

# Re-shaping for the new decade—strategic M&A, NPE/UTP deleveraging and technological investment

**Financial Institutions M&A:**  
**Sector trends H2 2019 | Outlook for 2020**  
**Banks**

3 highlights of bank M&A:

## **Strategic M&A:**

Banks focus on core geographical markets and businesses lines—domestic and regional consolidation, non-core disposals and carefully selected bolt-on acquisitions

## **Re-configuration of balance sheets:**

Hercules and GACS herald a new era of tools available for banks to finally combat NPL ratios effectively

## **Banks driving the digital paradigm shift:**

Top brass recognise technology as the weapon of choice to galvanise market shares and remain competitive



# Re-shaping for the new decade

Entry into the new decade brings promise—banks finally have the tools to shake off the remaining shackles of the global financial crisis and embrace deal-making to re-shape for the future

## Overview

### CURRENT MARKET

Upward, significant

### WE ARE SEEING

- Banks focusing on core geographical markets and businesses lines:
  - Disposal of non-core operating businesses (e.g., Société Générale and Deutsche Bank each reported to have disposed of 3 businesses in H2 2019)
  - Consolidation with domestic and regional competitors—we have seen 40 deals in H2 2019
  - Bulking up of core operations through strategic M&A—acquisitions as well as strategic alliances/joint ventures
  - Intra-group corporate restructurings
- Balance sheet re-calibration attaining terminal velocity:
  - NPL and UTP portfolio sales by both state-supported and non-state-supported banks. Hot spots include Greece and Italy, assisted by the Hercules Asset Protection Scheme and the Guarantee on Securitization of Bank Non-Performing Loans Scheme, respectively
  - Establishment of domestic communal platforms for joint management of multi-originator loans (e.g., Italian platform established by MPS, UBI, MPSCS and BPM with AMCO and Prelios)
  - Performing loan trades between European banks (e.g., Santander, Bank of Ireland, Tesco Bank, etc.)
- Banks driving the digital paradigm shift:
  - Direct and venture fund equity/debt investments—particular focus on RegTech, digital banking, data analytics, Open Banking and payments
  - Collaboration projects to expedite the harnessing of technological benefits (e.g., HSBC's Open Banking aggregation and data intelligence collaboration with Bud)
  - Innovation consortia with competitor banks (e.g., development of a joint KYC data-handling platform by Danske, DNB, Nordea, SEB, Handelsbanken and Swedbank)
- 'Challengers' and neobanks attempting to carve out niches for themselves:
  - Stockpiling growth capital and lending firepower through successful funding rounds and direct equity/debt investments
  - Collaborating with established market participants to conquer their respective niches (e.g., Space's international expansion alliance with Visa, etc.)

- Selecting new territories and business lines, which are less desirable for and populated by High Street incumbents (e.g., Metro Bank's new MCash cash collection/delivery service for UK SMEs, etc.)

### KEY DRIVERS

- Senior management of many established European banks have fine-tuned their strategic goals:
  - Buyer availability for non-core operating businesses, including strategic, financial sponsor, sovereign wealth funds and ultra-high-net-worth individuals/family office
  - Regional bank consolidation promising synergies and opportunities to cement market share/presence
  - Willingness of competitors and other established market participants to weather the torrent of low net-interest-margin together
  - Mounting pressure from activist shareholders, impatient at the prospect of continued low investment returns
  - Fintechs and direct lenders encroaching on 'traditional' lending models
- High buyer appetite for NPL and UTP portfolios:
  - From financial sponsors, debt restructuring specialists and, most recently, from competitor banks
  - Buoyant secondary market for NPL/UTP portfolio trades between financial sponsors and credit funds
  - Credit funds generate fresh dry powder (e.g., Arrow Global's new €838 million European NPL fund, Prelios' new €380 million credit fund, etc.)
- The misnomer of fintech disruption is dispelled:
  - Recognition from top brass of the importance to long-term survival of investment in technology (e.g., Deutsche Bank's Central Technology Division, mandated to invest US\$14.2 billion in technology by 2022)
  - Solution to operational risks which continue to worry even the most established European lenders (e.g., Banco Sabadell's investment in cybersecurity fintech Kovrr)
  - Repairing perceived damage to customer confidence sustained through the global financial crisis (e.g., Nationwide's new 'Open Banking for Good' incubator)

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Public M&A/FIG M&A  
Partner, London



**The driving forces for a pan-European banking champion are clear—fragmented banking landscapes across core financial markets, prolonged low profitability, rising BAU compliance costs and growing investor impatience. But the risks of a broken deal are still too high. Mega deals will come, but not just yet.**

