

# Europe's post-GFC leaner and better-capitalised banks are put to the test by the COVID-19 pandemic

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**Financial Institutions M&A:  
Sector trends H1 2020 | Outlook for H2 2020  
Banks**

3 highlights of bank M&A:

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**Strategic M&A:**

Surge, post-easing of lockdowns, as pent-up deal-making prowess is unleashed

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**Turning inwards for answers:**

Banks resort to corporate reorganisations while employee redundancies remain taboo

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**Rays of hope:**

Ballooning of NPL, UTP and REO trading markets—financial sponsors, asset / credit managers and specialist debt collectors display stable appetite for well-priced assets



# Europe's post-GFC leaner and better-capitalised banks are put to the test by the COVID-19 pandemic

Banks with stronger balance sheets capitalise on M&A opportunities amidst COVID-19 market turmoil, while their weaker peers consolidate to survive

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**COVID-19 is an economy-wide phenomenon, not a bank-led crisis. Banks are better capitalised and equipped to handle stress than in 2008. That said, government-backed debt relief measures could inadvertently trigger a GFC spiral—we need an effective, tailored soured loan resolution blueprint now.**

## Overview

### CURRENT MARKET

Flat, with pockets of activity

### WE ARE SEEING

- Banks look inwards for answers—while employee redundancies remain taboo, banks focus on intra-group corporate reorganisations, aimed at:
  - Realising cost efficiencies, through automation (e.g., Santander's acquisition of Superdigital), removing overlapping capacity (e.g., Commerzbank's absorption of Comdirect) and fine-tuning customer offerings (e.g., merger of Deutsche Bank Privat- und Geschäftskunden & Deutsche Postbank)
  - Preparing for the end of the UK's Brexit implementation period on 31 December 2020 (e.g., ING's migration of certain trading operations from London to Brussels)
- Re-visiting of "core vs non-core" business line allocations—disposal of operating assets:
  - Not central to core lending functions (e.g., VTB implemented 3 non-core disposals, namely its Hals-Development assets, 49.99% of Demeter Holding and 40% of Technoserv Group)
  - Outside of primary focus geographies (e.g., Deutsche Bank's disposal of 49% of Deutsche Regis)
- Surge in strategic M&A post-easing of COVID-19 lockdowns:
  - Seeking scale in core territories to survive—domestic and regional bank consolidation (>40 consolidation deals in H1 2020)
  - Opportunistic M&A—scooping up bargains and otherwise unavailable assets (e.g., BNP Paribas's acquisitions of Banco Sabadell's institutional depository business and Société Générale's OTC metal trading portfolios)
  - Quest for stable returns (e.g., private banking, investment / wealth management, institutional investment and pension fund depository businesses, etc.)
- Ballooning of financial asset trading markets:
  - Disposal of NPL, UTP, REO and performing loan portfolios (>20 sizeable deals in H1 2020)
  - Banks pooling debt servicing capabilities (e.g., BMPS, UBI, MPSCS and BPM's real estate UTP management JV with AMCO and Prelios)
  - Secondary market sales of NPL / UTP portfolios, including via portfolio trading digital marketplaces (e.g., Blinks's acquisition of €30 million of Italian NPLs from Prelios)
  - Outsourcing of debt servicing functions (e.g., Attika Bank's outsourced management of €435 million of NPLs to QQuant)

### KEY DRIVERS

- Cost management takes centre stage:
  - Banks, forced to halt branch closures and employee redundancy programmes (e.g., Bankia, Banca Popolare di Bari, Unicredit, AIB, HSBC, etc.) in response to COVID-19 job scarcity and government-backed employee relief measures, resort to alternative restructuring solutions
  - Counterbalance to material credit impairments—mounting fears that expected loss estimation under IFRS 9 has depreciated to "educated guesswork" (European and US banks book more than US\$50 billion of charges on souring loans in Q1 2020)
  - Loss of opportunity costs, resulting from customer investment conservatism, borrower / depositor cash hoarding, branch / office closures and disruption-driven staff productivity declines
  - Heavy outlay on customer / staff health protection measures, staff remote / split-site working tools, digital product distribution solutions and AML / ABC / fraud risk mitigation tools
- Survival instincts take hold:
  - Banks needing scale and product / service scope to retain market share
  - Mounting pressure from "challengers", buoyed by quantitative easing and government-backed COVID-19 relief loan scheme accreditation (e.g., in the UK alone, 6 "challengers" expanded product offerings, 5 neo-banks successfully raised funding and 3 new entrants secured banking licences)
- Well-developed and highly sophisticated buyer universes for:
  - Non-core operating assets (including national governments, trade consolidators, private equity, non-bank financial institutions, private investment groups and ultra high-net-worth individuals / family offices)
  - NPL, UTP and REO portfolios (including financial sponsors, asset / credit managers and specialist debt collectors)

