member of the – and we have a board, and we have an advisory board. And so it's been great fun. We've done forty-four start-ups in the last three and a half years. We're building a fund management business here in the areas that we're involved with, so – and when we started, the two of us, sitting in a little office



in Victoria. We've now got twenty-four people working for us and another hundred downstairs in different businesses which we've started. So, that's been a lot of fun during that time.

[24'10" Big Bang: few mergers survived; Rothschild, Lazard]

Q: What a lovely story. If we go back to the bank, did any of – well, so many of the – I was going to call it the mergers, the conglomerations and whatever. How many actually worked?

A: I would have great difficulty in telling you that any of them really worked, because there are none of them that exist today. If you think of Warburgs put together, Rowe & Pitman, Ackroyd & Smithers, and Mullens, so that was a pretty big group.

Q: We had an interview with Oscar Lewisohn.

A: Oh did you? Right. So that was a biggish group. But then, you know, the sad thing was the demise of Warburgs. So Warburgs literally – Warburgs – we acted for the Swiss Bank Corporation, my little business, Hambro Magan, and it was sold for £69 million in goodwill, which was nothing bearing in mind that it was so pre-eminent. And then the best part of it, oddly enough, turned out to be the fund management business, which was Mercury Asset Management. Siegmund Warburg never liked that. He was rather like Evelyn Rothschild, who always said, "I'm a banker, I'm not a fund manager." So, Rothschild didn't buy one, Lazards didn't buy one, and those are the only two merchant banks that are really around today in the way that we knew them in the '60s, '70s, '80s. Of the ones that bought businesses, they've all gone. Morgan Grenfell's gone, Kleinwort's gone, Hill Samuel's gone, and there aren't any of them left. So the answer is none to your question.

Q: It's fascinating. As you know, we've been talking to people and, yes, you sort of feel –

A: Well, I mean, it doesn't really surprise me 'cos it was a very unnatural thing. Put all those businesses together, it never really worked.

Q: No. Well –

[26'00" Hambro and shipping; Hambro Life sold to Mark Weinberger]

A: So I mean, looking back on it, how many mistakes were made, how many – in Hambros' days, the mistake we made when I took over is we'd overcommitted ourselves to shipping in Norway and oil and gas in America, but luckily Jacob Rothschild wanted to buy Hambro Life, so I was able at that time to sell our shares in Hambro Life for –

Q: Was that Mark Weinberger?

A: Yes. So we sold that and we made a – I think the total return on that for a £1 million investment was £200 million, I think, so it was an amazing investment for us. So he bought that, and that enabled me, I was running the bank at the time, to write off oil and gas, all the shipping, being able to say to the ship owners, "Scrap these ships. We're not going to leave them in fjords any longer. Scrap them." And our share price doubled with that. One Sunday paper piece, in the *Sunday Telegraph*, saying that we'd instructed the scrapping, and our share price just did that.

Q: And you mentioned about the regulator, the Securities and Investment Board, if you like – well, originally it was Martin Jacomb<sup>xiv</sup> who was chair – well, they'd got the great and good, and then gradually the SIB. And I have a feeling that Mark Weinberger was involved in that and then came up with the sort of – the Market Investment Board, which was sort of slightly different.

A: You could be right, I'm not sure. Your memory's better than mine on that.

[27'37" Regulation by Bank of England and the 'soft touch']

Q: But the regulators – I mean, you – I was just interested when you mentioned about, it was getting – and I was thinking, well, was it that bad? Maybe it was.

A: We had a regulator who had a very soft touch called the Bank of England.

Q: Yes.

A: The Bank of England, when you have to go round to the Bank of England, you get a message to say, “Mr George<sup>xv</sup> would like you to visit,” so you went round to see Eddie and everything was fine. Then he’d pull out some article that he’d found in some newspaper when he’d said such and such. He says, “Is this really true? Oh god, did I really say that?” [Laughs] There was a bit of that. And so he – it was – he and the man we used to call the Mighty Quinn, were the two – Brian Quinn<sup>xvi</sup>, they were two we had to tug our forelock to, but it was very much, “We think that your loan book is a little too heavily involved in this. We think...” So yes, it wasn’t – so I mean, it wasn’t front cover of the *Financial Times* the next day, but you knew pretty well that when they gave you – when the finger came up to say, “There’s too much of this,” you paid serious attention to it. So the regulation was soft touch, but my god it worked.

Q: Yes, the Governor’s eyebrows.

A: The Governor’s eyebrows were as good as anything, they really were, except it wasn’t the governor, it was always the deputy governor.

