

Mega domestic bank consolidation takes centre stage—Spain leads the charge

**Financial Institutions M&A:
Sector trends H2 2020 | Outlook for 2021**

**3 key drivers of bank M&A in
H2 2020:**

Bank consolidation across Europe:
COVID-19 turbocharges deal-making among regional and domestic banks

Strategic M&A:
COVID-19 cultivates an opportunistic M&A greenhouse

Attempted digital coup d'état:
'Challengers' redouble disruptive efforts in the wake of physical branch closures

Mega domestic bank consolidation takes centre stage—Spain leads the charge

Bank M&A across Europe comes to a boil—the COVID-19 pandemic has hastened the confluence of conducive conditions for mega domestic mergers. Spain and the Balkans lead the charge, with Italy, Germany, France, Poland and the UK expected to follow.

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The pandemic has hastened the confluence of conducive conditions for bank mergers. H2 2020 has borne witness to the rise of domestic champions in Spain, Hungary, Serbia and Slovenia. It is now a question of when, not if, larger regional banks will vie for the pan-European crown.

Overview

CURRENT MARKET

Coming to a boil

WE ARE SEEING

- Immediate relief from COVID-19 stress:
 - Corporate reorganisations delivering cost reduction and overcapacity elimination (e.g., merger between LBBW Asset Management/LBBW Wealth Management and Société Générale/Credit du Nord merger)
 - Rescue equity capital injections (e.g., Deutsche Bank's £276 million equity capital injection into Deutsche Bank India)
 - Rescue debt injections (e.g., Afreximbank's US\$200 million lifeline loan to Zenith Bank)
- Consolidation activity heats up across Europe:
 - > 35 regional bank consolidation deals in H2 2020
 - Domestic champions emerge amidst COVID-19 uncertainty—Spain (CaixaBank/Bankia merger), Hungary (MKB Bank/Budapest Bank/Takarékszövetkezeti merger), Serbia (Nova Ljubljanska banka's acquisition of Komercijalna) and Slovenia (Nova Kreditna Banka Maribor/Abanka merger)
- Banks re-visit core vs. non-core asset allocations:
 - Operating businesses—> 30 non-core operating business disposals in H2 2020
 - Financial assets—French banks join Italian, Spanish, Greek and Cypriot comrades in relation to disposal of soured exposures in H2 2020
- The COVID-19 pandemic cultivates an opportunistic M&A greenhouse:
 - Availability of high-quality assets (e.g., Nordea's acquisition of SG Finans)
 - Availability of distressed assets (e.g., Santander's acquisition of Wirecard's European business)
 - Tapping into alternative product distribution channels (e.g., Metro Bank's acquisition of RateSetter)
 - Growing positive sentiment in relation to partnerships (e.g., ABN AMRO's equity brokerage JV with ODDO BHF)
- 'Challengers' redouble disruptive efforts in the wake of physical branch closures:
 - Successful capital raisings by digital lenders (Monzo, Lunar, Chime, neon, Griffin, Aidexa, Vivid Money, Lili, Greenwood, Hammock, Bnext and Memo, to name just a few, have successfully raised growth capital in H2 2020)
 - New entrants targeting underserved market segments (i.e., Monument and Pennyworth, targeting the "mass affluent" and "aspiring affluent" market segments, respectively)

KEY DRIVERS

- Banks brace themselves for:
 - Unpredictability of trading revenues which supercharged P&L in H1 2020
 - The inevitable onslaught of loan defaults
- Slow but steady confluence of conducive conditions for bank mergers:
 - Scale to thrive in the prolonged low-net-interest margin environment—achieving cost synergies through branch closures and headcount reductions
 - Self-imposed customer austerity—customers conserve savings amidst lockdowns, travel bans and worry about possible job cuts
 - Local regulators willing to allow banking stability and sustainability prerogatives to trump 'too-big-to-fail' concerns
 - European Central Bank's more welcoming stance to capital treatment in M&A (e.g., permitting badwill to count for capital requirements instead of automatically raising requirements for the merged banking entity)
 - Third-party pressure on legislature to facilitate deal-making (e.g., Deutscher Sparkassen-und Giroverband's petition for centralisation of remaining landesbanken into a single German public savings institution)
- Maturity of financial asset servicing market:
 - Buyers with relevant experience and deep pockets—financial sponsors (e.g., Fortress Investment's acquisition of €1.1 billion of NPLs from Alpha Bank), industrial-scale debt servicing (e.g., PIMCO's acquisition of €916 million of NPLs from Bank of Cyprus) and specialist asset managers (e.g., AMCO's acquisition of €8.15 billion of NPLs from Monte Dei Paschi)
 - Outsourcing of debt servicing to third-party pioneers (e.g., DoValue's management of €2.6 billion of NPLs for Bain Capital)
 - Vibrancy of secondary markets (e.g., Banca IFIS's acquisition of €266 million of unsecured retail and SME NPLs from illimity Bank)