### TRENDS TO WATCH

- Material uptick in strategic M&A:
  - Return of "high-quality asset" auction sales which were temporarily shelved on account of COVID-19
  - Challenger banks consolidating to endure the strain of non-performing loan exposures
  - Private equity buyers deploying M&A firepower to capitalise on stressed / distressed opportunities
- Eruption in NPL, UTP and REO portfolio disposals:
  - Central banks across Europe have predicted a spike in non-performing financial assets in the wake of COVID-19 (hotspots to include in Germany, Italy, Greece, Cyprus, Spain and Turkey)
  - Expansion of sell-side universe to include neo-banks, fintechs and specialty finance businesses which have been accredited to distribute COVID-19 government-backed funding
  - Industrial scale servicers continuing to acquire debt servicing teams from established banks in response to growing demand, as new NPL, UTP and REO transactions come to market and banks cut costs by downsizing in-house teams
- Resurgence of activist pressure to drive profitability in the post-COVID-19 climate (situations to monitor include Deutsche Bank / Riebeck-Brauerei, Barclays / Sherborne, Nordea / Cevian and Commerzbank / Cerberus)

## Our M&A forecast

**Strong surge in M&A activity expected in Q4 2020/Q1 2021 as pent-up deal-making resolve is unleashed, particularly in light of halted auction processes, expected volumes of stressed / distressed opportunities and unshackling of inorganic growth war chests. Banks with stronger balance sheets and financial sponsors who have raised / conserved investment firepower will be first out of the stocks.**

## Banks—Publicly reported deals & situations

### Banks look inwards for answers

#### Corporate reorganisations:

##### Sberbank (Russia)

Corporate reorganisation resulting in Sberbank owning 100% of Yandex.Money and ceasing to own any interest in Yandex.Market (June 2020)

##### EFG Hermes (Egypt)

Merger of financial leasing and factoring businesses (June 2020)

##### Deutsche Bank Privat- und Geschäftskunden & Deutsche Postbank (Germany)

Merger (May 2020)

##### ZENIT Sochi & OJSC Spiritbank (Russia)

Merger (May 2020)

##### Eurobank Ergasias (Greece)

Demerger of Eurobank (March 2020)

##### Commerzbank (Germany)

Absorption of Comdirect (March 2020)

##### Santander (Brazil)

Acquisition of Superdigital from Santander Brasil (February 2020)

##### Svenska Handelsbanken (China and S'pore)

Wind-down of Asian operations (January 2020)

#### Lifeline credit restructurings:

##### National Bank of Egypt (Egypt)

€100 million debt facility provided by EBRD (May 2020)

##### Banque Misr (Egypt)

€100 million debt facility provided by EBRD (May 2020)

##### National Commercial Bank (Saudi Arabia)

US\$1 billion debt facility provided by a consortium coordinated by HSBC and Mizuho (April 2020)

##### Vakifbank (Turkey)

US\$325 million debt facility provided by ICBC Turkey (April 2020)

#### Capital injections:

##### Access Bank (Rwanda)

US\$9 million equity investment in Access Bank Rwanda (June 2020)

#### Headcount management:

##### Bankia (Spain)

Plans to close 140 branches in July 2020 (May 2020)

##### Banca Popolare di Bari (Italy)

Plans to close 90 branches and reduce headcount by 3,300 jobs in the next 5 years (April 2020)

#### Monzo (US)

165 headcount reduction following closure of Las Vegas customer support office (April 2020)

#### Allied Irish Banks (Ireland)

Plans to reduce headcount to below 8,000 by 2022 (March 2020)

#### Barclays (UK)

Closure of Leeds processing centre involving 800-headcount reduction (March 2020)

#### Banco BPM (Italy)

2023 strategy to involve 1,100-headcount reduction and transition to digital approach (March 2020)

#### Unicredit (Italy)

Plans to close 450 branches and reduce headcount by 6,000 in the next 3 years (February 2020)

#### HSBC (Global)

Plans to reduce headcount by 35,000 globally (January 2020)

#### Brexit:

##### ING (Brussels)

Transfer of financial markets division trading operations from London to Brussels (February 2020)

#### Turkiye Halk Bankasi and Halk Yatirim Menkul Degerler (Turkey)

Disposal of 95.32% of Halk Sigorta (April 2020)

#### Ziraat (Turkey)

Disposal of 99.97% of Ziraat Sigorta (April 2020)

#### Vakifbank (Turkey)

Disposal of 51.1% of Gunes Sigorta (April 2020)

#### Deutsche Bank (Spain)

Disposal of 49% of 5 wind farms in Castilla y Leon (April 2020)

#### VTB Bank (Russia)

Disposal of 40% of Technoserv Group (April 2020)

#### Jyske Bank (Gibraltar)

Disposal of Jyske Bank (Gibraltar) (April 2020)

#### National Bank Trust (Russia)

Disposal of 7.6% of SAFMAR Financial Investments (April 2020)

#### Getin Holding (Russia)

Disposal of 68% of Carcade (March 2020)

#### Banco Sabadell (Spain)

Disposal of institutional depository business (March 2020)

#### Gazprombank (Russia)

Disposal of 49% of Elga (March 2020)

#### Islandbanki (Iceland)

Disposal of 63.5% of Borgun (March 2020)

#### BM-Bank (Russia)

Disposals of Moscow Interrepublican Wine Factory and Kornet (March 2020)

#### North Channel Bank (Germany)

Disposal of NorthStar Life Services (March 2020)

#### AIB (Ireland)

Disposal of 500 non-branch ATMs to Brink's (February 2020)

#### Hapoalim Bank (Israel)

Disposal of 33% of Isracard (February 2020)

#### UBI Banca (Italy)

Disposal of bancassurance JVs (February 2020)

