

Europe's banks restructure, consolidate and partner their way into the digital future

UK & European Financial Services M&A:
Sector Trends H2 2023 | H1 2024

Banks

3 key drivers of bank M&A:

Arrival of long-awaited mammoth consolidation deals:

Italy's UniCredit and Spain's BBVA sound the charge.

"Challenger" bank M&A catches fire:

The UK grabs headlines with Coventry Building Society's and Nationwide Building Society's respective acquisitions of The Co-operative Bank and Virgin Money.

Governments play a pivotal role in European bank M&A:

State coffers play significant roles in >10 mega deals in under 12 months.

Europe's banks restructure, consolidate and partner their way into the digital future

Overview



Current market

Steady uptick—pan-European mergers and mega domestic consolidations take shape.



We are seeing

Banks restructure in time for tougher net interest margin environments ahead:

- **Achieving optimal corporate and licencing footprints in key geographical markets** (e.g., LHV Bank's launch of LHV Bank)
- **Recognising freedom needed for business lines to grow** (e.g., Commerzbank's demerger of Yellowfin Asset Management)
- **Optimising regulatory capital structures** (e.g., Revolut's share capital reorganisation to comply with CET1 capital requirements)
- **Integrating recent acquisitions** (e.g., UBS's completion of 1st phase of Credit Suisse integration)
- **Cost reduction through branch and headcount reductions** (e.g., 9 out of 10 Latvian banks closed offices and 1 out of 8 UK banks closed branches in the past 12 months)

Governments play a pivotal role in European bank M&A:

- **Privatisations** (e.g., Hellenic Financial Stability Fund's disposals of 22% of National Bank of Greece, 8.9% of Alpha Bank and 1.40% of Eurobank)
- **Nationalisations** (e.g., Ukrainian Ministry of Finance's acquisition of Sense Bank)
- **Redistributions** (e.g., Republic of Kazakhstan's acquisition of 4.3% of Eurasian Development Bank)

- **International financial support** (e.g., Norfund's US\$150 million equity subscription in Joint Stock Commercial Bank)
- **Knock-on M&A** (e.g., EBRD's disposal of 15% of Erste Bank Hungary)

Regional and domestic bank M&A activity:

- **Non-core disposals of operating subsidiaries, businesses and soured / performing loan portfolios** (e.g., Société Générale's disposals of Shine, 52.6% of Société Générale Burkina Faso, 65% of Banco Société Générale Moçambique and Société Générale Equipment Finance)
- **Consolidations** (>35 domestic bank consolidations in the past 12 months, aside from those related to the Russia / Ukraine conflict)

"Challenger" bank M&A catches fire – hottest challenger banking trends of the last 12 months:

- **Eye-catching consolidations**
UK tops on consolidations (e.g., Coventry Building Society's acquisition of The Co-operative Bank and Nationwide Building Society's acquisition of Virgin Money)
- **Growth capital fund raising activity**
UK tops on availability of growth capital (e.g., GB Bank, Monzo, Atom Bank, Zopa, Tandem and Jamaica National Bank UK all successfully raised capital in the past 12 months)
- **Fintechs acquire banking licences**
Fintechs step-up their licensing footprint (e.g., Ageras' acquisition of Shine, PayFix's acquisition of BankPozitif, Nucleus' acquisition of Curtis Bank and Rauva's acquisition of Banco Empresas Montepio)
- **Scaling through acquisitions**
Some challengers swallow local (e.g., Chetwood Financial's acquisition of CHL Mortgages and Vanquis' acquisition of Snoop), **while others swallow international** (e.g., Papara's acquisition of Rebellion)



Hyder Jumabhoy

Co-head of Global Financial Institutions Industry Group & Co-head of EMEA Financial Services M&A, EMEA Corporate Group, FIG M&A, Partner, London



Ashley Ballard

EMEA Corporate Group, FIG M&A, Partner, London



We are more bullish on bank M&A than we have been in the last 5 years. As lower NIM environment looms, UK and European lenders which had shelved transformational deals will need to act quickly, albeit carefully.”

Hyder Jumabhoy

□ **Scaling through partnerships**

Well-known names ink partnerships

(e.g., OakNorth’s SMEs commercial debit cards JV with Marqeta and Klarna’s ridesharing and food delivery payments JV with Uber)

□ **Scaling back**

Some challengers scale back from business lines

(e.g., Klarna’s disposal of Hero and shutting-down of Klarna Kosma), **while others scale back from geographies** (e.g., N26’s exit from Brazil)

□ **New entrants**

Turkey makes a splash in the digital banking revolution

(e.g., launch of Enpara Bank and ColendiBank)



Key drivers

Arrival of long-awaited mammoth consolidation deals:

- **Inked** (e.g., UniCredit’s acquisition of 8.9% of Alpha Services)
- **Eagerly anticipated** (e.g., BBVA’s takeover bid for Sabadell)