Our M&A forecast



Surge in M&A activity as pressure mounts on Europe's regional and domestic banks to consolidate and stabilise economies in the aftermath of the COVID-19 pandemic. Banks will continue to shed non-core businesses and financial assets in favour of bulking up core business lines. 2021 is poised to be a busy year for deal-makers.

European financial services M&A trends and themes in the H2 2020 COVID-19 climate



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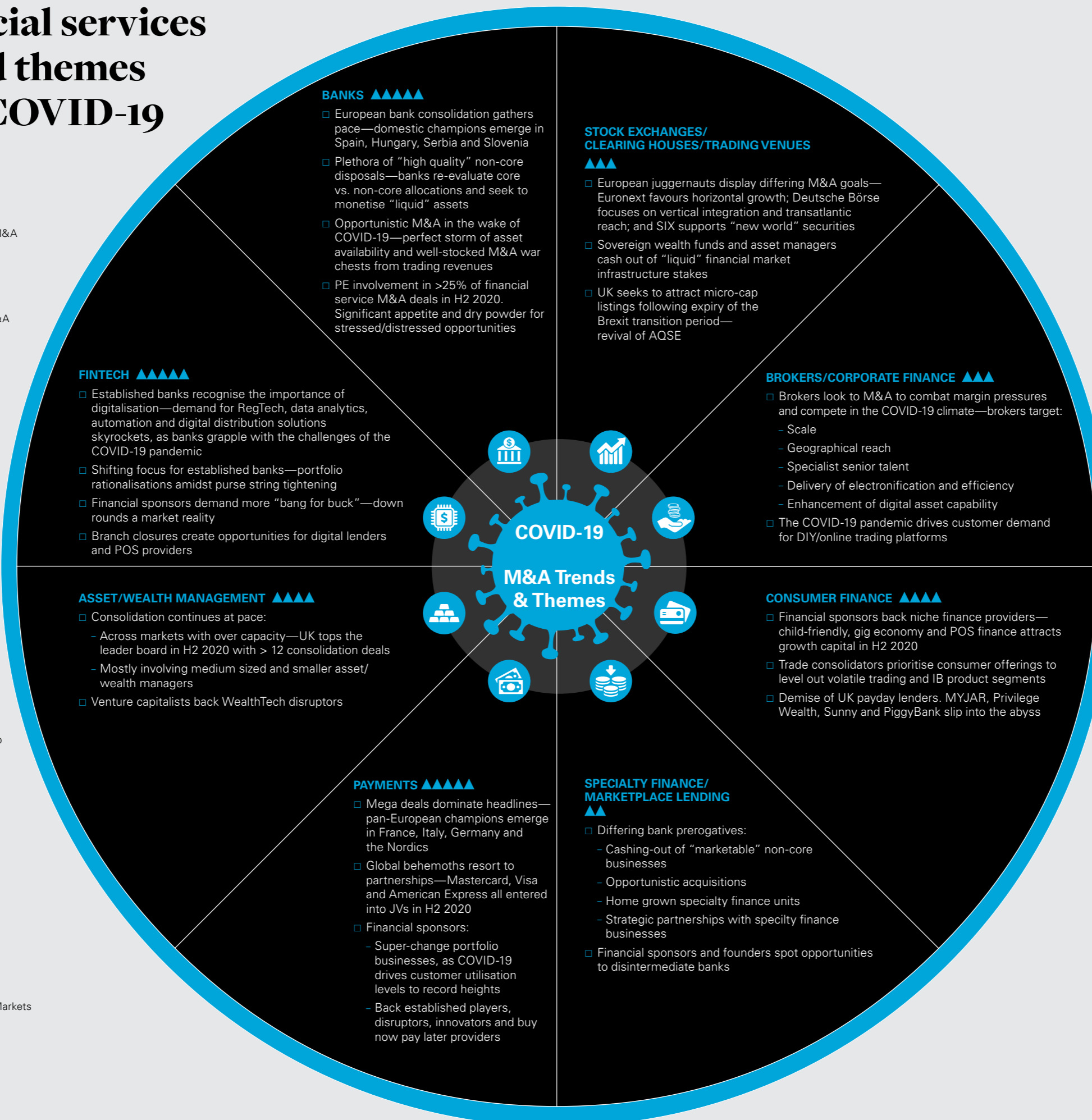
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M&A forecast legend