#### OTP Bank (Slovakia)

Disposal of OTP Banka Slovensko (February 2020)

#### Société Générale (France)

Disposal of OTC metal trading portfolios (February 2020)

#### Wüstenrot & Württembergische (Czech Republic)

Disposal of Wüstenrot-stavební spořitelna and Wüstenrot hypoteční banka (February 2020)

#### UniCredit (Turkey)

Disposal of 12% of Yapi Kredi Bank (February 2020)

#### Union Bank of Nigeria PLC (UK)

Disposal of Union Bank UK Plc (January 2020)

#### Banque Francaise Mutualiste (France)

Disposal of ITL (January 2020)

#### Kutxabank (Spain)

Disposal of Spanish depository services business (January 2020)

#### National Bank of Greece (Romania)

Disposal of 99.28% of Banca Românească (January 2020)

#### Caixabank, Abanca, Bankia, Covea, Sabadell, BBVA, Ibercaja and Liberbank (Spain)

Disposal of 65% of Caser Seguros (January 2020)

#### UBS (Switzerland)

Disposal of 51.2% of UBS Fondcenter (January 2020)

#### Al Hilal Bank (UAE)

Disposal of Al Hilal Takaful (January 2020)

#### Getin Holding (Ukraine)

Disposal of JSC Idea Bank (January 2020)

#### Banco de Sabadell (Spain)

Disposal of Instant Ticket (January 2020)

#### Deutsche Bank (Philippines)

Disposal of 49% of Deutsche Regis (January 2020)

#### Burgan Bank (Iraq)

Disposal of 51.8% of Bank of Baghdad (January 2020)

#### Nova Ljubljanska banka (Slovenia)

Disposal of 50% NLB Vita (January 2020)

#### KBC (Slovenia)

Disposal of 50% of NLB Vita (January 2020)

#### Danske (Denmark)

Disposal of 31% of LR Realkredit (January 2020)

#### Nordea (Denmark)

Disposal of 39% of LR Realkredit (January 2020)

### Non-core operating asset disposals

#### Deal highlight:

**White & Case advised Union Bank of Nigeria, a Nigerian publicly listed bank, in connection with sale, by way of competition auction process, of its UK banking subsidiary, Union Bank UK, to MBU Capital**

#### Bayerische Landesbank (Germany)

Disposal of hedging business (June 2020)

#### Intesa Sanpaolo (Italy)

Disposal of 532 bank branches (June 2020)

#### Danske Bank (Estonia)

Disposal of corporate and public sector credit business (June 2020)

#### Suez Canal Bank (Egypt)

Disposal of minority stake in Middle East Oil Refinery (June 2020)

#### Alpha Bank, National Bank of Greece, Attica Bank & Piraeus Bank (Greece)

Disposal of minority stake in Forthnet (May 2020)

#### Bankia (Spain)

Disposal of institutional investment and pension fund depository business (May 2020)

#### VTB Bank (Russia)

Disposal of assets of Hals-Development (May 2020)

#### Gulf Bank (Kuwait)

Disposal of stake in Kuwait Finance and Investments (May 2020)

#### BNP Paribas (Mali, Comoros & Gabon)

Disposal of International Bank for Trade and Industry, Bank for Industry and Commerce and International Bank for Commerce and Industry (May 2020)

#### Julius Bär (Bahamas)

Disposal of Julius Bär Bank (Bahamas) (May 2020)

#### VTB Bank (Russia)

Disposal of 49.99% of Demeter Holding (May 2020)

#### Zürcher Kantonalbank (Switzerland)

Disposal of Swisscanto Vorsorge's administration business to PFS Pension Fund (April 2020)

#### Halkbank (Turkey)

Disposal of Halk Hayat ve Emeklilik (April 2020)



**Deal highlight:**

**White & Case advised Intesa Sanpaolo and UniCredit in connection with the establishment of a platform for the disposal of UTP shipping loans, through consultation with the Italian closed-end umbrella alternative investment fund, “Fi.NAV.,” managed by Davy Global Fund Management, and the disposal of certain shipping loan portfolios of US\$600m**

**European and US banks book more than US\$50 billion of charges on souring loans in Q1 2020** (*FT – May 2020*)

**Exposure of big French banks to key sectors such as tourism, transport and energy is set to drive up bad loan levels. Crédit Agricole could see loan losses increase to €2.7 billion, BNP Paribas to €6.3 billion and SocGen to €2.6 billion** (*S&P Global – April 2020*)

**Big Spanish banks including Santander, BBVA and CaixaBank continue to hold approximately €85 billion of toxic assets, despite intense NPL cleansing in 2017 and 2018** (*Expansión – April 2020*)

**Bank of Greece estimates that Greek banks’ NPEs will increase between 4% and 11%, bringing the NPE ratio between 44% to 51%** (*Debtwire – April 2020*)

**Bundesvereinigung Kreditkauf und Servicing estimates a rise in German NPLs by 200% from €33 billion in 2019 to €100 billion** (*Debtwire – April 2020*)

**Finanstilsynet’s relaxation on restrictions on disclosure of personal data to facilitate NPL disposals** (*FinansWatch – January 2020*)

**European non-core / non-performing loans disposals reached €102.4 billion in 2019, 50% of 2019’s record €208.1 billion** (*Debtwire – January 2020*)