Diverse spectrum of investors in / buyers of banking businesses:

- **Competitors looking to scale** (e.g., BPCE’s acquisition of Société Générale Equipment)
- **Consolidators scooping-up core business lines** (e.g., Barclays’ acquisition of Tesco Bank’s business and Nordea’s acquisition of Danske Bank’s personal customer and private banking business)
- **Local non-banks expanding domestic footprints** (e.g. Vista’s acquisitions of 52.6% of Société Générale Burkina Faso and 65% of Banco Société Générale Moçambique)

□ **Foreign non-banks expanding into banking**

(e.g., Rönésans’ acquisition of Rabobank (Turkey) and Bestway’s acquisition of United National Bank)

□ **VC investors making well-placed bets**

(e.g., Hera’s investment in GB Bank, Nortia’s investment in MyInvestor, Infinity’s investment in Atom and Silverstripe’s investment in Zopa)

□ **Pension funds searching for safe bets**

(e.g., Teesside Pension Fund’s investment in GB Bank)

□ **Ultra-high-net-worth / family offices doubling down on existing bets**

(e.g., Jaime Gilinski Bacal’s participation in Metro’s £925 million private placement)

□ **PE investors deploying buy, reform & build strategies**

(e.g., Cerberus’ acquisition of VeloBank)

□ **SWFs making late-stage investments, chasing profit on exit**

(e.g., GIC’s investment in Monzo)

Willing sellers and buyers of financial assets:

- **UTPs / NPLs** (e.g., CaixaBank’s disposals of €554 million of Spanish mortgage NPLs and €315 million of Spanish unsecured retail NPLs to Cerberus and KRUK, respectively)

- **REOs** (e.g., Alpha Bank’s €438 million disposal of REOs to Diamnd and Premia Properties)

- **Performing portfolios** (e.g., Sainsbury’s Bank’s disposal of £479 million of performing UK mortgage loans to The Co-operative Bank)

- **Forward-flow arrangements** (e.g., Deutsche Bank’s €280 million forward flow of Italian unsecured retail debt portfolio with KRUK)



Trends to watch

Regulators adopting an interventionist approach to deal-making:

- **Europe:** European Central Bank's communication to Eurozone lenders to speed up withdrawals from Russia
- **Member State:** Spanish government's negative stance to BBVA's hostile takeover bid for Sabadell
- **US exercising extraterritorial reach:** U.S. Treasury's warning to Raiffeisen on access restrictions to the U.S. financial system on account of Russian dealings

Uptick in cross-border transactions between Europe's lenders:

- **Consolidations to conquer markets** (e.g., UniCredit's acquisition of 90% of Alpha Bank Romania)
- **Cross-selling of financial products** (e.g., UniCredit's pension-saving products JV with Alpha Services)
- **Collaborations to combat rising digital economy risks** (e.g., Banco Santander, BBVA and CaixaBank joint establishment of FrauDfense)
- **Swapping of performing loan portfolios** (e.g., BNP Paribas' sale of €360 million of performing consumer loans to Erste)

Continued pressure on Europe's lenders to withdraw from the Russian Federation in the wake of the Russia / Ukraine conflict

Resurgence of activist pressures as the interest rate bull run appears to tire

Our M&A forecast



M&A activity is expected to grow, with a focus on more complex cross-border tie-ups.

Challenger banks across the UK and Western Europe are more mature and are likely to come under considerable pressure to deliver exits and/or transformational transactions for financial sponsors who have remained patient over the last 5 years.

M&A forecast legend

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



Banks – Publicly reported deals & situations

Banks – Publicly reported deals & situations



Restructurings

Deal highlight:

White & Case advised LHV Pank, Estonia's 3rd largest bank, on the implementation of its post-Brexit UK establishment project, including the licensing of its UK subsidiary, LHV Bank, and the transfer of certain assets and liabilities from the LHV Pank (London branch) to LHV Bank by way of a banking business transfer scheme under Part VII of the UK Financial Services and Markets Act 2000.

Brexit-related:

LHV Pank UK

Launch of LHV Bank

August 2023

Differing business strategies:

Commerzbank & Yellowfin Asset Management Germany

De-merger

August 2023

Removing known operational friction:

Bankinter & EVO Banco Spain

Merger

June 2024

Revolut UK

Successful share capital reorganisation to comply with CET1 capital expectations, supported by Softbank Vision Fund

October 2023

Integrating acquisitions:

UBS Switzerland

Completion of 1st phase of Credit Suisse integration

July 2024

Russia / Ukraine conflict related:

Sovcombank & Sodeystviye Mezhdunarodnym Raschotam Russia

De-merger

July 2023

Cost reduction:

Lloyds Bank UK

Closure of 109 UK branches

Halifax UK

Closure of 87 UK branches

Market commentary:

Latvia witnessed the most substantial reduction in number of bank offices, with almost 9 out of 10 bank offices closing. By contrast, Ireland was the only EU country in which the number of bank offices stayed roughly stable (*Finextra–February 2024*).