- ▲▲▲▲▲ Flat
- ▲▲▲▲▲ Limited growth
- ▲▲▲▲▲ Steady growth
- ▲▲▲▲▲ Strong growth
- ▲▲▲▲▲ Very strong growth



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Local Partner, Dubai

Banks—Publicly reported deals & situations

Corporate reorganisations

Market highlight:

Europe's biggest bank, HSBC, reported a 65% drop in pre-tax profits to US\$4.3 billion for H1 2020. HSBC also set aside US\$8 billion – US\$13 billion for bad loans as it expects borrowers to default on their repayments because of the COVID-19 pandemic. In June 2020, HSBC stated it would push ahead with its plan to cut 35,000 jobs from its global workforce of 235,000, as part of its major restructuring exercise. *BBC (August 2020)*

Société Générale & Credit du Nord (France)

Merger of retail banking operations (December 2020)

Nykredit Realkredit & LR Realkredit (Denmark)

Merger (December 2020)

Ahli United Bank, Bahrain (UAE)

Acquisition of 95.7% of Ahli United Bank, Egypt (October 2020)

LBBW Asset Management & LBBW Wealth Management (Germany)

Merger (September 2020)

Intesa Sanpaolo (Italy)

Acquisition of 9.75% of Alexbank (September 2020)

NatWest Group (UK)

Amalgamation of Coutts & Co, Adam & Co., Holt's, Drummonds, PCAIS, Premier Banking and Premier 24 (August 2020)

Credit Suisse (Switzerland)

Merger of oil & gas banking with global infrastructure, utilities and renewables operations (August 2020)

DNB and DNB Bank (Norway)

Merger (July 2020)

Rescue capital raisings

The European Central Bank relaxed regulations on Eurozone banks, freeing up as much as €73 billion of capital to boost lending and prevent the economic crisis triggered by the COVID-19 pandemic from turning into a credit crunch. *Financial News (September 2020)*

Eurozone banks may face a shortfall of up to €600 billion if the COVID-19 crisis lasts longer and deepens in the future. *S&P Global (June 2020)*

Equity:

Caisse des Dépôts (France)
Acquisition of 99.99% of SFIL (October 2020)

Roselkhozbank (Russia)
€223 million capital injection from Government of Russia (August 2020)

Deutsche Bank India (India)

£276 million equity capital injection from Deutsche Bank (August 2020)

First Investment Bank (Bulgaria)

£90 million equity injection from Bulgarian Development Bank and Valea Foundation (July 2020)

Debt:

Oragroup (Togo)

€50 million loan from Banque d'investissement et de développement de la CEDEAO (September 2020)

Zenith Bank (Nigeria)

US\$200 million loan from Afreximbank (September 2020)

Disposals of non-core businesses

Deal highlight:

White & Case represented Union Bank of Nigeria on the disposal of its UK banking subsidiary, Union Bank UK, to financial sponsor MBU Capital.

BankNordik (Denmark)

Disposal of Danish business (December 2020)

Bank Otkritie (Russia)

Disposal of VTB Bank shares (December 2020)

ForteBank (Kazakhstan)

Disposal of Bank Kassa Nova (December 2020)

BBVA (Mexico)

Disposal of Vitamedica (December 2020)

OTP Bank (Slovakia)

Disposal of OTP Banka Slovensko (November 2020)

ING (Netherlands)

Disposal of stake in Payvision (November 2020)

BBVA (US)

Disposal of BBVA USA (November 2020)

Deutsche Bank (Germany)

Disposal of Postbank Systems (November 2020)

Banca Profilo (Switzerland)