**NPL / UTP sell-side:**

**National Bank of Greece** (Greece)

Disposal of €1.6 billion of NPLs to Bain Capital Credit (*June 2020*)

**UniCredit and Intesa Sanpaolo** (Italy)

Disposal of €80 million of shipping NPLs to Fi.NAV (*May 2020*)

**Bank of Cyprus** (Cyprus)

Disposal of €144 million of NPLs to B2Holding (*May 2020*)

**UniCredit** (Italy)

Disposal of €73 million of NPLs to Illimity Bank (*April 2020*)

**CaixaBank** (Spain)

Disposal of €445 million of NPLs to Farallon (*March 2020*)

**Santander** (Spain)

Disposal of €1.7 billion of real estate-backed NPLs to Amitra Capital (*March 2020*)

**Caixa Geral de Depósitos** (Portugal)

Disposal of €200 million of NPLs (*February 2020*)

**Cedito Valtellinese** (Italy)

Disposal of €357 million of unsecured NPLs to Hoist Finance (*February 2020*)

**Bank of Cyprus** (Cyprus)

Disposal of €400 million of unsecured NPLs to B2Holding (*January 2020*)

**Mosoblbank** (Russia)

Disposal of US\$1.9 billion of NPLs (*January 2020*)

**Banca Iccrea** (Italy)

Disposal of €230.5 million of unsecured / mortgage NPLs to Banca IFIS (*January 2020*)

**Caixa Geral de Depósitos** (Portugal)

Disposal of €240 million of unsecured corporate and SME NPLs to LX Partners (*January 2020*)

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

Disposal of €1.8 billion of NPLs to Illimity Bank and Kruk (*January 2020*)

**Akbank** (Turkey)

Disposal of TRY 717.5 million of loan receivables to Gelecek Varlik Yonetim (*January 2020*)

**Sekerbank** (Turkey)

Disposal of US\$25 million of NPLs to Sumer Varlik Yonetim (*January 2020*)

**Banca Valsabbina** (Italy)

Disposal of €19.6 million of mortgage NPLs to Balbec Capital (*January 2020*)

**NPL / UTP secondary market sell-side:**

**Prelios** (Italy)

Disposal of €30 million of secured NPLs to LCM Partners (*June 2020*)

**Prelios** (Italy)

Disposal of €30 million of NPLs to BlinkS (*May 2020*)

**Intrum** (Italy)

Disposal of unsecured NPLs to Banca IFIS, Illimity and Kruk Italia (*February 2020*)

**REO sell-side:**

**BMPS Group** (Italy)

Disposal of a real estate portfolio to Ardian (*March 2020*)

**Bankia** (Spain)

Disposal of €400 million of residential REO assets (*January 2020*)

**Pooling of debt servicing resources:**

**Banca Monte dei Paschi di Siena, Unione di Banche Italiane, MPS Capital Services**

**Banca per le Imprese and Banco BPM** (Italy)  
Real estate UTP management JV with AMCO and Prelios (*January 2020*)

**Outsourcing of debt servicing:**

**Attika Bank** (Greece)

Outsourcing of €435 million of NPLs to QQuant (*March 2020*)

**Banca Sella** (Italy)

NPL acquisition and servicing JV with B2 Kapital (*February 2020*)

**AstroBank** (Cyprus)

Outsourcing of NPE and REO management to Qualco Holdco through disposal of 74.9% of Trusset Asset Management (*January 2020*)

**Performing portfolio trades (sell-side):**

**Lloyds** (Ireland)

Disposal of €4.6 billion Irish mortgage portfolio (*May 2020*)

**Fondo de Garantia de Deposito** (Spain)

Disposal of the industrial portfolio of Caja Castilla-La Mancha (*May 2020*)

**Danske Bank** (Lithuania)

Disposal of a retail loan portfolio to Šiaulių Bankas (*May 2020*)

**VEB.RF** (Russia)

Disposal of US\$84.3 million Eurodon Group debt (*April 2020*)

**Absolut Bank** (Russia)

Disposal of €8.3 billion of Russian mortgages from Otkritie Bank (*January 2020*)

**Danske Bank** (Latvia)

Disposal of Latvian retail mortgages to Citadele (*January 2020*)

**Danske Bank** (Lithuania)

Disposal of €125 million of Lithuanian retail mortgages (*January 2020*)

**NPL / UTP buy-side (financial sponsors):**

**Farallon Capital** (Spain)

Acquisition of €445 million of NPLs from CaixaBank (*March 2020*)

**Bracebridge Capital** (Portugal)

Acquisition of €200 million of NPLs (*February 2020*)

**LX Partners** (Portugal)

Acquisition of €240 million of unsecured corporate and SME NPLs from Caixa Geral de Depósitos (*January 2020*)

**Balbec Capital** (Italy)

Acquisition of €19.6 million of mortgage NPLs from Banca Valsabbina (*January 2020*)

**NPL / UTP buy-side (specialist debt collectors):**

**B2Holding** (Cyprus)

Acquisition of €144 million of NPLs from Bank of Cyprus (*May 2020*)

**Illimity Bank** (Italy)

Acquisition of €73 million of NPLs from UniCredit (*April 2020*)

**Axactor** (Italy)

Acquisition of €25 million of NPLs from (unnamed) Italian financial institution (*March 2020*)