The Bank of England is looking at contentious plans to force more international banks to set up subsidiaries in the UK, in place of branches (*Financial Times–July 2023*).

Nationwide's longstanding commitment to the high street means it now has the largest number of UK branches (*Finextra–October 2023*).

More than 1 in 8 UK bank branches that were open in Q1 2023 will have closed by December 2023 (*Financial Times–September 2023*).

Bank of Scotland UK

Closure of 41 UK branches

June 2024

NatWest Poland

Closure of financial crime unit

NatWest UK

Closure of 70 UK branches

April 2024

UBS Switzerland

Closure of 85 Swiss branches

March 2024

Barclays UK

Closure of 90 UK branches

Danske Bank UK

Closure of 4 UK branches

TSB Bank UK

Closure of 36 UK branches

February 2024

Deutsche Bank Germany

Closure of 250 Postbank branches

October 2023

Santander UK

Closure of 6 UK branches

September 2023

Lloyds Bank UK

Closure of 86 UK branches

Halifax UK

Closure of 53 UK branches

Bank of Scotland UK

Closure of 16 UK branches

July 2023



Capital recalibrations

Deal highlight:

White & Case advised the bondholders on the restructuring and recapitalisation of Metro Bank, which involved an inter-conditional £325 million capital raise, comprising £150 million of new equity and £175 million of new MREL notes, and a refinancing package in respect of £600 million of its outstanding debt securities.

Injections:

Metro Bank UK

Successful £925 million private placement to Spaldy Investments

October 2023

Invest Bank UAE

Successful US\$13.4 billion rights issue

Al Ahli Bank of Kuwait Kuwait

Successful US\$162.7 million rights issue

August 2023

Trade and Development Bank Burundi

Successful US\$300 million equity funding from institutional investors

July 2023

Market commentary:

3 of Europe's 70 biggest banks would be forced to raise capital in a doomsday scenario (*Financial Times*–July 2023).

Returns:

ING Netherlands

Launch of new €2.5 billion share buyback programme

May 2024

UBS Switzerland

Launch of new US\$2 billion share buyback programme

UniCredit Italy

Launch of €3.1 billion share buyback process

April 2024

BBVA Spain

Launch of €1 billion share buyback programme

Eurobank Greece

Successful €93.7 million share buyback

October 2023



Government-supported transactions

Deal highlights:

White & Case advised UniCredit, one of Europe's top 10 largest banks, on its acquisition of the 8.9% stake in Alpha Services and Holdings, the holding company of Greece's Alpha Bank, held by the Hellenic Financial Stability Fund.

White & Case advised Leshan Bank, Qatar's first independent Shari'a-compliant bank, on its acquisition of Bereke Bank (the former Kazakh subsidiary of Russian Sberbank) from Kazakh state enterprise, National Management Holding Baiterek.

Privatisations:

National Management Holding Baiterek Kazakhstan

Disposal of Bereke Bank

April 2024

Bank Guarantee Fund Poland

Disposal of VeloBank

March 2024

Ministero dell'Economia e delle Finanze Italy

Disposal of 12.5% of Banca Monte dei Paschi di Siena

March 2024

Ministero dell'Economia e delle Finanze Italy

Disposal of 25% of Banca Monte dei Paschi di Siena

Hellenic Financial Stability Fund Greece

Disposal of 22% of National Bank of Greece

Hellenic Financial Stability Fund Greece

Disposal of 8.9% of Alpha Bank

Ireland Department of Finance Ireland

Disposal of 5% of AIB Group

November 2023

Banks – Publicly reported deals & situations

Government-supported transactions continued

Hellenic Financial Stability Fund Greece

Disposal of 1.40% of Eurobank

October 2023

NL Financial Investments (Dutch state investment fund)

Netherlands

Disposal of equity interest in ABN AMRO

September 2023

Nationalisations:

Ukrainian Ministry of Finance

Ukraine

Acquisition of Sense Bank

July 2023

Redistributions:

Republic of Kazakhstan

Kazakhstan

Acquisition of 4.3% of Eurasian Development Bank

July 2023

Equity subscriptions:

Norfund (Norwegian state investment fund)

Vietnam

Subscription for US\$150 million of shares in Southeast Asia Joint Stock Commercial Bank

July 2023

(subsequently aborted)

Knock-on M&A:

European Bank for Reconstruction and Development

Hungary

Disposal of 15% of Erste Bank Hungary

November 2023



Non-core asset disposals

Deal highlight:

White & Case advised Absa Bank (Mauritius) on the acquisition of HSBC's Mauritius wealth and personal & business banking businesses.