## Our M&A forecast

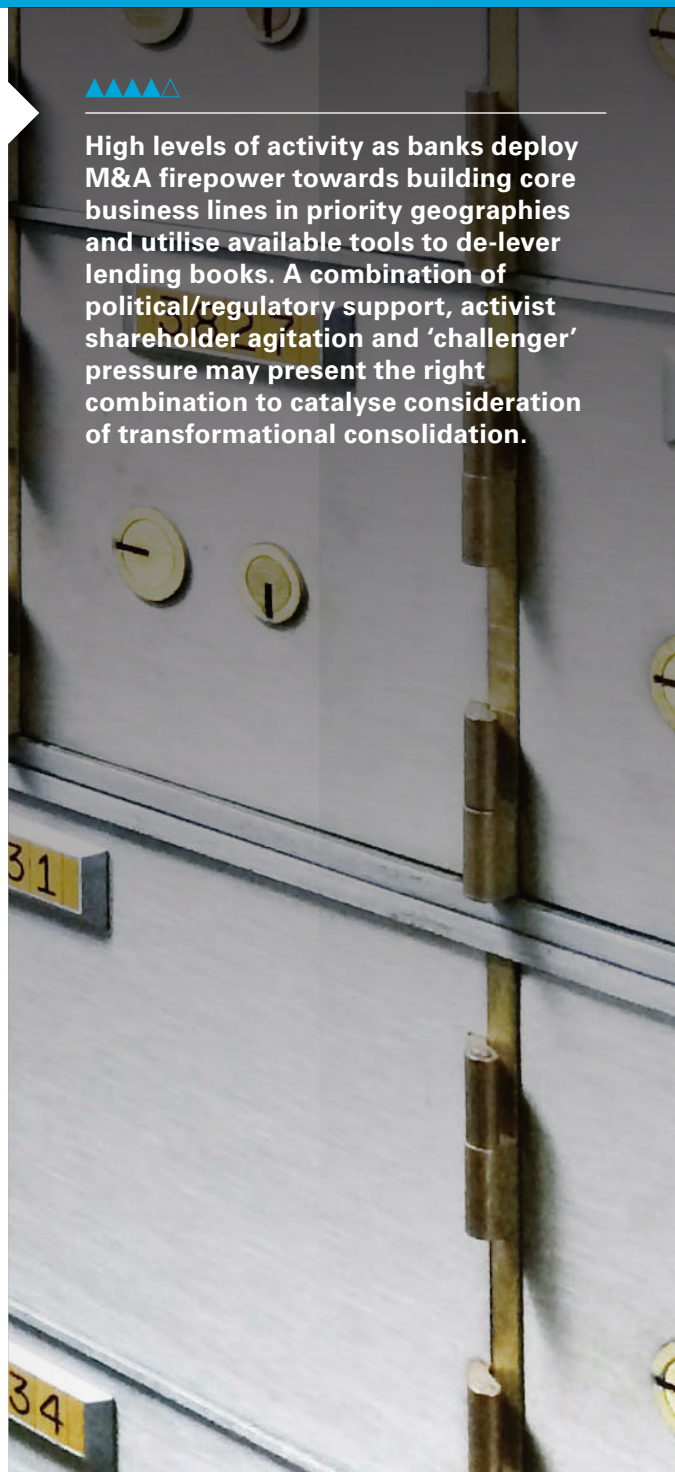
- Opportunity to tap into new customer demographics (e.g., Santander's equity investment in Roostify)
- Realising operational efficiencies (e.g., HSBC's inaugural processing of ¥ letter-of-credit utilising DLT)
- 'Challengers' and neobanks making hay:
  - Financial sponsors delivering an abundance of expansion funding
  - Customer demand for a smoother, richer and more personalised/interactive on-demand banking experience

### TRENDS TO WATCH

- Pan-European banks seeking inorganic expansion opportunities in Asia, following China's lifting of restrictive legislation
- European regulators analysing proposed bank consolidation deals through the lens of NPE management (e.g., ECB blocked Popolare di Sondrio's proposed acquisition of Cassa di Risparmio di Cento)
- Resurgence of private equity activity following additional clarity of the impact of Brexit
- Consolidation amongst 'challenger' banks—doubts over whether any particular 'challenger' could dent the market shares of High Street incumbents:
  - High Street incumbents have digital transformation strategies of their own (e.g., Société Générale's Prisma, RBS's Bó, HSBC's Kinetic, etc.)
  - Building critical customer mass by offering 'free' basic banking services has been successful, but generating recurring fees from premium offerings may prove more challenging
  - Many high-profile 'challengers' stumbled in H2 2019 (e.g., Metro Bank's share price drop, CYBG's September 2019 profit warning, etc.)
- The giants are coming—banking services by BigTech (e.g., Google's recent announcement of its retail current account offering)



**High levels of activity as banks deploy M&A firepower towards building core business lines in priority geographies and utilise available tools to de-lever lending books. A combination of political/regulatory support, activist shareholder agitation and 'challenger' pressure may present the right combination to catalyse consideration of transformational consolidation.**





## Banks—Publicly reported deals & situations

### Disposals of non-core assets

#### Deal highlight:

**White & Case advised UniCredit on the unwind of its Turkish banking joint venture with Koç Group in respect of Yapi Kredi**

#### Deal highlight:

**White & Case advised Bangkok Bank Public Company Ltd., a leading Thai commercial bank, on its US\$2.7 billion acquisition of an 89.12% shareholding in PT Bank Permata Tbk, from Standard Chartered Bank and PT Astra International Tbk, the #1 largest Indonesian M&A deal by value of 2019**

#### UniCredit (Turkey)

Reduction in shareholding of Yapi Kredi (December 2019)

#### Nordea (Denmark)

Disposal of 39% of LR Realkredit (December 2019)

#### Société Générale (Norway)

Disposal of SG Finas (December 2019)

#### Standard Chartered (Indonesia)

Disposal of 44.56% of Bank Permata to Bangkok Bank (December 2019)

#### Barclays (UK)

Disposal of equities automated options trading assets (December 2019)

#### Unicaja Banco (Spain)

Disposal of GDA (December 2019)

#### National Bank of Greece (Cyprus)

Disposal of NBG Cyprus (November 2019)

#### Crédit Agricole (Saudi Arabia)

Disposal of 6% of Banque Saudi Fransi (November 2019)

#### Intesa Sanpaolo (Italy)

Disposal of its gold loan business (November 2019)

#### Banco Santander (Puerto Rico)

Disposal of Santander Bancorp (October 2019)

#### Novo Banca (Portugal)

Disposal of GNB (October 2019)