**Hoist Finance** (Italy)

Acquisition of €357 million of unsecured NPLs from Cedito Valtellinese (*February 2020*)

**Banca IFIS** (Italy)

Acquisition of €230.5 million of unsecured / mortgage NPLs from Banca Iccrea (*January 2020*)

**NPL / UTP buy-side (asset / credit managers):**

**Bain Capital Credit** (Greece)

Acquisition of €1.6 billion of NPLs from National Bank of Greece (*June 2020*)

**Amitra Capital** (Spain)

Acquisition of €1.7 billion of real estate-backed NPLs from Santander (*March 2020*)

**B2Holding and Waterfall asset Management** (Cyprus)

Acquisition of €400 million of unsecured NPLs from Bank of Cyprus (*January 2020*)

**Sumer Varlik Yonetim** (Turkey)

Acquisition of US\$25 million of NPLs from Sekerbank (*January 2020*)

**Gelecek Varlik and Istanbul Varlik Yonetim** (Turkey)

Acquisition of TRY717.5 million of loan receivables from Akbank (*January 2020*)

**NPL / UTP secondary market buy-side:**

**LCM Partners** (Italy)

Acquisition of €30 million of secured NPLs from Prelios (*June 2020*)

**BlinkS** (Italy)

Acquisition of €30 million of NPLs from Prelios (*May 2020*)

**Banca IFIS, Illimity and Kruk Italia** (Italy)

Acquisition of unsecured NPLs from Intrum (*February 2020*)

**REO buy-side:**

**Ardian** (Italy)

Acquisition of a real estate portfolio from BMPS Group (*March 2020*)

**Tilden Park Capital Management** (Spain)

Acquisition of €400 million of residential REO assets (*January 2020*)

**Availability of third-party service providers:**

**Resolute Asset Management** (Bulgaria)

Management of €130 million of legacy real estate portfolio for Piraeus Bank (*February 2020*)

**QQuant** (Greece)

Management of €435 million of NPLs for Attika Bank (*April 2020*)

**Loan securitisations:**

**J-Invest** (Italy)

Securitisation of €1.7 billion of NPLs (*April 2020*)

**Commerzbank** (Germany)

Securitisation of €1.5 billion of SME and mid-cap corporate loans (*February 2020*)

**Financial asset management—disposal, collaborations and outsourcing**

**Hoist Finance (Italy)**  
Securitisation of €5 billion of unsecured NPLs (January 2020)

**Debt servicing fund raisings:**

**Investcorp Holdings (Italy)**  
Launch of €340 million Italian NPLs fund (May 2020)

**Performing portfolio trades (buy-side):**

**Barclays (Ireland)**  
Acquisition of Lloyd's €4.6 billion Irish mortgage portfolio (May 2020)

**Liberbank (Spain)**  
Acquisition of the industrial portfolio of Caja Castilla-La Mancha (May 2020)

**Šiaulių Bankas (Lithuania)**  
Acquisition of a retail loan portfolio from Danske Bank (May 2020)

**Russian Agricultural Bank (Russia)**  
Acquisition of US\$84.3 million Eurodon Group debt (April 2020)

**Otkritie Bank (Russia)**  
Acquisition of 8.3 billion of Russian mortgages from Absolut Bank (January 2020)

**Citadele (Latvia)**  
Acquisition of Latvian mortgages of Danske Bank (January 2020)

**Šiaulių Bankas (Lithuania)**  
Acquisition of €125 million of Lithuanian retail mortgages (January 2020)

**Strategic M&A—scale to survive in core territories**

**Deal highlight:**

**White & Case advised Bangkok Bank, a leading Thai commercial bank, on its US\$3 billion acquisition of Bank Permata, a major commercial bank in Indonesia, from Standard Chartered Bank and PT Astra International**

**ECB advisory board opposed Andrea Enria's proposal to ease European bank M&A by making it easier to move capital from one country to another (Bloomberg – March 2020)**

**Italian Economy Minister Roberto Gualtieri has confirmed that consolidation in the Italian banking sector is key for Italy's economy (Bloomberg – February 2020)**