Non-Russia/Ukraine conflict related:

Aareal Bank

SaaS

Disposal of equity stake in Aareon

Société Générale

France

Disposal of Shine

Credit Suisse

Switzerland

Disposal of 62% of Credit Suisse Investment Partners

June 2024

Banca Popolare di Puglia e Basilicata

Italy

Disposal of 14 Italian bank branches

May 2024

BCC Banca Iccrea

Italy

Disposal of 51% of BCC Assicurazioni

April 2024

Société Générale

France

Disposal of Société Générale Equipment Finance

Lloyds Banking

UK

Disposal of Scottish Widows annuity portfolio

March 2024

HSBC

Armenia

Disposal of HSBC Bank Armenia

February 2024

HSBC

France

Disposal of French retail banking business

January 2024

Anadi Bank

Austria

Disposal of branch network and SME business

Burgan Bank

Turkey

Disposal of 52% of Burgan Bank-Turkey

Société Générale

Burkina Faso

Disposal of 52.6% of Société Générale Burkina Faso to Vista Group

Société Générale

Mozambique

Disposal of 65% of Banco Société Générale Moçambique

December 2023

**HSBC Bank****Mauritius**

Disposal of HSBC Bank Mauritius' wealth and personal & business banking businesses

November 2023

Bank Hapoalim**Turkey**

Disposal of BankPozitif

September 2023

BNP Paribas**Belgium**

Disposal of 11.8% of Royal Park Investments

Danske Bank**Norway**

Disposal of personal customer and private banking business

Standard Chartered**Cameroon**

Disposal of Standard Chartered Bank Cameroon

Standard Chartered**Angola**

Disposal of Standard Chartered Bank Angola

Standard Chartered**Gambia**

Disposal of Standard Chartered Bank Gambia

Standard Chartered**Sierra Leone**

Disposal of Standard Chartered Bank Sierra Leone

Standard Chartered**Tanzania**

Disposal of consumer, private and business banking business

Trust Bank**Russia**

Disposal of 90.01% of Tochka

July 2023

Saxo Bank**Denmark**

Disposal of Saxo Fintech

June 2023

Russia/Ukraine conflict related:**HSBC****Russia**

Disposal of Russian business

May 2024

Mobile TeleSystems**Russia**

Disposal of 13.2% stake in MTS Bank

Alexander Mechetin**Russia**

Disposal of 87.5% of Royal Credit Bank

April 2024

Ikano Group**Russia**

Disposal of 51% of Ikano Bank

March 2024



Financial asset management—disposals and outsourcings

Deal highlight:

White & Case advised Alpha Bank, the largest of Greece's 4 systemic banks by market capitalisation, on its disposal by way of competitive auction of a portfolio of real estate assets to an investor consortium comprising Diamnd and Premia Properties.

Market commentary:

Italy's mounting pile of debt poses an ongoing hazard to the country and its financial system, especially if the economy underperforms (*Bloomberg–April 2024*).

European Banking Authority mandated by the EU directive on credit servicers and credit purchasers to develop new standardised and mandatory data templates to be used by credit institutions for the provision of information to credit purchasers when selling NPLs (*SmithNovak–October 2023*).

Primary market NPL / UTP disposals:**Iccrea****Italy**

Disposal of €300 million of retail NPLs and UTPs

February 2024

BNP Paribas**Personal Finance****France**

Disposal of €120 million of NPLs to KRUK / InvestCapital

CaixaBank**Spain**

Disposal of €554 million of mortgage NPLs to Cerberus

Santander**Spain**

Disposal of €520 million of real estate NPLs to Fortress

Banks – Publicly reported deals & situations

Financial asset management – disposals and outsourcings continued

Caixa Geral de Depósitos **Portugal**

Disposal of €72 million of real estate NPLs to Whitestar / Arrow Global

Caixa Geral de Depósitos **Portugal**

Disposal of €81 million of unsecured retail NPLs to EOS

December 2023

BNP Paribas **Italy**

Disposal of €70 million of unsecured retail NPLs to KRUK

November 2023

Alpha Bank **Greece**

Disposal of €1.5 billion of unsecured retail NPLs to Hoist Finance

October 2023

BCC Iccrea **Italy**

Disposal of €570 million of NPLs and UTPs to consortium of (unnamed) investors

August 2023

CaixaBank **Spain**

Disposal of €315 million of unsecured retail NPLs to KRUK

BBVA **Spain**

Disposal of €427 million of NPLs to InvestCapital

Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria **Spain**

Disposal of €3 billion of SME NPLs to Axactor

UniCredit & BPER Banca **Italy**

Disposal of €295 million of UTPs to Back2Bonis

July 2023

Outsourcing debt servicing:

Banca Capasso **Italy**

Disposal of €2.2 billion of NPLs to Credit Factor (50/50 JV between Banca Capasso and Europa Factor)