Q: [Laughs]

[29’04” Johnson Matthey Bank failed; why banks go bust; Northern Rock]

A: I do remember some terrible moment when Johnson Matthey Bank got in trouble<sup>xvii</sup>, and we were – Chartered Consolidated owned thirty-one percent, or twenty-nine percent I think it was, and so I got a call from Neil Clarke. Actually, it was at a London airport, I’d just got off an aeroplane from Scotland, where I’d been, and I was in jeans and a jersey, and I remember I had pink socks on. I don’t know why I had pink socks on. And he said, “Could you come straight to the Bank of England?” I said, “Yeah, sure.” This was about five o’clock in the afternoon on a Sunday. And I remember, we all sort of peered in, and Robin Leigh-Pemberton was the governor, said, “I don’t normally expect people to come in in pink socks and blue jeans to meetings in that office” [both laugh]. Anyway, we stayed there – as we were the only people with any money to help sort the thing out, we had to buy it. Everybody was frightened that at about five o’clock in the morning, that Evelyn Rothschild, who had a gold business in Hong Kong, would ring up his people and say, “Listen, watch out for this,” so we were determined that was the way we could get the business done, so we did. At about four thirty in the morning, I think we finally did the deal, but we didn’t sign it till eight, I think. I remember going to the office afterwards. We used to have a Monday morning communications meeting where we used to talk about what was going on and what was happening in the bank. I thought it was very important to actually – so everybody knew and understood what we were trying to do. And I remember telling the people about it and then asking – I had a man called Ferdinand Mount, who was a – he was extraordinary. He was an economist and he was a writer. He wrote in the – he wrote a bit of *FT*, a bit of *Telegraph*, a bit of *Spectator*. And I remember saying, “What’s going on? Okay, that’s what I’ve been doing, what else has been going on?” And he said, “Well, a bit of a hard act to follow after telling that story” [both laugh]. So those were – they were interesting days, those. I mean, they were – there was always dramas. That was – this is the second wave of the secondary banking crisis. That was post-secondary banking, the effect of –

[0:31:06]

Q: Well, certainly Johnson Matthey was.

A: That was in 1984.

Q: Yes, yes, it was. After we’d gone through all of that, and then JMB.

- A: But nobody seemed to ever understand that banks don't go bust 'cos they've made bad loans. They only go bust 'cos the depositors take the money away.
- Q: It's always about cash, yeah.
- A: It's a very odd thing. Until people actually understood that – they saw people standing round the block, trying to get their money back.
- Q: Well, Northern Rock<sup>xviii</sup>, same problem.
- A: Exactly, Northern Rock, people suddenly saying, "Help, can we get our money out?" So everybody rushes in to do that.
- Q: Yes. I think we have done well. Thank you so much. That was really –
- A: Not at all. There's nothing nicer than a trip down memory lane [both laugh].
- Q: Thank you.

[END OF RECORDING 0:31:57]

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<sup>i</sup> The Association of International Bond Dealers was formed in 1968 and changed its name to the International Securities Market Association in 1992. It is now the International Capital Market Association since 2005.

<sup>ii</sup> Ranald Boyle (1927-99), District Commissioner in Southern Sudan, who resigned in 1953 because of the independence agreement by the Foreign Office; political agent; merchant banker.

<sup>iii</sup> Sir Nicholas Goodison (1934- ), chairman of the Stock Exchange (1976-86).

<sup>iv</sup> Sir John Nott (1932- ), Secretary of State for Trade (1979-81)

<sup>v</sup> Peter Wilmot-Sitwell (1935-2018), senior partner of Rowe & Pitman (1982-86)

<sup>vi</sup> Sir John Craven (1940- ), chairman Deutsche Morgan Grenfell Group plc. Group Chief Executive, White Weld & Co (1975-78), vice chairman SG Warburg (1979), founded Phoenix Securities 1981, which acquired Morgan Grenfell Group in 1987.

<sup>vii</sup> Jennifer d'Abo (1945-2003), entrepreneur. Bought Rymans, the stationery shop chain, in 1981 and sold it to Pentos in 1987, growing the value of the business 10 times over 6 years.

<sup>viii</sup> George Magan, later Baron Magan of Castleman (1945- ) was co-founder of Hambro Magan and Treasurer of the Conservative Party (2003).

<sup>ix</sup> Henry Kravis (1944- ), American businessman, investor, philanthropist. He co-founded Kohlberg Kravis Roberts & Co, global investment firm. In February 2020, his estimated worth was \$6.4bn.

<sup>x</sup> Richard Hambro (1945-2009), investment banker and philanthropist.

<sup>xi</sup> James Hambro (1949- ), banker and philanthropist.

<sup>xii</sup> Joel Cadbury (1971- ), entertainment entrepreneur, co-owner of the Groucho Club.

<sup>xiii</sup> Hambro Perks was founded 2013.

<sup>xiv</sup> Sir Martin Jacomb (1929- ), vice-chairman Kleinwort Benson (1976-85), deputy chairman Barclays Bank (1985-93).

<sup>xv</sup> Eddie George, later Lord George (1938-2009), Governor of the Bank England (1993-2003).

<sup>xvi</sup> Brian Quinn (1936- ), economist, became Deputy Governor of the Bank of England.

<sup>xvii</sup> Johnson Matthey Bankers had a seat on the London Gold Fixing. When they failed, the Bank of England organised a rescue package in October 1984.

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<sup>xviii</sup> Northern Rock, formerly the Northern Rock Building Society, demutualised in 1997. In the 2007-08 financial crisis, rumours of government support led to the first 'bank run' for 150 years. It was taken into Public ownership in 2008.