#### Alfa-Bank (Russia)

Disposal of 40% of Potok Digital (October 2019)

#### Bank of Cyprus (Cyprus)

Disposal of 49.9% of CNP Cyprus Insurance (October 2019)

#### BNP Paribas (Tunisia)

Disposal of 39% of Union Bancaire pour le Commerce et l'Industrie (September 2019)

#### Credit Suisse (Switzerland)

Disposal of Credit Suisse InvestLab (September 2019)

#### Deutsche Bank (Germany)

Disposal of European, Asian and US equities-trading assets (September 2019)

#### Danske Bank (Finland)

Disposal of Kiinteistomaailma (September 2019)

#### Deutsche Bank (Germany)

Disposal of Prime Brokerage Unit (August 2019)

#### Barclays (US)

Disposal of automated US options trading division (August 2019)

#### Société Générale (Moldova)

Disposal of BC Mobiasbanca (July 2019)

#### Société Générale (Montenegro)

Disposal of 90.56% of Société Générale banka Montenegro (July 2019)

#### Banco BPM (Italy)

Disposal of ProFamily (July 2019)

#### PAO Sberbank (Turkey)

Disposal of DenizBank (July 2019)

#### ABN AMRO Group NV

(Channel Islands)

Disposal of ABN AMRO (Channel Islands) (July 2019)

#### Piraeus Bank (Bulgaria)

Disposal of Piraeus Bank Bulgaria (June 2019)

#### Jyske Bank (Gibraltar)

Disposal of Jyske Bank (Gibraltar) (June 2019)

#### Deutsche Bank (Portugal)

Disposal of Portuguese private and commercial client business (June 2019)

**Market  
consolidation**

**Cross-border mergers in the European banking industry are becoming a necessity, given the risks of weakened financial institutions** (*Reuters–June 2019*)

**Deal highlight:**

**White & Case represented Piraeus Bank on the sale of its 99.98% holding in Piraeus Bank Bulgaria, to Eurobank Bulgaria. The transaction represents the final major milestone towards the implementation of Piraeus Bank's restructuring plan commitments, as agreed with the Directorate General of Competition of the European Commission**

**Regional/Domestic consolidation:**

**Dubai Islamic Bank (UAE)**

Acquisition of Noor Bank  
(December 2019)

**OTP Bank (Slovenia)**

Acquisition of 99.73% of  
SKB Banka d.d. Ljubljana  
(December 2019)

**Fondsdepot Bank (Germany)**

Acquisition of AXA Bank  
(December 2019)

**Mizrahi Tefahot Bank & Union Bank of Israel (Israel)**

Merger (December 2019)

**Nova KBM (Slovenia)**

Acquisition of Abanka  
(December 2019)

**Sovcombank (Russia)**

Acquisition of 20% of Volga-Caspian Bank (December 2019)

**MONETA Money Bank (Czech Republic)**

Acquisition of Wüstenrot-stavební spořitelna and Wüstenrot hypoteční banka (November 2019)

**AstroBank (Cyprus)**

Acquisition of National Bank of Greece Cyprus (November 2019)

**Equity Bank (Congo)**

Acquisition of 74.1% of Banque Commerciale du Congo (November 2019)

**Steiermärkische Bank und Sparkassen (Macedonia)**

Acquisition of Ohridska Banka (November 2019)

**Exim Bank Tanzania (Tanzania)**

Acquisition of United Bank's Tanzanian unit (November 2019)

**AXA Bank Belgium (Belgium)**

Acquisition of Crelan (October 2019)

**Banque Centrale Populaire (Antananarivo)**

Acquisition of 71% of Banque de Madagascar et de l'Océan Indien (October 2019)

**Banque Centrale Populaire (Congo)**

Acquisition of Banque Commerciale Internationale (October 2019)

**Capitec Bank (South Africa)**

Acquisition of Mercantile Bank (October 2019)

**Banque Centrale Populaire (Morocco)**

Acquisition of 68.5% of Banque Internationale du Cameroun Pour l'Épargne et le Crédit (October 2019)

**Bank Millennium & Euro Bank (Poland)**

Merger (October 2019)

**HSBC Asia Holdings (Saudi Arabia)**

Acquisition of additional 2% of HSBC Saudi Arabia (October 2019)

**Access Bank (Kenya)**

Acquisition of 93.57% of Transnational Bank (October 2019)

**Commercial Bank of Africa & NIC Bank (Kenya)**

Merger (September 2019)

**OTP Bank (Serbia)**

Acquisition of Société Générale Banka Srbija (September 2019)

**Banque du Caire (Egypt)**

Acquisition of Cairo International Bank (September 2019)

**Alfa Bank & Ukrsotsbank (Ukraine)**

Merger (September 2019)

**TrustBond Mortgage Bank & First Mortgages (Nigeria)**

Merger (August 2019)

**Achmea Bank (Netherlands)**

Acquisition of part of mortgage and savings business of ASR Bank (August 2019)

**KBL European Private Bankers (Luxembourg)**

Acquisition of Bank am Bellevue (August 2019)

**Saxo Bank (Nordics)**

Acquisition of BinckBank (August 2019)

**BPER Banca (Italy)**

Acquisition of Unipol Banca (August 2019)

**OneSavings Bank and Charter Court (UK)**

Merger (July 2019)

**Bank of NT Butterfield (Channel Islands)**

Acquisition of ABN AMRO (Channel Islands) (July 2019)

**OTP Bank (Moldova)**

Acquisition of BC Mobiasbanca (July 2019)

**OTP Bank (Montenegro)**

Acquisition of 90.56% of Société Générale banka Montenegro (July 2019)

**Union Bank & Banka Nderkombetare Tregtare (Albania)**

Merger (July 2019)