July 2023

Acquiring debt servicing capability / capacity:

SpareBank 1 Gruppen **Norway**

Acquisition of 68.6% of Kredinor

April 2024

Primary market acquisitions – financial sponsors:

Fortress **Spain**

Acquisition of €520 million of real estate NPLs from Santander

Cerberus **Spain**

Acquisition of €554 million of mortgage NPLs from CaixaBank

December 2023

Primary market acquisitions – industrial-scale debt servicing:

KRUK / InvestCapital **France**

Acquisition of €120 million of NPLs from BNP Paribas Personal Finance

Whitestar / Arrow Global **Portugal**

Acquisition of €72 million of real estate NPLs from Caixa Geral de Depósitos

EOS **Portugal**

Acquisition of €81 million of unsecured retail NPLs from Caixa Geral de Depósitos

December 2023

KRUK **Italy**

Acquisition of €70 million of unsecured retail NPLs from BNP Paribas

November 2023

Hoist Finance **Greece**

Acquisition of €1.5 billion of unsecured retail NPLs from Alpha Bank

October 2023

Credit Factor **Italy**

Acquisition of €2.2 billion of NPLs from Banca Capasso

KRUK **Spain**

Acquisition of €315 million of retail unsecured NPLs from CaixaBank

InvestCapital / KRUK **Spain**

Acquisition of €427 million of NPLs from BBVA

Axactor **Spain**

Acquisition of €3 billion of SME NPLs from Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria

Back2Bonis / Prelios **Credit Servicing** **Italy**

Acquisition of €295 million of UTPs from UniCredit and BPER Banca

July 2023

Primary market acquisitions – credit managers:

Kryalos **Italy**

Acquisition of €65 million of real estate and SME UTPs

September 2023

REO sellers:

Alpha Bank **Greece**

Disposal of REOs to Diamnd and Premia Properties

February 2023



REO buyers:

Diamnd and Premia Properties

Greece

Acquisition of REOs from Alpha Bank

February 2024

Performing loan sellers:

Barclays

United States

Disposal of US\$1.1 billion of US credit card debt to Blackstone

February 2024

Deutsche Bank

Italy

Disposal of €280 million forward flow unsecured retail debt portfolio to KRUK

December 2023

Sainsbury's Bank

UK

Disposal of £479 million of performing mortgage loans to The Co-operative Bank

August 2023

BNP Paribas Personal Finance / Hello Bank!

Czech Republic

Disposal of €360 million of performing consumer loans to Erste Group Bank

July 2023

Performing loan buyers:

Blackstone

United States

Acquisition of US\$1.1 billion of US credit card debt from Barclays

KRUK

Italy

Acquisition of €212 million unsecured Italian retail debt portfolio on forward flow basis

February 2024

KRUK

Italy

Acquisition of €280 million forward flow unsecured retail debt portfolio from Deutsche Bank

December 2023

The Co-operative Bank UK

Acquisition of £479 million of performing mortgage loans from Sainsbury's Bank

August 2023

Erste Group Bank / Česká spořitelna

Czech Republic

Acquisition of €360 million of performing consumer loans from BNP Paribas

July 2023



Market consolidation

Deal highlights:

White & Case advised ABN AMRO Bank on its acquisition of Hauck Aufhäuser Lampe Privatbank, a leading German private bank.

White & Case advised UniCredit, one of Europe's top 10 largest banks, on the acquisition of 90% of Alpha Bank's Romanian subsidiary, Alpha Bank Romania.

Market commentary:

UniCredit CEO Andrea Orcel welcomed French President Emmanuel Macron's support for consolidation in Europe's fragmented banking sector (*Financial Times–May 2024*).

Banco BPM will not take part in the consolidation of the Italian banking sector for at least 18 to 24 months (*Mergermarket–May 2024*).

Cross-border mergers between banks in Europe should be as easy as mergers within a single European country, according to ECB policymaker Francois Villeroy (*Reuters–May 2024*).

The UK's banking sector is expected to see consolidation driven by financial and digitalisation pressures (*Mergermarket–March 2024*).