**SM Bank & RNCB Bank (Russia)**  
Merger (June 2020)

**Sovcombank & Express-Volga Bank (Russia)**  
Merger (June 2020)

**Easybank & BRABank (Norway)**  
Merger (June 2020)

**Sparekassen Kronjylland (Denmark)**  
Acquisition of Sparekassen Den lille Bikube (June 2020)

**TPB Bank (Tanzania)**  
Acquisition of TIB Corporation Bank (June 2020)

**Banca IFIS (Italy)**  
Acquisition of 70.77% of Farbanca (June 2020)

**MKB Bank & MTB Hungarian Savings Bank (Hungary)**  
Merger (May 2020)

**Banca Farmafactoring (Italy)**  
Acquisition of 76% of Depobank (May 2020)

**Hítel-és Fejlesztési Bank, Hungarian Savings Bank & MKB Bank (Hungary)**  
Merger (May 2020)

**Intesa Sanpaolo & Banca IMI (Italy)**  
Merger (May 2020)

**First National Bank Ghana (Ghana)**  
Acquisition of majority stake in GH Bank (May 2020)

**Honefoss Sparebank & Skue Sparebank (Norway)**  
Merger (May 2020)

**Credit Bank of Moscow (Russia)**  
Acquisition of Commercial bank Rusnarbank (May 2020)

**Co-op Bank of Kenya (Kenya)**  
Acquisition of Jamii Bora Bank (May 2020)

**Ansbacher (Bahamas)**  
Acquisition of Julius Bär Bank (Bahamas) (May 2020)

**Promsvyazbank & Sviaz-Bank (Russia)**  
Merger (May 2020)

**DSK Bank & Expressbank (Bulgaria)**  
Merger (May 2020)

**SBG-Bank (Poland)**  
Acquisition of Bank Spółdzielczy w Przemkowie (May 2020)

**Bangkok Bank (Thailand)**  
Acquisition of Bank Permata (May 2020)

**Commercial International Bank (Kenya)**  
Acquisition of 51% of Mayfair Bank (April 2020)

**Abu Dhabi Commercial Bank, Union Bank & Hilal Bank (UAE)**  
Merger (April 2020)

**Oman Arab Bank (Oman)**  
Acquisition of Alizz Islamic Bank (April 2020)

**Neftechemical Bank and J&T Bank (Russia)**  
Merger (April 2020)

**Mediocredito Centrale (Italy)**  
Acquisition of Banca Popolare di Bari (March 2020)

**Helgeland SpareBank (Norway)**  
Acquisition of SpareBank 1 Nord-Norge's Helgeland banking business (March 2020)

**SpareBank 1 Nord-Norge (Norway)**  
Acquisition of 19.99% of Helgeland SpareBank (March 2020)

**Strategic M&A—scale to survive in core territories**

**Sovcombank (Russia)**  
Acquisition of 91% of Volga-Caspian Bank (March 2020)

**Banca di Verona & Banca San Giorgio Quinto Valle Agno (Italy)**  
Merger (March 2020)

**Nova Ljubljanska Banka (Serbia)**  
Acquisition of 83.23% of Komercijalna Banka (February 2020)

**KBC Group (Slovakia)**  
Acquisition of 99.44% of OTP Banka Slovensko (February 2020)

**Abanca (Portugal)**  
Acquisition of 95% of EuroBic (February 2020)

**MONETA Money Bank (Czech Republic)**  
Acquisition of Wüstenrot-stavební spořitelna and Wüstenrot hypoteční banka (February 2020)