**Bakai Bank (Kyrgyzstan)**

Acquisition of BTA Bank (June 2019)

**First Bank (Romania)**

Acquisition of Bank Leumi Romania (June 2019)

**Saudi British Bank & Alawwal Bank (Kingdom of Saudi Arabia)**

Merger (June 2019)

**Eurobank Bulgaria (Bulgaria)**

Acquisition of Piraeus Bank Bulgaria (June 2019)

**Nova KBM (Slovenia)**

Acquisition of Abanka (June 2019)

**Abanca Corporación (Portugal)**

Acquisition of Deutsche Bank's Portuguese private and commercial client business (June 2019)

**Strategic M&A  
—some appetite  
for cross-border  
deals**

**Acquisitions:**

**Banco Santander**

Acquisition of 40% of Banco Olé  
(December 2019)

**Nordea**

Acquisition of SG Finas  
(December 2019)

**Banca Sistema**

Acquisition of Intesa  
Sanpaolo's gold loan business  
(November 2019)

**Barclays**

Acquisition of Deutsche Bank's  
European equities-trading assets  
(September 2019)

**Goldman Sachs**

Acquisition of Deutsche Bank's  
Asian equities-trading assets  
(September 2019)

**Morgan Stanley**

Acquisition of Deutsche Bank's  
US equities-trading assets  
(September 2019)

**BNP Paribas**

Acquisition of Deutsche  
Bank's Prime Brokerage Unit  
(August 2019)

**Crédit Agricole**

Acquisition of KAS Bank  
(July 2019)

**Emirates NBD Bank**

Acquisition of DenizBank  
(June 2019)

**Alliances:**

**UBS**

Brazilian investment banking  
JV with Banco do Brasil  
(November 2019)

**Bank Al-Maghrib**

Cooperation alliance with Central  
Bank of Egypt (October 2019)

**Bank Al-Maghrib**

Cooperation alliance with Bank of  
Mauritius (October 2019)

**Wide investor  
spectrum**

**Private equity:**

**Ripplewood Advisors**

(Saudi Arabia)

Acquisition of 6% of Banque Saudi  
Fransi (November 2019)

**Dragon Capital (Ukraine)**

Acquisition of Idea Bank  
(November 2019)

**Arca Capital (Austria)**

Acquisition of 9.9% of Wiener  
Privatbank (September 2019)

**Adriatic Capital (Montenegro)**

Acquisition of Nova Banka  
(July 2019)

**Advent (Austria)**

€258 million IPO of Addiko  
Bank on Vienna Stock Exchange  
(June 2019)

**J.C. Flowers & Co (Romania)**

First Bank's acquisition of Bank  
Leumi Romania (June 2019)

**Doverie Invest (Moldova)**

Acquisition of 77.62% of  
Moldindconbank (June 2019)

**Apollo Global Management**

(Slovenia)

Nova KBM's acquisition of Abanka  
(June 2019)

**SWFs:**

**Kuwait Finance House**

Acquisition of Ahli United Bank  
(October 2019)

**Ultra-high-net-worth/Family  
offices/Private investment  
groups:**

**Koç Group**

Increase in shareholding of Yapi  
Kredi (December 2019)

**Jaime Gilinski Bacal**

Acquisition of 4.28% of Metro  
Bank (November 2019)

**Leonardo Del Vecchio**

Increase of shareholding  
of Mediobanca to 9.889%  
(November 2019)

**Alexander Tishchenko**

Acquisition of 5.8% of Bank ZENIT  
(June 2019)

**Tuan Tran**

Acquisition of Jyske Bank  
(Gibraltar) (June 2019)

**Governments:**

**Tunisian State**

Acquisition of 60% of  
Banque tuniso-koweïtienne  
(December 2019)

**Turkish Treasury**

Acquisition of 58.45% of  
VakıfBank (December 2019)

**Charities:**

**Stewardship**

Acquisition of Kingdom Bank  
(September 2019)

**Activist investor  
influences**

**Commerzbank**

Petrus Advisers' pressure to  
increase stake in Comdirect  
(December 2019)

**Deutsche Bank**

Cerberus's pressure on  
Paul Achleitner to resign  
(November 2019)

**Mediobanca**

Leonardo del Vecchio's  
pressure to sell Generali stake  
(October 2019)

**Aareal Bank**

Teleios' pressure to sell software  
unit (October 2019)

**Barclays**

Sherborne's pressure to  
restructure/sell Barclays US  
investment banking operations  
(September 2019)

**Nordea**

Cevian's pressure for a board seat  
(July 2019)

**Corporate reorganisations**

**34 financial institutions, including Bank of America, Barclays, Goldman Sachs, HSBC and J.P. Morgan, have selected Ireland as their post-Brexit centre from which to conduct future EU business** (*SNP–September 2019*)

**Inbank** (*Lithuania*)

Merger with UAB Mokilizingas  
(*December 2019*)

**NatWest Markets** (*Netherlands*)

Acquisition of RBS Holdings  
(*November 2019*)

**Intesa Sanpaolo** (*Italy*)

Merger by incorporation  
of Mediocredito Italiano  
(*October 2019*)

**La Banque Postale & CNP**

**Assurances** (*France*)  
Merger (*June 2019*)

**Abanca Corporación & Abanca**

**Holding Financiero** (*Spain*)  
Merger (*June 2019*)

**Deleveraging—  
NPE and  
geographic/  
asset class  
exposure**

**EU NPLs stood at €636 billion in November 2019 (3.1% of EU loans) compared to €1.15 trillion in June 2015 (6% of EU loans)** (*European Banking Authority–November 2019*)