Regional / domestic consolidation:

NatWest Group

UK

Acquisition of Sainsbury's Bank's retail banking assets and liabilities

June 2024

UniCredit

Romania

Acquisition of 90% of Alpha Bank Romania

July 2024

ABN AMRO

Germany

Acquisition of Hauck Aufhäuser Lampe Privatbank

Sydbank

Denmark

Acquisition of Coop Bank

Banca Desio

Italy

Acquisition of Banca Popolare di Puglia e Basilicata's 14 Italian bank branches

Banks – Publicly reported deals & situations

Market consolidation continued

Banca di Credito Cooperativo di Roma Italy

Acquisition of Cassa
dell'Agro Pontino

May 2024

Bulgarian-American Credit Bank Bulgaria

Acquisition of 99.94%
of Tokuda Bank

April 2024

Access Bank Kenya

Acquisition of National
Bank of Kenya

Al Salam Bank Algeria

Acquisition of 66.7% of
Al Salam Bank Algeria

Raiffeisenverband Salzburg Austria

Acquisition of 98%
of Raiffeisenbank
Flachgau Mitte

March 2024

Berliner Volksbank Germany

Acquisition of Allgemeine
Beamten Bank

Al Salam Bank Bahrain

Acquisition of KFH Bahrain

Ardshinbank Armenia

Acquisition of HSBC
Bank Armenia

February 2024

Access Bank Uganda

Acquisition of 80% of
Finance Trust Bank

January 2024

Signet Bank Latvia

Acquisition of LPB Bank

December 2023

Abanca Portugal

Acquisition of Banco
BIC Portugues

UniCredit Greece

Acquisition of 9% of
Alpha Bank

Absa Bank Mauritius

Acquisition of HSBC
Bank Mauritius' wealth
and personal & business
banking businesses

November 2023

Intesa Sanpaolo Romania

Acquisition of First
Bank Romania

October 2023

Eurobank Cyprus

Acquisition of 26.1% of
Hellenic Bank

September 2023

Access Bank Cameroon

Acquisition of Standard
Chartered Bank Cameroon

Access Bank Angola

Acquisition of Standard
Chartered Bank Angola

Access Bank Gambia

Acquisition of Standard
Chartered Bank Gambia

Access Bank Sierra Leone

Acquisition of Standard
Chartered Bank
Sierra Leone

ViViBanca Italy

Acquisition of Banca
Popolare del Mediterraneo

July 2023

Mergers:

Banca Agricola Popolare di Ragusa & Popolare Sant'Angelo Italy

Merger

June 2024

Raiffeisenbank Windischgarsten & Raiffeisenbank Hinterstoder-Vorderstoder Austria

Merger

May 2024

Skue Sparebank & Hjartdal og Gransherad Sparebank Norway

Merger

February 2024

Sparkasse Schwaben- Bodensee & Sparkasse Günzburg-Krumbach Germany

Merger

Totens Sparebank & SpareBank 1 Østlandet Norway

Merger

January 2024

SpareBank 1 SR-Bank & SpareBank 1 Sorost-Norge Norway

Merger

Frankfurter Volksbank & Raiffeisenbank- Volksbank Aschaffenburg Germany

Merger

Volksbank Allgäu- Oberschwaben & Volksbank Raiffeisenbank Laupheim-Illertal Germany

Merger

October 2023

Broager Sparekasse & Fros Sparekasse Denmark

Merger

August 2023

Politically possible acquisitions:

Expobank Russia

Acquisition of HSBC's
Russian business

May 2024

Sovcombank Russia

Acquisition of Home Credit
& Finance Bank

February 2024



Regulator interventionism in deal-making

European Central Bank
Communication to Eurozone lenders with operations in Russia to speed up withdrawal plans
May 2024

US Treasury
Warning to Raiffeisen Bank International that its access to US financial system could be restricted because of Russian dealings

Spanish Government
Negative reaction to BBVA's announced hostile takeover of Banco Sabadell as threat to stability of Spanish financial system
April 2024



Strategic M&A – mostly home-market landgrabs

Bank AlJazira
Saudi Arabia
Acquisition of 7.05% stake in AlJazira Takaful

BNP Paribas Cardif
France
Acquisition of Neuflyze Vie
May 2024

ViviBanca
Italy
Acquisition of Ifiver

TBC Bank Group
Ukraine
Acquisition of Fondy

BNP Paribas
Belgium
Acquisition of 8.19% of Ageas
April 2024

BPCE
France
Acquisition of Société Générale Equipment Finance
March 2024

Banca Transilvania
Romania
Acquisition of BRD Pensii

Barclays
UK
Acquisition of Tesco Finance's business

BAWAG
Netherlands
Acquisition of Knab
February 2024

Crédit Agricole Centre France
France
Acquisition of minority equity interest in UI Investissement

Credit Commercial de France
France
Acquisition of HSBC's French retail banking business
January 2024

Bank Burgenland
Austria
Acquisition of Anadi Bank's branch network and SME business
December 2023

Erste Group Bank Hungary
Acquisition of 15% of Erste Bank Hungary
November 2023

Nordea Bank
Norway
Acquisition of Danske Bank's personal customer and private banking business

Access Bank
Tanzania
Acquisition of Standard Chartered Bank Tanzania's consumer, private and business banking business
July 2023



Partnerships

Cross-border:

UniCredit
Greece
Pension saving products JV with Alpha Services
October 2023

Domestic:

Banco Santander, BBVA and CaixaBank
Spain
Establishment of financial crime JV, FrauDfense
July 2023



Fintech investment

Please refer to our 'Fintech' sub-Report in this series.