Disposal of 60.4% of Banque Profil de Gestion (November 2020)

Goldman Sachs (France)

Disposal of Groupe Meilleurtaux (October 2020)

Société Générale (Norway)

Disposal of SG Finans (October 2020)

Crédit Agricole (Saudi Arabia)

Disposal of 6% of Banque Saudi Fransi (September 2020)

Banca Sella (Italy)

Disposal of 50% stake of Hype (September 2020)

Intesa-UBI (Italy)

Disposal of 532 branches (September 2020)

Natwest/Santander (Saudi Arabia)

Disposal of 1.25% stake of SABB (September 2020)

VTB Bank (Russia)

Disposal of entire 12.74% of shareholding in Saint-Petersburg Currency Exchange (August 2020)

BBVA (Spain)

Disposal of 50% of BASR (August 2020)

Areal Bank (Germany)

Disposal of 30% of Aareon (August 2020)

FBN Holdings (Nigeria)

Disposal of FBN Insurance (August 2020)

Oma Savings Bank (Finland)

Disposal of shareholdings in Nooa Savings, Sb Life Insurance and Sb-Fund Management Company (August 2020)

CaixaBank (Spain)

Disposal of 29% of Comercia Global Payments (August 2020)

Sberbank (Russia)

Disposal of Yandex.Market (July 2020)

UniCredit (Austria)

Disposal of UniCredit Leasing Fuhrparkmanagement (July 2020)

Augsburger Aktienbank (Germany)

Disposal of securities business (July 2020)

Sabadell (Spain)

Disposal of Sabadell Asset Management (July 2020)

Intesa Sanpaolo (Italy)

Disposal of merchant acquiring business (July 2020)

Crédit Mutuel (France)

Disposal of Euro-Information-Européenne De Traitement De L'information (June 2020)

Idea Bank (Poland)

Disposal of 65% of Idea Money (June 2020)

Bankia (Spain)

Disposal of 15% of Caja de Seguros Reunidos (June 2020)

The European Central Bank is working on an Amazon-style website to sell hundreds of billions of euros worth of bank loans which have been soured by the COVID-19 crisis. *S&P Global (September 2020)*

UK Finance is facilitating discussions between British banks to set up a joint debt recovery vehicle in anticipation of having to recover £35 billion of Bounce Back Loans from borrowers unable to repay. *S&P Global (September 2020)*

HSBC could take a hit of as much as US\$13 billion over payment defaults, alongside a projected 69% drop in profit after tax, on account of the COVID-19 pandemic. *Law 360 (August 2020)*

European banks are facing as much as €800 billion in loan losses and a €30 billion hit to their revenue over the next three years as a result of the COVID-19 crisis. *Financial Times (July 2020)*

The largest UK, Swiss and Eurozone lenders are expected to provision at least €23 billion for Q2 2020, on top of the €25 billion in charges against potential defaults in Q1 2020. *Financial Times (July 2020)*

Banks around the world are set to rack up credit losses of about US\$2.1 trillion for 2020 and 2021 due to the disruption caused by the COVID-19 outbreak. *S&P Global (July 2020)*

NPL/UTP disposals:

Banco BPM (Italy)

Disposal of €1 billion of UTPs to Credito Fondiario (December 2020)

Monte Dei Paschi (Italy)

Disposal of €8.15 billion of NPLs to AMCO (October 2020)

Société Générale (France)

Disposal of c. €500 million of French SME NPLs to iQera (September 2020)

Bank of Cyprus (Cyprus)

Disposal of €916 million of NPLs to PIMCO (August 2020)

UniCredit (Italy)

Disposal of €1.54 billion of unsecured SME NPLs to illimity, Banca IFIS, Guber Banca and Barclays (July 2020)

Banca Nazionale del Lavoro (Italy)

Disposal of €129 million of NPLs to MBCredit Solutions (July 2020)

Alpha Bank (Greece)

Disposal of €1.1 billion of NPLs to Poseidon Financial Investor (July 2020)

Banca Popolare di Bari (Italy)

Disposal of €2 billion of UTPs and NPLs to AMCO (June 2020)

BMPS (Italy)

Disposal of €9 billion of UTPs and NPLs to AMCO (June 2020)

Santander (Spain)

Disposal of €500 million of unsecured NPLs to Gescobro (June 2020)