**NPLs held by French banks total €124 billion, representing 19.5% of Europe's current pool of NPLs** (*Le Figaro–October 2019*)

**European Commission approved Greece's Hercules Asset Protection Scheme, permitting the Greek government to guarantee a portion of NPLs sold to specialist investors** (*Reuters–October 2019*)

**European Banking Authority recommended easing of regulatory capital constraints to encourage the use of securitisation as a tool for reducing bank NPL ratios in its October 2019 opinion paper** (*European Banking Authority–October 2019*)

**European Central Bank revised its supervisory expectations for prudential provisioning of new NPLs—EU banks have 3 years to set aside cash against an NPL if unsecured, 9 years if secured by real estate and 7 years if secured by other collateral types** (*European Central Bank–August 2019*)

**Deal highlight:**

**White & Case represented Centerbridge and Elliott Advisors in connection with their consortium acquisition of National Bank of Greece of its first secured NPL portfolio (Project Symbol)**

**Deal highlight:**

**White & Case advised Intrum on the establishment of a state-of-the-art Greek NPE and REO servicing JV with Piraeus Bank**

**Deal highlight:**

**White & Case represented Cross Ocean Partners and Fortress Investment Group in connection with the acquisition of a portfolio of shipping loans with a nominal value in excess of US\$900 million from a seller**

**Deleveraging—  
NPE and  
geographic/  
asset class  
exposure**

**NPL/UTP disposals (non-state-aided/backed bank sellers):**

**CaixaBank (Spain)**

Disposal of €865 million of consumer and corporate NPLs to Intrum (December 2019)

**Kutxabank (Spain)**

Disposal of €358 million of NPLs to Cerberus (December 2019)

**BBVA (Spain)**

Disposal of €2.1 billion of SME NPLs to Cabot and CarVal Investors (December 2019)

**Akbank (Turkey)**

Disposal of TRY 714.5 million of NPLs to Gelecek Varlık Yönetim and İstanbul Varlık Yönetim (December 2019)

**Caixa Geral de Depósitos (Portugal)**

Disposal of €240 million of unsecured corporate and SME NPLs to LX Partners (December 2019)

**Sekerbank (Turkey)**

Disposal of US\$25 million of NPLs to Sümer Varlık Yönetim (December 2019)

**BBVA (Spain)**

Disposal of €2.5 billion of private loan NPLs to Intrum (December 2019)

**CaixaBank (Spain)**

Disposal of €600 million of NPLs to Waterfall Asset Management (December 2019)

**UniCredit (Italy)**

Disposal of €154 million unsecured NPLs to Banca IFIS, Barclays and Guber Banca (December 2019)

**Banca Nazionale del Lavoro (Italy)**

Disposal of €1.4 billion unsecured NPLs to Banca IFIS, Barclays Bank and Guber Banca (December 2019)

**Banco Sabadell (Spain)**

Disposal of €900 million of unsecured NPLs to Intrum and Gescobro (December 2019)

**UniCredit (Bulgaria)**

Disposal of €50 million secured and unsecured NPLs to Balbec Capital and APS (November 2019)

**Société Générale (France)**

Disposal of US\$3.4 billion of NPLs to Mariner Investment (October 2019)

**Casse Centrale Banca (Italy)**

Disposal of €345 million of NPLs to Arrow Global (October 2019)

**UniCredit (Italy)**

Disposal of €730 million SME NPLs to Illimity (September 2019)

**UnitCredit (Russia)**

Disposal of €45.2 million of NPLs to EOS (September 2019)

**Bank of Ireland (Ireland)**

Disposal of €150 million of real estate-backed NPLs to Cerberus/Promontoria (August 2019)

**BPER (Italy)**

Disposal of €1 billion of NPLs to UnipolReC (July 2019)

**UniCredit (Italy)**

Disposal of €450 million SME NPLs to Illimity and Guber Banca (July 2019)

**UniCredit (Italy)**

Disposal of €1.1 billion of unsecured SME NPLs to SPF Investment Management (July 2019)

**UBI Banca (Italy)**

Disposal of €900 million of factoring receivables and leasing NPLs to Credito Fondiario (July 2019)

**UniCredit (Hungary)**

Disposal of €28 million of NPLs to EOS Faktor (July 2019)

**BBVA (Spain)**

Disposal of €1.2 billion of mortgage NPLs to Canada Pension Plan Investment Board (July 2019)

**Ibercaja Banco (Spain)**

Disposal of €534 million of NPLs to Marathon Asset Management (June 2019)

**NPL/UTP disposals (state-aided/backed bank sellers):**

**Alpha Bank (Greece)**

Disposal of €1.9 billion of NPLs to Fortress Investment (December 2019)

**Banca Monte dei Paschi di Siena (Italy)**

Disposal of €2 billion of NPLs and UTPs to Illimity (December 2019)

**National Bank of Greece (Greece)**

Disposal of €262 million shipping NPLs to Cross Ocean Partners (November 2019)

**Intesa Sanpaolo (Italy)**

Disposal of €3 billion of UTPs to Prelios (November 2019)

**Banco BPI (Portugal)**

Disposal of €200 million of real estate NPLs to Tilden Park (November 2019)

**Eurobank (Greece)**

Disposal of €84 million of real estate NPLs to Brook Lane Capital (November 2019)

**Allied Irish Banks (Ireland)**

Disposal of €850 million of NPLs to Everyday Finance and Cerberus Capital (November 2019)

**Ulster Bank (Ireland)**

Disposal of €800 million of NPL mortgages to CarVal investors (October 2019)

**Novo Banco (Portugal)**

Disposal of €191 million of NPLs to Burlington Loan Management (September 2019)