Banks – Publicly reported deals & situations



Wide investor universe

Deal highlights:

White & Case advised National Bank of Pakistan, one of Pakistan's largest state-owned banks, on the sale of its 45% stake in United National Bank, a joint venture between National Bank of Pakistan and United Bank, to Bestway Group.

White & Case advised Rönesans Holding, a leading Turkish construction, real estate, health, energy and industrial conglomerate, on its acquisition of Rabobank (Turkey).

Local non-bank:

Vista Group Burkina Faso

Acquisition of 52.6% of Société Générale Burkina Faso

Vista Group Mozambique

Acquisition of 65% of Banco Société Générale Moçambique

December 2023

Oman International Development and Investment Company Oman

Acquisition of 5.87% of Bank Muscat

November 2023

Unipol Italy

Acquisition of 10.2% of Banca Popolare di Sondrio

Nucleus Financial UK

Acquisition of Curtis Bank

September 2023

Governments:

Belgian Treasury Belgium

Acquisition of 5.8% of Royal Park Investments

July 2023

Foreign non-bank:

Rönesans Holding Turkey

Acquisition of Rabobank (Turkey)

Bestway Group Pakistan

Acquisition of United National Bank

July 2024

Mandatum Denmark

Acquisition of 19.8% of Saxo Bank

May 2024

Ingka Investments Sweden

Acquisition of remaining 51% of Ikano Bank

March 2024

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

Sheikha Amal Suhail Bahwan UK

Acquisition of equity stake in Monument Bank

May 2024

Jaime Gilinski Bacal / Spaldy Investments UK

Participation in £925 million private placement by Metro Bank

October 2023

Vladimir Potanin Russia

Acquisition of 90.01% of Tochka

July 2023

Pension funds:

Teesside Pension Fund UK

Participation in £85 million funding round in GB Bank

May 2024

Private equity:

Atlantic BidCo Germany

Acquisition of remaining stake in Aareal Bank

May 2024

Cerberus Capital Management Poland

Acquisition of VeloBank

March 2024

Venture capital:

Hera Holdings UK

Participation in £85 million funding round in GB Bank

Capital G and Hedosophia UK

Participation in US\$190 million funding round in Monzo

May 2024

CapitalG, Hongshan Capital, Google Ventures, Tencent and Passion Capital UK

Participation in US\$430 million funding round in Monzo

March 2024

Nortia Capital Spain

Participation in €45 million Series C funding round in MyInvestor

January 2024

Infinity Investment Partners and Toscafund UK

Participation in £100 million funding round in Atom Bank

November 2023



Silverstripe

UK

Participation in £75 million (internal) funding round in Zopa

September 2023

Pollen Street Capital

Netherlands

Participation in €44.5 million funding round in Bunq

Quilam Capital

UK

Participation in £20 million funding round in Tandem

July 2023

Bank VC:

Citi Ventures

Turkey

Participation in US\$65 million funding round in Colendi

May 2024

SWFs:

GIC

UK

Participation in US\$190 million funding round in Monzo

May 2024

Al Rawabi / Kuwait Projects Company (Holding)

Turkey

Acquisition of 52% of Burgan Bank-Turkey

December 2023

Dubai Investments

UK

Participation in £40.6 million Series B funding round in Monument Bank

November 2023

Market appetite:

Sovcombank

Russia

Moscow Exchange IPO

December 2023



Fierce competition

Deal highlights:

White & Case advised Novator Partners on its £80 million secondary sale of shares in British digital banking unicorn, Monzo Bank.

White & Case advised Jamaica National Bank on the strategic re-financing of its UK subsidiary, Jamaica National Bank UK, by Step One Finance.

Market commentary:

Virgin Money/Nationwide tie-up could provide competition boost at margins, but won't disrupt sticky UK retail banking (*Mergermarket–April 2024*).

Deposits at the UK's 4 biggest banks have fallen by close to £80 billion year on year. NatWest, Lloyds, HSBC and Barclays experienced total outflows of £78 billion in the 12 months to June 2023 (*Financial Times–August 2023*).

Bank of London has emerged as the UK's fastest-growing challenger bank, amassing £300 million in client deposits since April 2023 (*Finextra–August 2023*).