Outsourcing debt/REO servicing:

Iccrea Banca (Italy)

NPL and REO servicing arrangement with doValue (August 2020)

Bankia (Spain)

Residential asset portfolio outsourcing arrangement with Anticipa (August 2020)

REO disposals:

BMPS (Italy)

Disposal of REO portfolio to Ardian (July 2020)

Performing portfolio disposals:

Metro Bank (UK)

Disposal of performing residential mortgage loan portfolio to NatWest (December 2020)

Hamburg Commercial Bank (Germany)

Disposal of performing renewable energy loan portfolio to UniCredit Bank (December 2020)

Permanent TSB (Ireland)

Disposal of US\$1.2 billion performing buy-to-let loan portfolio to Citibank London (October 2020)

Idea Bank (Poland)

Disposal of £211 million leasing and loan portfolio to Getin Noble Bank (August 2020)

Public Pension Agency (Saudi Arabia)

Disposal of US\$799 million of home loans to Saudi Real Estate Refinance (July 2020)

Acquiring debt-servicing capability/capacity:

Eulero Capital (Italy)

Acquisition of equity interest in Team 1994 (November 2020)

Alpha Bank (Greece)

Acquisition of remaining 60% of Cepal Hellas from Centerbridge Partners (July 2020)

Bain Capital Credit (Austria)

Acquisition of Hypo Alpe Adria Bank (July 2020)

Secondary-market NPL/UTP disposals:

Primsotsbank (Russia)

Acquisition of US\$4 million loan portfolio from Sauber Bank (August 2020)

illimity Bank (Italy)

Disposal of €266 million of unsecured retail and SME NPLs to Banca IFIS (August 2020)

Creval (Italy)

Disposal of €400 million of NPLs and UTPs to MBCredit and AMCO (August 2020)

Portfolio acquisitions – financial sponsors:

iQera (France)

Acquisition of c. €500 million of French SME NPLs from Société Générale (September 2020)

Poseidon Financial Investor/ Fortress Investment (Greece)

Acquisition of €1.1 billion of NPLs from Alpha Bank (July 2020)

Gescobro/Cerberus (Spain)

Acquisition of €500 million of unsecured NPLs from Santander (June 2020)

Portfolio acquisitions – industrial-scale debt servicing:

Credito Fondiario (Italy)

Acquisition of €1 billion of UTPs from Banco BPM (December 2020)

PIMCO (Cyprus)

Acquisition of €916 million of NPLs from Bank of Cyprus (August 2020)

MBCredit Solutions (Italy)

Acquisition of €129 million of NPLs from Banca Nazionale del Lavoro (July 2020)

Portfolio acquisitions – asset managers:

AMCO (Italy)

Acquisition of €8.15 billion of NPLs from Monte Dei Paschi (October 2020)

AMCO (Italy)

Acquisition of €2 billion of UTPs and NPLs from Banca Popolare di Bari (June 2020)

AMCO (Italy)

Acquisition of €9 billion of UTPs and NPLs from BMPS (June 2020)

Portfolio acquisitions – banks:

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

Acquisition of €1.54 billion of unsecured SME NPLs from UniCredit (July 2020)

Availability of third-party service providers:

DoValue (Greece)

Management of €2.6 billion of NPLs for Bain Capital (July 2020)

REO acquisitions:

Ardian (Italy)

Acquisition of REO portfolio from BMPS (July 2020)

Performing portfolio acquisitions:

NatWest (UK)

Acquisition of performing residential mortgage loan portfolio from Metro Bank (December 2020)

UniCredit (Germany)

Acquisition of renewable energy loan portfolio from Hamburg Commercial Bank (December 2020)

Citibank London (Ireland)

Acquisition of US\$1.2 billion performing buy-to-let loan portfolio from Permanent TSB (October 2020)

Getin Noble Bank (Poland)

Acquisition of £211 million leasing and loan receivables portfolio from Idea Bank (August 2020)

Saudi real estate refinance (Saudi Arabia)

Acquisition of US\$799 million of home loans from Public Pension Agency (July 2020)

Securitisation:

BPER Banca (Italy)

Disposal of 95% of mezzanine and junior tranches of €1.2 billion 'Spring' NPL securitisation programme (July 2020)

Secondary-market NPL/UTP acquisitions:

Sauber Bank (Russia)