**Nova KBM (Slovenia)**  
Acquisition of Abanka (February 2020)

**Banca de Export-Import a Romaniei-Eximbank (Romania)**  
Acquisition of 99.28% of Banca Românească (January 2020)

**Dubai Islamic Bank (Dubai)**  
Acquisition of Noor Bank (January 2020)

**National Bank of Bahrain (Bahrain)**  
Acquisition of 49.7% of Bahrain Islamic Bank (January 2020)

**Access Bank (Kenya)**  
Acquisition of Transnational Bank (January 2020)

**Boubyan Bank (UK)**  
Acquisition of remaining stake Bank of London and The Middle East (January 2020)

**United Gulf Holding Company (Iraq)**  
Acquisition of 51.8% of Bank of Baghdad (January 2020)

**Promsvyazbank (Russia)**  
Acquisition of Sviaz-Bank (January 2020)

**OTB Bank (Slovenia)**  
Acquisition of 99.73% of SKB Bank (January 2020)

**Strategic M&A—COVID-19 creates opportunities for the bold**

**Landesbank Baden-Württemberg (Germany)**  
Acquisition of Bayerische Landesbank's hedging business (June 2020)

**Rossiya Bank (Russia)**  
Equity investment in JSC Genbank (June 2020)

**Arab Bank (Oman)**  
Acquisition of 11.76% of Oman Arab Bank (June 2020)

**Santander (Spain)**  
Acquisition of remaining 25% of Santander Consumer Finance (June 2020)

**Bulgarian Development Bank (Bulgaria)**  
Acquisition of 19% of First Investment Bank (June 2020)

**Crédit Andorrà (Andorra)**  
Acquisition of 50% of Assegur (June 2020)

**LHV Bank (Estonia)**  
Acquisition of Danske Bank's corporate and public sector credit business (June 2020)

**Cecabank (Spain)**  
Acquisition of Bankia's institutional investment and pension fund depository business (May 2020)

**HSBC (Germany)**  
Acquisition of 18.66% of HSBC Trinkaus & Burkhardt (May 2020)

**Andbank (Spain)**  
Acquisition of Degroof Petercam's Spanish private banking business (May 2020)

**S-Bank (Finland)**  
Acquisition of Fennia's asset management and real estate investment services business (May 2020)

**Société Générale (Germany)**  
Acquisition of Commerzbank's equity and commodities activities (May 2020)

**Santander (Germany)**  
Hyundai Capital Bank Europe's acquisition of Sixt Leasing (May 2020)

**Sberbank (Russia)**  
Acquisition of 50% of each of Mayak and Prima (May 2020)

**Credins Bank (Albania)**  
Acquisition of 5% of ALREG (April 2020)

**Sovcombank (Russia)**  
Acquisition of 50% of Sollers-Finance (March 2020)

**Standard Chartered (Bermuda)**  
Equity investment in 24 Exchange (March 2020)

**Gazprombank (Russia)**  
Acquisition of remaining 68% of Carcade (March 2020)

**UniCredit (Italy)**  
Acquisition of 32.5% of Esselunga real estate unit (March 2020)

**BNP Paribas (Spain)**  
Acquisition of Banco Sabadell's institutional depository business (March 2020)

**Unipol Group (Italy)**  
Acquisition of UBI Banca's bancassurance JVs (February 2020)

**BNP Paribas (France)**  
Acquisition of Société Générale's OTC metal trading portfolios (February 2020)

**Société Générale (France)**  
Acquisition of ITL (January 2020)

**Crédit Agricole (France)**  
Acquisition of 85% of Linxo (January 2020)

**Cecabank (Spain)**  
Acquisition of Kutxabank's Spanish depository services business (January 2020)

**Banca Transilvania (Moldova)**  
Acquisition of Microinvest (January 2020)

**Santander (Spain)**  
Acquisition of 60% of Allianz Popular (January 2020)

**Commerzbank (Germany)**  
Increased stake in Comdirect (January 2020)



**Strategic M&A— COVID-19 creates opportunities for the bold**

**Inbank (Estonia)**  
Acquisition of UAB Mokilizingas (January 2020)

**La Banque Postale (France)**  
Acquisition of majority stake in CNP Assurances (January 2020)

**Fintech rationalisation & investment**

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

**Wide buyer universe**

**Italy's government has expanded its "Golden Power" rules to block foreign takeovers to include systemically important banks (Reuters – April 2020)**

**Private equity:**

**Centerbridge (Italy)**  
Acquisition by Farmfactoring of Depobank (May 2020)

**AfricInvest (Rwanda)**  
Acquisition of minority stake in I&M Bank (March 2020)

**Nordic Capital (Norway)**  
€23 million equity investment into Norwegian Finans Holding (March 2020)

**KKR (Sweden)**  
Equity investment in Avida Finans (February 2020)

**BlackRock (Greece)**  
Acquisition of 5% of Alpha Bank (February 2020)

**MBU Capital (UK)**  
Acquisition of Union Bank UK Plc (January 2020)

**Governments:**

**Bulgarian Government (Bulgaria)**  
Participation in capital increase by First Investment Bank (June 2020)

**Italian interbank deposit fund and Mediocredito Centrale (Italy)**  
€430 million contribution to the capital needs of Banca Popolare di Bari (May 2020)

**Turkish National Sovereign Wealth Fund (Turkey)**  
US\$3 billion equity investment in Ziraat Bank, Halkbank and Vakifbank (May 2020)

**Angolan Government (Angola)**  
US\$79.8 million equity investment in African Development Bank (May 2020)

**Russian Finance Ministry (Russia)**  
Acquisition of 50% plus 1 share of Sberbank (February 2020)

**Non-bank FIs:**

**DDM Holding (Slovenia)**  
Acquisition of 9.9% of Addiko Bank (February 2020)

**Capital Group (US)**  
Acquisition of 3.1% of Deutsche Bank (February 2020)

**Creditwest Faktoring (Turkey)**  
Acquisition of 42% of West Finance and Credit Bank (January 2020)

**Traditional asset managers:**

**Emirates NBD (UAE)**  
Acquisition of c.1.51% by Bank of America Corp. (June 2020)

**Alpha Bank (Greece)**  
Acquisition of 5.48% by BlackRock (May 2020)

**Medicinos Bankas (Lithuania)**  
Acquisition by Growmore Group (May 2020)

**Liberbank (Spain)**  
Acquisition of 5.067% by DWS (May 2020)

**Bankia (Spain)**  
Acquisition of 4% by BlackRock (May 2020)

**Commerzbank (Germany)**  
Acquisition of 4.8% of by Capital Group (February 2020)

**BBVA (Spain)**  
Equity investment from asset management units of Goldman Sachs AM, Crédit Agricole AM, Charles Schwab AM, State Street and UBS AM (February 2020)

**Ultra high-net-worth / family offices / private investment groups:**

**Koné Dossongui (Mali, Comoros & Gabon)**  
Atlantic Financial Group's acquisition of International Bank for Trade and Industry, Bank for Industry and Commerce and International Bank for Commerce and Industry (May 2020)

**Amnon Shashua (Israel)**  
Acquisition of digital banking JV from Marius Nacht (May 2020)

**Nicolae Dorin (Moldova)**  
Acquisition of 13% of Banca de Finanțe și Comerț (April 2020)

**Said Gutseriev (Belarus)**  
Acquisition of 99.83% of Paritetbank (April 2020)

**Lyudmila Kogan (Russia)**  
Acquisition of 81.8% of Bank Uralsib (April 2020)

**Rooke Investments Limited (Spain)**  
Acquisition of Jyske Bank (Gibraltar) (April 2020)

**Tatiana Orlova (Russia)**  
Acquisition of 35% of IFC Bank (March 2020)

**Alexander Yaroslavsky (Ukraine)**  
Acquisition of Kredit Dnepr (January 2020)

**Øystein Stray Spetalen (Norway)**  
Acquisition of 3.72% of Pareto Bank (January 2020)

**Fierce competition**

**23% of UK SMEs and the self-employed have their main account with a digital bank (FStech – February 2020)**

**Lending by UK challenger banks has doubled in the last 5 years to reach a record of £115 billion in 2019 (FStech – February 2020)**