“Challenger” banks raise growth capital:

Colendi

Turkey

Successful US\$65 million funding round led by Citi Ventures, Migros Ticaret, Sepil Ventures, Re-Pie Asset Management, Finberg and Hedef Holding

GB Bank

UK

Successful £85 million funding round led by Hera Holdings and Teesside Pension Fund

Monzo

UK

Successful US\$190 million funding round led by Capital G, Hedosophia and GIC

Lunar

Denmark

Successful €24.1 million funding round

May 2024

Bunq

Netherlands

Successful US\$31 million follow-your-money funding round from existing investors

April 2024

Monzo

UK

Successful US\$430 million funding round led by CapitalG, Hongshan Capital, Google Ventures, Tencent and Passion Capital

March 2024

Banks – Publicly reported deals & situations

Fierce competition continued

Kuda

Tanzania, Ghana and Uganda

Successful US\$20 million funding round from (undisclosed) investors (subsequently aborted)

MyInvestor

Spain

Successful €45 million Series C funding round led by Nortia Capital

Sygnum Bank

Switzerland

Successful US\$40 million financing round led by Azimut

January 2024

Monument Bank

UK

Successful £40.6 million Series B funding round led by Dubai Investments

Atom Bank

UK

Successful £100 million funding round led by Toscafund, BBVA and Infinity Investment Partners

November 2023

Zopa

UK

Successful £75 million (internal) funding round led by Silverstripe

September 2023

Bunq

Netherlands

Successful €44.5 million funding round led by Pollen Street Capital

Tandem

UK

Successful £20 million debt funding round led by Quilam Capital

July 2023

New entrants:

Kuwait Finance House

Kuwait

Launch of Shari'a-compliant digital bank Tam

November 2023

Saldo Bank

Finland

Launch in Finland

October 2023

Digital-Q-FS, Efinans & QNB Finans

Turkey

Launch of Enpara Bank

Colendi

Turkey

Launch of ColendiBank

August 2023

Fintechs acquire banking licences:

Step One Finance

UK

Strategic re-financing of Jamaica National Bank UK

Ageras

France

Acquisition of Shine

June 2024

Alta Pay

Austria

Acquisition of 36.46% of Addiko Bank

May 2024

(subsequently aborted)

PayFix

Turkey

Acquisition of BankPozitif

Rauva

Portugal

Acquisition of Banco Empresas Montepio

September 2023

SKB Kontur

Russia

Acquisition of 99.75% of Bank Ekaterinburg

ION

Italy

Acquisition of 32% of Cassa di Risparmio di Volterra

July 2023

“Challengers” scale through acquisitions:

Chetwood Financial

Mortgage lending

Acquisition of CHL Mortgages for Intermediaries

May 2024

Carbon

SME lending

Acquisition of Vella Finance

February 2024

MyInvestor

Online mortgage management

Acquisition of Helloteca

January 2024

Vanquis Banking Group

Digital savings

Acquisition of Snoop

Papara

Banking

Acquisition of Rebellion

July 2023

“Challengers” scale through consolidations:

Coventry

Building Society

UK

Acquisition of The Co-operative Bank

May 2024

Nationwide Building Society

UK

Acquisition of Virgin Money

March 2024

“Challengers” scale through JVs:

OakNorth

SMEs commercial debit cards

debit cards

SMEs commercial debit cards JV with Marqeta

Klarna

Payments

Ridesharing and food delivery payments JV with Uber Technologies

April 2024

Exits:

N26

Exit from Brazilian banking market

November 2023



Banks face differing external pressures

Market commentary:

EU banks have a payment holiday in 2024 after contributions over the last 8 years to the European rescue fund reached its €78 billion target (*Reuters–February 2024*).

Storm clouds are brewing over European banking stocks as the boost from higher interest rates fades and recession risks rise (*Reuters–October 2023*).

Regulatory action step-up:

UK Financial Conduct Authority UK

£6.2 million in penalties levied on HSBC for failures relating to fair treatment of customers in arrears or experiencing financial difficulty

BaFin

Germany

Fines of €9.2 million levied on N26 for AML failures

UK Financial Conduct Authority UK

£278 million of penalties levied on Citigroup for failures relating to wholesale conduct in the investment bank sector

May 2024

UK Bank of England UK

£57 million of penalties levied on HSBC for failures relating to FSCS protection

January 2024

UK Bank of England UK

£87 million of penalties levied on Credit Suisse for risk management failures relating to Archegos

July 2023

Activists:

Appaloosa Switzerland

Pressure on UBS / Credit Suisse relating to Credit Suisse's alleged misleading of investors about its financial health ahead of AT1 write-down

April 2024

Cevian Capital Switzerland

Acquisition of 1.3% of UBS

December 2023

Barclays UK

Extinction Rebellion / Money Rebellion glued 50 branch doors shut

November 2023

Oceanwood Capital Management Spain

Subscription of 4.4% of Unicaja Banco

August 2023

Political:

Fosun Portugal

Disposal of 5.6% of Banco Comercial Português

January 2024

UK Financial Conduct Authority

UK

Accusations of interest rate profiteering against HSBC, NatWest, Lloyds and Barclays

July 2023

Financial incentives:

GFH Financial Bahrain

Disposal of 6.11% of Khaleeji Bank

May 2024

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219

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of financial services M&A transactions

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