Disposal of US\$4 million loan portfolio to Primsotsbank (August 2020)

Banca IFIS (Italy)

Acquisition of €266 million of unsecured retail and SME NPLs from illimity Bank (August 2020)

MBCredit and AMCO (Italy)

Acquisition of €400 million of NPLs and UTPs from Creval (August 2020)

Bank M&A in Europe has picked up steam in recent months, but ultra-low valuations have prompted wrangling between buyers and sellers over price. *S&P Global (December 2020)*

Consolidation in the fragmented European banking sector is likely to continue given the pressure on companies from negative interest rates, the impact of COVID-19 and the regulatory push for M&A. *S&P Global (September 2020)*

Market highlight:

The all-share merger between CaixaBank and Bankia will result in the creation of Spain's largest bank by market share in retail operations, with approximately €664 billion in assets. *Business Insider (September 2020)*

Market highlight:

The all-share merger between Unicaja Banco and Liberbank will result in the creation of Spain's fifth-largest lender, with approximately €110 billion in assets. *S&P Global (December 2020)*

Market highlight:

Nova Ljubljanska banka's acquisition of 83.23% of Komercijalna resulted in the creation of the third-largest banking group in Serbia, with approximately 12% of market share. *S&P Global (December 2020)*

Market highlight:

The transfer of shares of each of Takarékbank Group, MKB Bank and Budapest Bank to Magyar Bankholding will result in the creation of Hungary's second-largest bank, with approximately HUF 5,800 trillion in assets, 920 branches and 1.9 million customers. *Budapest Business Journal (December 2020)*

BNP Paribas Fortis (Belgium)
Acquisition of Bpost bank
(December 2020)

Capital Bank of Jordan (Iraq and Jordan)
Acquisition of Bank Audi's Iraq and Jordan businesses
(December 2020)

Unicaja Banco & Liberbank (Spain)
Merger (December 2020)

Nova Ljubljanska banka (Serbia)
Acquisition of 83.23% of Komercijalna banka
(December 2020)

Crnogorska komercijalna banka & Podgorička banka (Montenegro)
Merger (December 2020)

Promsvyazbank (Russia)
Acquisition of Roscosmosbank
(December 2020)

SpareBank 1 BV & Sparebanken Telemark (Norway)
Merger (November 2020)

KBC Bank (Slovakia)
Acquisition of 99.44% stake in OTP Banka Slovensko
(November 2020)

KCB (Tanzania)
Acquisition of 100% of African Banking Corp. (Tanzania)
(November 2020)

KCB (Rwanda)
Acquisition of 62.06% of Banque Populaire du Rwanda
(November 2020)

Vestjysk Bank & Den Jyske Sparekasse (Denmark)
Merger (November 2020)

Banco Fiorentino & Banca Alta Toscana (Italy)
Merger (November 2020)

Istituto Bancario del Lavaro (Italy)
Acquisition of Banca Capasso Antonio
(November 2020)

Cofiter & Confidi.net (Italy)
Merger (November 2020)

I&M Bank (Uganda)
Acquisition of Orient Bank
(November 2020)

Dubai Islamic Bank & Noor Bank (UAE)
Merger (November 2020)

Jýsan Bank (Kazakhstan)
Acquisition of 99.76% stake in ATFBank
(November 2020)

MKB Bank, Budapest Bank & Takarékszövetkezeti (Hungary)
Merger (October 2020)

Credem & Cassa di Cento (Italy)
Merger (October 2020)

National Commercial Bank & Samba Financial Group (Saudi Arabia)
Merger (October 2020)

Sydbank (Denmark)
Acquisition of Alm. Brand Bank
(October 2020)

Access Bank (Mozambique)
Acquisition of stake in African Banking Corporation Mozambique
(September 2020)

Sparekassen Vendsyssel & Salling Bank (Denmark)
Merger (September 2020)

CaixaBank & Bankia (Spain)
Merger (September 2020)

Bank of Bahrain and Kuwait (Bahrain)

Acquisition of Ithmaar Bank
(September 2020)

Nova KBM & Abanka (Slovenia)
Merger (September 2020)

Volksbanken and Mindener (Germany)
Merger (August 2020)

Tandem Bank (UK)
Acquisition of Allium
(August 2020)

Mosoblbank and Finance Business Bank (Russia)
Merger (August 2020)