**"Challenger" banks stockpiling lending firepower:**

**Memo Bank (France)**  
Successful €20 million Series B funding round, led by BlackFin Capital Partners (June 2020)

**Monzo (UK)**  
Successful £60 million Series G funding round, led by Y Combinator (June 2020)

**Starling Bank (UK)**  
Successful US\$40 million Venture funding round, led by JTC and Merian Chrysalis Investment Company (May 2020)

**Judo Bank (Australia)**  
Successful US\$230 million Series C funding round, led by Tikehau Capital (May 2020)

**N26 (Germany)**  
Successful US\$100 million Series D funding round, led by Valvar Ventures and Tencent Holdings (May 2020)

**Railsbank (UK)**  
Successful US\$10 million Series A funding round, led by Visa and Global Brain (April 2020)

**86 400 (Australia)**  
Successful US\$34 million Series A funding round, led by Morgan Stanley (April 2020)

**Lunar (Denmark)**  
Successful €20 million Series B funding round, led by Seed Capital (April 2020)

**Penta (Germany)**  
Successful €18.5 million Venture funding round, led by ABN AMRO Ventures (March 2020)

**Tandem (UK)**  
Successful £60 million Corporate funding round, led by Qatar Investment Authority (March 2020)

**Xinja Bank (Australia)**  
US\$254.5 million equity investment by World Investments (March 2020)

**Starling Bank (UK)**  
Successful £60 million Venture funding round, led by Merian Global Investors and JTC Group (February 2020)

**Receipt Bank (UK)**  
Successful US\$73 million Series C funding round, led by Insight Partners (January 2020)

**New entrants:**

**Check 24 (Germany)**  
Receipt of banking licence (May 2020)

**Revolut (Lithuania)**  
Formal launched as Lithuanian licenced bank (May 2020)

**Finom (Netherlands)**  
Successful €6.5 million Seed funding round, led by Target Group (May 2020)

**indó (Iceland)**  
Successful €1 million Seed funding round, led by IVS (April 2020)

**Lanistar (UK)**  
Receipt of banking licence (March 2020)

**Yapeal (Switzerland)**  
Receipt of fintech banking licence (March 2020)

**Aion (Belgium)**  
Launch in Belgium (March 2020)

**Banking Circle (Luxembourg)**  
Receipt of banking licence (February 2020)

**B-Social (UK)**  
Successful £7.8 million Seed funding round, led by Rudy Karsan (February 2020)

**Oxbury (UK)**  
Receipt of banking licence (February 2020)

**Vive (UK)**  
Receipt of banking licence (January 2020)

**Oonto (Germany)**  
Launch in Germany (January 2020)

**B-North (UK)**  
Successful £2 million Crowdfunding round, led by Crowdcube and Growthfundrs (January 2020)

**Expanding offerings:**

**Loanbox (Germany)**  
Expansion of lending offering in Germany (April 2020)

**Marcus (UK)**  
Launch of instalment loan product (April 2020)

**Revolut (UK)**  
Launch of US offering (March 2020)

**Revolut (UK)**  
Launch of money management app for children aged 7 – 17, Revolut Junior (March 2020)

**Monzo (UK)**  
Launch of business banking offering (March 2020)

**Liv (UAE)**  
Launch of credit scoring offering (March 2020)

**Revolut (UK)**  
Savings account JV with Flagstone (January 2020)

**Starling (UK)**  
Launch of £250,000 unsecured SME loans and £150,000 corporate account overdraft limits (January 2020)

**Marcus (Pan-European)**  
Launch of mobile banking app (January 2020)

**Tackling social concerns**

**ESG:**

**RBS (UK)**

Pledge to cease lending to coal companies by 2030 (February 2020)

**Société Générale (France)**

Renewable energy risk sharing and funding participation JV with the European Investment Bank (February 2020)

**Intesa Sanpaolo (Italy)**

€50 billion pledge towards Italian green investments (January 2020)

**Financial inclusion:**

**Belfius Banque, BNP Paribas Fortis, ING België and KBC Group (Belgium)**

ATM network JV named Batopin (May 2020)

**Financial support:**

**Financial Solutions Lab (UK)**

US\$10 million equity investment by Prudential Financial (June 2020)

**Activist investors re-orientate strategies**

**Paris Europlace lobbying efforts for stricter rules on shareholder activism in French financial services (S&P Global – January 2020)**

**Pulling back:**

**Aareal Bank (Germany)**

Teleios' sell-down of its stake from 5% to 2.6% (March 2020)

**Surgings forward:**

**Deutsche Bank (Germany)**

Riebeck-Brauerei's pressure to remove Chairman Paul Achleitner (April 2020)

**Barclays (UK)**

Sherborne Investors' pressure to veto re-election of CEO Jes Staley (April 2020)

**Nordea Bank (Stockholm)**

Acquisition of 4.3% by Cevian (February 2020)

**Commerzbank (Germany)**

Cerberus's demand for 2 seats on supervisory board (June 2020)

**Barclays (UK)**

The Investor Forum's pressure to phase out financing of fossil fuel companies (February 2020)

**Barclays (UK)**

ShareAction's pressure to phase out financing of fossil fuel companies (January 2020)

**Commerzbank (Germany)**

Petrus Advisers' pressure to increase stake in Comdirect (January 2020)

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