**Novo Banco Servicios Corporativos (Spain)**

Disposal of €308 million of real estate assets and NPLs to Waterfall Asset Management (August 2019)

**National Bank of Greece (Greece)**

Disposal of €1.2 billion of credit card and unsecured SME NPLs to CarVal Investors (August 2019)

**Monte dei Paschi (Italy)**

Disposal of €600 million of unsecured NPLs/UTPs to Illimity (July 2019)

**Piraeus Bank (Greece)**

Disposal of €507 million of NPEs to Davidson Kempner Capital Management (June 2019)

**Eurobank (Greece)**

Disposal of €2 billion of NPLs to PIMCO/Celidoria (June 2019)

**NPL/UTP disposals—  
securitisation structures:**

**UBI Banca (Italy)**

Commencement of securitisation of €857.6 million NPLs, via Iseo SPV (December 2019)



**Deleveraging—  
NPE and  
geographic/  
asset class  
exposure**

**National Bank of Greece**  
(Greece)

Securitisation of €900 million of NPLs, via Symbol Investment (December 2019)

**UBI Banca** (Italy)

Commencement of securitisation of €870 million NPLs, via Iseo SPV (December 2019)

**Iccrea Banca** (Italy)

Commencement of securitisation of €1.3 billion of NPLs, via SPV BCC NPLs 2019 (December 2019)

**UniCredit** (Italy)

Securitisation of €6.1 billion of residential NPLs, with doValue as master and special servicer (November 2019)

**UniCredit** (Italy)

Securitisation of €4.1 billion residential mortgage NPLs, with Italfondario and doValue as master and special servicers, respectively (November 2019)

**UniCredit** (Italy)

Securitisation of €6.06 billion of secured and unsecured NPLs, with doValue as servicer (October 2019)

**Banca del Fucino** (Italy)

Securitisation of €297 million of NPLs and UTPs, with AMCO as servicer (October 2019)

**NPL/UTP acquisitions**  
(financial sponsors):

**Cerberus** (Spain)

Acquisition of €358 million of NPLs from Kutxabank (December 2019)

**Gelecek Varlık Yönetim and  
İstanbul Varlık Yönetim** (Turkey)

Acquisition of TRY 714.5 million of NPLs from Akbank (December 2019)

**LX Partners** (Portugal)

Acquisition of €240 million of unsecured corporate and SME NPLs from Caixa Geral de Depósitos (December 2019)

**Sümer Varlık Yönetim** (Turkey)

Acquisition of US\$25 million of NPLs from Şekerbank (December 2019)

**Waterfall Asset Management**  
(Spain)

Acquisition of €600 million of NPLs from CaixaBank (December 2019)

**Cross Ocean Partners** (Greece)

Acquisition of €262 million shipping NPLs from National Bank of Greece (November 2019)

**Balbec Capital and APS**  
(Bulgaria)

Acquisition of €50 million secured and unsecured NPLs from UniCredit (November 2019)

**Brook Lane Capital** (Greece)

Acquisition of €84 million of real estate NPLs from Eurobank (November 2019)

**Everyday Finance and Cerberus Capital** (Ireland)

Acquisition of €850 million of NPLs from Allied Irish Banks (November 2019)

**Mariner Investment** (France)

Acquisition of US\$3.4 billion of NPLs from Société Générale (October 2019)

**CarVal investors** (Ireland)

Acquisition of €800 million NPL mortgages from Ulster Bank (October 2019)

**Waterfall Asset Management**  
(Spain)

Acquisition of €308 million of real estate assets and NPLs from Novo Banco Servicios Corporativos (August 2019)

**CarVal Investors** (Greece)

Acquisition of €1.2 billion of credit card and unsecured SME NPLs from National Bank of Greece (August 2019)

**SPF Investment Management**  
(Italy)

Acquisition of €1.1 billion of unsecured SME NPLs from UniCredit (July 2019)

**EOS Faktor** (Hungary)

Acquisition of €28 million of NPLs from UniCredit (July 2019)

**Canada Pension Plan Investment Board** (Spain)

Acquisition of €1.2 billion of mortgage NPLs from BBVA (July 2019)

**Davidson Kempner Capital Management** (Greece)

Acquisition of €507 million of NPEs from Piraeus Bank (June 2019)

**PIMCO** (Greece)

Acquisition of €2 billion of NPLs from Eurobank (June 2019)

**NPL/UTP acquisitions (debt restructuring specialists):**

**Fortress Investment** (Greece)

Acquisition of €1.9 billion of NPLs from Alpha Bank (December 2019)

**Intrum** (Spain)

Acquisition of €865 million of consumer and corporate NPLs from CaixaBank (December 2019)

**Cabot and CarVal Investors**  
(Spain)

Acquisition of €2.1 billion of SME NPLs from BBVA (December 2019)

**Illimity** (Italy)

Acquisition of €2 billion of NPLs and UTPs from Banca Monte dei Paschi di Siena (December 2019)

**Intrum** (Spain)

Acquisition of €2.5 billion of private loan NPLs from BBVA (December 2019)

**Hoist Finance** (France)

Acquisition of €375 million of mortgage NPLs from (unnamed) French bank (December 2019)

**Intrum and Gescobro**  
(Cerberus) (Spain)

Acquisition of €900 million of unsecured NPLs from Banco Sabadell (December 2019)

**Prelios** (Italy)

Acquisition of €3 billion of UTPs from Intesa Sanpaolo (November 2019)

**Tilden Park** (Portugal)

Acquisition of €200 million of real estate NPLs from Banco BPI (November 2019)