Sapelle International Bank Liberia (Liberia)
Acquisition of GN Bank Liberia
(August 2020)

Access Bank (Zambia)
Acquisition of Cavmont Bank
(August 2020)

Savings Bank Group (Finland)
Acquisition of shareholding in Nooa Savings
(August 2020)

I&M (Uganda)
Acquisition of 90% of Orient Bank
(July 2020)

InsingerGilissen and Quintet Private Bank (Denmark)
Merger (July 2020)

First National Bank Ghana and GHL Bank (Ghana)
Merger (July 2020)

Glenamaddy Credit Union and St Jarlath's Credit Union (Ireland)
Merger (July 2020)

Equity Group Holdings (Democratic Republic of Congo)
Acquisition of 66.5% of Banque Commerciale du Congo
(June 2020)

Société Générale (France)
Acquisition of Shine
(June 2020)

Deal highlight:

White & Case represented Alpha Bank on its acquisition of 60% of Cepal Hellas Financial Services, a Greece-based provider of servicing management for loans and credit receivables, from Centerbridge Partners.

Investment banks revenues at the top 12 global banks should increase by "at least 30% to 40%" year-over-year in 2020 after hitting multiyear highs over H1 2020. *S&P Global (September 2020)*

Acquisitions:

Spar Nord Bank (Denmark)
Acquisition of BankNordik's Danish business
(December 2020)

Société Générale (France)
Acquisition of Reezocar
(December 2020)

Arbuthnot (UK)
Acquisition of Asset Alliance
(December 2020)

Banque Misr and Al Ahly Capital (Egypt)
Acquisition of 20% of IBAG
(November 2020)

Santander (Germany)
Acquisition of Wirecard's European business
(November 2020)

One Swiss Bank (Switzerland)
Acquisition of 60.4% of Banque Profil de Gestion
(November 2020)

Commerzbank (Germany)
Acquisition of comdirect
(November 2020)

Bank Trust (Russia)
Acquisition of Inteco
(October 2020)

Intesa Sanpaolo (Switzerland)
Acquisition of REYL & Cie
(October 2020)

Nordea (Norway)
Acquisition of SG Finans
(October 2020)

Metro Bank (UK)
Acquisition of RateSetter
(September 2020)

SpareBank 1 SR-Bank (Norway)
Acquisition of Fast Solutions
(September 2020)

BPER Banca (Italy)
Acquisition of 532 Intesa-UBI branches
(September 2020)

Railsbank (UK)
Acquisition of Wirecard UK
(August 2020)

Standard Bank (South Africa)
Acquisition of TradeSafe
(August 2020)

BBVA (Mexico)
Acquisition of further 50% of Adquira Mexico
(August 2020)

Metro Bank (UK)
Acquisition of RateSetter
(August 2020)

Sovcombank (Russia)
Acquisition of Sovest
(July 2020)

BNP Paribas/Arval (Austria)
Acquisition of UniCredit Leasing Fuhrparkmanagement
(July 2020)

Nordea (Norway)
Acquisition of Frende Livsforsikring's occupational and individual pension portfolios
(July 2020)

EBASE (Germany)
Acquisition of Augsburger Aktienbank's securities business
(July 2020)

JVs:

ABN AMRO (Amsterdam)
Equity brokerage JV with ODDO BHF
(September 2020)

Abu Dhabi Islamic Bank (Abu Dhabi/Israel)
Banking JV with Bank Leumi
(September 2020)

Emirates NDB (Dubai/Israel)
Banking JV with Bank Hapoalim
(September 2020)

Fintech investment

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

Wide buyer universe

Private equity:

AfricInvest (Ghana)

Acquisition of minority interest in Fidelity Bank Ghana (November 2020)

Silver Lake (France)

Acquisition of Groupe Meilleurtaux (October 2020)

Ripplewood (Saudi Arabia)

Acquisition of 6% stake in Banque Saudi Fransi (September 2020)

GFH (Bahrain)

Acquisition of further 50.4% of Global Banking Corp (August 2020)

Goldman Sachs (South Africa)

Acquisition of 5.32% of Capitec Bank (July 2020)

Blackstone (Netherlands)

Acquisition of NIBC (July 2020)

Asset managers:

Capital Group Companies (France)