**Arrow Global** (Italy)

Acquisition of €345 million of NPLs from Casse Centrale Banca (October 2019)

**Axactor** (Italy)

Acquisition of €60 million of payment plans secured against promissory notes (October 2019)

**Deleveraging—  
NPE and  
geographic/  
asset class  
exposure**

**Illimity (Italy)**

Acquisition of €730 million SME NPLs from UniCredit (September 2019)

**EOS (Russia)**

Acquisition of €45.2 million of NPLs from UnitCredit (September 2019)

**Burlington Loan Management (Portugal)**

Acquisition of €191 million of NPLs from Novo Banco (September 2019)

**Promontoria (Ireland)**

Acquisition of €150 million of real estate-backed NPLs from Bank of Ireland (August 2019)

**Illimity (Italy)**

Acquisition of €600 million of unsecured NPLs/UTPs from Monte dei Paschi (July 2019)

**UnipolReC (Italy)**

Acquisition of €1 billion of NPLs from BPER (July 2019)

**Illimity and Guber Banca (Italy)**

Acquisition of €450 million SME NPLs from UniCredit (July 2019)

**Credito Fondiario (Italy)**

Acquisition of €900 million of factoring receivables and leasing NPLs from UBI Banca (July 2019)

**Marathon Asset Management (Spain)**

Acquisition of €534 million of NPLs from Ibercaja Banco (June 2019)

**NPL/UTP acquisitions (competitor banks):**

**Banca IFIS, Barclays and Guber Banca (Italy)**

Disposal of €154 million unsecured NPLs from UniCredit (December 2019)

**Banca IFIS, Barclays and Guber Banca (Italy)**

Disposal of €1.4 billion unsecured NPLs from Banca Nazionale del Lavoro (December 2019)

**Loan trades between debt collection/restructuring specialists (sellers):**

**Cerberus (Germany)**

Disposal of US\$900 million of German shipping loans to Cross Ocean Partners and Fortress Investment Group (December 2019)

**PQH (Greece)**

Disposal of €2.4 billion of unsecured NPLs to Intrum Hellas (December 2019)

**Loan trades between debt collection/restructuring specialists (buyers):**

**Cross Ocean Partners and Fortress Investment Group**

Acquisition of US\$900 million of German shipping loans from Cerberus (December 2019)

**Intrum Hellas (Greece)**

Acquisition of €2.4 billion of unsecured NPLs from PQH (December 2019)

**Performing loan trades (sellers):**

**Santander Bank (US)**

Disposal of US\$839 million of equipment finance loans and leases to Sterling National Bank (December 2019)

**Danske Bank (Estonia)**

Disposal of €410 million retail debt portfolio to LHV Bank (November 2019)

**GetBack (Romania)**

Disposal of US\$9.7 million debt portfolio to Kruk (October 2019)

**Tesco Bank (UK)**

Disposal of £3.8 billion of UK mortgages to Lloyds Banking Group (September 2019)

**Raphael (UK)**

Disposal of £258.1 million of residential mortgages to Arbuthnot (August 2019)

**ABN AMRO (Belgium)**

Disposal of €2 million of Moneyou Belgian savings portfolio to Keytrade Bank (July 2019)

**Metro Bank (UK)**

Disposal of £523 million of buy-to-let mortgages to Cerberus (July 2019)

**Bank of Ireland (UK)**

Disposal of £530 million UK credit card loans to Centerbridge Partners and Jaja Finance (June 2019)

**KBC Bank Ireland (Ireland)**

Disposal of €260 million performing corporate loans to Bank of Ireland (June 2019)

**Performing loan trades (buyers):**

**Sterling National Bank (US)**

Acquisition of US\$839 million of equipment finance loans and leases from Santander Bank (December 2019)

**LHV Bank (Estonia)**

Acquisition of €410 million retail debt portfolio from Danske Bank (November 2019)

**Kruk (Romania)**

Acquisition of US\$9.7 million debt portfolio from GetBack (October 2019)

**Lloyds Banking Group (UK)**

Acquisition of £3.8 billion of UK mortgages from Lloyds Banking Group (September 2019)

**Arbuthnot (UK)**

Acquisition of £258.1 million of residential mortgages from Raphael (August 2019)

**Keytrade Bank (Belgium)**

Acquisition of €2 million of Belgian savings portfolio from ABN AMRO/Moneyou (July 2019)

**Cerberus (UK)**

Acquisition of £523 million of buy-to-let mortgages from Metro Bank (July 2019)

**Centerbridge Partners and Jaja Finance (UK)**

Acquisition of £530 million UK credit card loans from Bank of Ireland (June 2019)

**Bank of Ireland (Ireland)**

Acquisition of €260 million performing corporate loans from KBC Bank Ireland (June 2019)

**National collaboration projects:**

**Banca Monte dei Paschi di Siena, Unione di Banche Italiane, MPS Capital Services Banca per le Imprese and Banco BPM (Italy)**

Multi-originator property UTP management JV with AMCO and Prelios (December 2019)

**Piraeus Bank (Greece)**

Establishment of Greek NPE and REO servicing JV with Intrum (November 2019)



**Deleveraging—  
NPE and  
geographic/  
asset class  
exposure**

**Reposessed real estate sales:**

**Novo Banco (Portugal)**

Disposal of €487.8 million of real estate assets to Cerberus Capital Management (August 2019)

**Banco de Sabadell (Spain)**

Disposal of SDIN Residencial SLU and certain real estate assets to Oaktree Capital Management (August 2019)

**Consolidation of third-party debt service providers:**

**doValue (Greece)**

Acquisition of 80% of Eurobank Financial Planning Services (December 2019)

**States and regulators adopt a proactive stance:**

**European Central Bank (Italy)**

Block of Popolare di Sondrio's acquisition of Cassa di Risparmio di Cento on account of combined NPE concerns (October 2019)

**Komercijalna Banka (Serbia)**

Acquisition of 34.58% of Komercijalna Banka by the Republic of Serbia from EBRD and IFC Capitalization Fund to facilitate consolidated sale of 83.23% (September 2019)

**Rosimushchestvo (Russia)**

Acquisition of Sviaz-Bank (September 2019)

**Gas in the tank for debt servicing:**

**Arrow Global**

Successful €838 million European NPL fund (December 2019)

**Prelios**

Successful €380 million credit fund (October 2019)

**AnaCap**

Successful €1 billion Credit Fund IV (September 2019)

**Credito Fondiario (Italy)**

€120 million equity investment from Elliott Management (July 2019)

**doValue (Spain)**

Acquisition of Altamira Asset Management (June 2019)

**'Challenger'  
lenders carving  
out niches**

**Digital 'challenger' banks stockpiled US\$2.5 billion of cash in 55 deals in H1 2019 (FT–August 2019)**

**Gas in the tank:**

**Coop Pank**

€37.9 million IPO on Nasdaq Tallinn Stock Exchange (December 2019)

**Zopa**

Successful £140 million Series H funding round, led by IAG Capital (December 2019)

**Swishfund**

Successful €15 million Series A funding round, led by Slingshot Ventures and Shoe Investments (December 2019)

**B-North**

Successful £2 million Crowdfunding round (December 2019)

**Neon**

Successful US\$93.5 million Series B funding round, led by General Atlantic and Banco Votorantim (November 2019)

**Chip**

Successful £7.3 million crowdfunding round (November 2019)

**Starling Bank**

Successful £30 million Venture funding round, led by Merian Chrysalis (October 2019)

**Bnext**

Successful US\$25 million Series A funding round, led by DN Capital, Redalpine and Speedinvest (October 2019)

**Tide**

Successful £44 million Series B funding round, led by Augmentum Fintech (October 2019)

**Kreditech**

Successful €20 million Venture funding round, led by Runa Capital (September 2019)

**Lunar Way**

Successful €26 million Venture funding round, led by Seed Capital (August 2019)

**Klarna**

Successful US\$460 million Venture funding round, led by Dragoneer, CBA and BlackRock (August 2019)

**Penta**

Successful €8 million Seed funding round, led by HV Holtzbrinck Ventures (August 2019)

**Zeta**

Successful US\$60 million Series C funding round, led by Sodexo (July 2019)

**Atom Bank**

Successful £50 million venture funding round, led by BBVA (July 2019)

**N26**

Successful US\$470 million Series D funding round, led by Valar Ventures, Tencent and Insight Partners (July 2019)

**P.F.C.**

Equity investment from Nordea (July 2019)

**Monzo**

Successful £113 million Series F funding round, led by Y Combinator Continuity (June 2019)

**Alliances:**

**Space**

International expansion JV with Visa (November 2019)

**Revolut**

US debit card JV with Mastercard (October 2019)

**OakNorth**

Cash ISA JV with Smarterly (September 2019)

**Gravity**

Core cloud banking alliance with Finastra (August 2019)

**'Challenger' lenders carving out niches**

**ClearBank**  
Business current account JV with Nationwide *(July 2019)*

**Klarna**  
European core markets e-commerce JV with BigCommerce *(July 2019)*

**OakNorth**  
Credit decision JV with NIBC Bank *(July 2019)*

**Marcus**  
Savings products JV with Saga *(June 2019)*

**New territories/business lines:**

**Metro Bank**  
Launch of MCash, a cash collection and delivery service for UK SMEs *(December 2019)*

**Orange Bank**  
Launch in Spain *(November 2019)*

**Google**  
Launch of new retail current account offering *(November 2019)*

**Zopa**  
Beta testing of fixed-term savings account product *(November 2019)*

**Starling**  
Launch of £/€ dual currency debit cards *(October 2019)*

**Raisin**  
Launch in Ireland *(October 2019)*

**Neontri**  
Launch in US *(September 2019)*

**Starling**  
Launch of online banking option for business customers *(September 2019)*

**SellersFunding**  
Launch in UK and Canada *(August 2019)*

**Monzo**  
Launch of personal loan offering *(August 2019)*

**Tandem**  
Launch of UK's first crowd-designed mortgage offering *(August 2019)*

**Revolut**  
Launches of Expense Management tool and Berlin tech hub *(July–August 2019)*

**Tally**  
Launch of banking account app delivering saving and spending in physical gold *(July 2019)*

**N26**  
Launch in the US *(July 2019)*

**Wirecard**  
Launch of boon Planet *(June 2019)*

**Amaiz**  
Launch of specialist lending service for 'solopreneurs' *(June 2019)*

**H2 2019 stumbles**

**Bank of England found that many UK 'challenger' banks showed an "inability to explain assumptions" underlying their risk models *(FT–June 2019)***

**OakNorth Bank**  
First 2 defaults on property-backed loans *(December 2019)*

**Metro Bank**  
Failure to issue MREL of £200 million to £250 million despite offering 7.5% coupon *(September 2019)*



**Fintech  
investment**

Please refer to the 'Fintech' report in this series.

**Incumbents  
strike back at  
'challengers'**

**Banco Santander**

Launch of Tresmares Capital, an  
SME alternative financing platform  
(December 2019)

**Société Générale**

Launch of Crédit du Nord's  
Prisma (December 2019)

**RBS**

Launch of Bó (November 2019)

**HSBC**

Launch of HSBC Kinetic  
(November 2019)

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