Acquisition of further 5.1% of Société Générale (August 2020)

Foreign non-bank:

Freedom Holding (Kazakhstan)

Acquisition of Bank Kassa Nova (August 2020)

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

Nasser Abdullah Hussain Lootah (Pakistan)

Equity investment in Summit Bank (September 2020)

Mohamed Hédi Ben Ayed (Tunisia)

Acquisition of further 2.21% of WIFAK Bank (August 2020)

Olimpiu Balas (Romania)

Acquisition of 63% of Bank Rail (July 2020)

Tomás Olivo (Spain)

Acquisition of further 2.18% of Unicaja Banco (July 2020)

Asset managers offload bank investments

PSG Financial Services (South Africa)

Disposal of 1.47% of Capitec Bank Holdings (July 2020)

Fierce competition

The UK Prudential Regulation Authority released its consultation paper on new proposed rules for challenger banks and other non-systemic lenders advocating a "simpler but prudentially robust" regime for the UK banking sector. *S&P Global (July 2020)*

Barclays, HSBC, Lloyds, NatWest and Santander have signed the Fintech Pledge, designed to boost the sector by helping to establish efficient and transparent commercial partnerships between banks and fintech firms. *Finextra (September 2020)*

Deal highlight:

White & Case advised Novator Partners on its investment in a Series G follow-on investment in Monzo Bank Limited.

Fierce competition

'Challenger' banks:

HighSage (UK)

Acquisition of minority stake in OakNorth Bank (September 2020)

Digital players:

Monzo Bank

Successful £250 million Series G round (November 2020)

Lunar

Successful US\$40 million Series C funding round, from existing investors (October 2020)

Chime

Successful US\$485 million Series F funding round, led by Coatue, Iconiq, Tiger Global, Whale Rock Capital, General Atlantic, Access Technology Ventures, Dragoneer and DST Global (September 2020)

Neon Pagamentos

Successful US\$300 million Series C funding round, led by General Atlantic (September 2020)

neon

Successful US\$5.5 million funding round, led by Helvetia (September 2020)

New entrants:

Pennyworth

Launch in UK (October 2020)

Monument

Launch in UK (October 2020)

Griffin

Successful £6.5 million funding round (November 2020)

Aidexa

Successful US\$45 million seed funding round (November 2020)

Vivid Money

Successful US\$15 million Series A funding round, led by Ribbit Capital (November 2020)

Lili

Successful US\$15 million Series A funding round, led by Group 11 (October 2020)

Greenwood

Successful US\$3 million seed funding round (October 2020)

Hammock

Successful £1 million seed funding round, led by Fuel Ventures and Ascension Ventures (August 2020)

Bnext

Successful €11 million Series A funding round, led by Speedinvest (August 2020)

Progetto Banca Idea

Successful €45 million Venture funding round, led by Generali (July 2020)

Memo Bank

Successful US\$23 million Series B funding round, led by BlackFin Capital Partners (June 2020)

Here cometh BigTech

'Big tech' firms such as Amazon, Alibaba and Facebook may have provided as much as US\$572 billion of credit globally in 2019, almost twice the amount extended by fintechs, which is estimated to be about US\$223 billion in 2019. *S&P Global (September 2020)*

Opera (Digital banking)

Acquisition of Fjorde Bank (July 2020)

Activists exit hibernation

Activist investors pushing for change in corporate Italy are finding themselves increasingly at odds with the government rather than business bosses because of the state's growing appetite for intervention. *Financial Times (December 2020)*

J.P. Morgan brought deal-making and capital markets expertise into its activist division in anticipation of more campaigns. *Financial Times (August 2020)*

UBS launched its new Big Data tool to help its clients fend off threats from activist investors amidst a rush of campaigns in the wake of the COVID-19 crisis. *Financial News (July 2020)*

Bluebell Capital Partners (Italy)

Demand for seats on Mediobanca's board (October 2020)

Sherborne (UK)

Demand for Barclays to reduce assets in CIB by 24% (August 2020)

Amber (Italy)

Petition to Consiglio di Stato for revocation of suspension of BPDS's transformation into a joint stock company (August 2020)

Petrus Advisers (Germany)

Acquisition of 3% stake in Areal Bank (August 2020)

Cerberus Capital (Germany)

Demand for two seats on Commerzbank's supervisory board (July 2020)

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