In the Market

March 2017

Introduction

In this month’s In the Market, KPMG Peer Bank have released their latest banking data which we have integrated into our Deal Tracker. KPMG Peer Bank provides over 100 different KPIs and ratios across 131 European banks allowing comparative analysis of banks against their peers.

In our Key Highlights this month, ‘Strength in the Storm’ analyses the top 10 M&A trends in global banking in 2017, and our dedicated ECB advisory team bring you informed updates on NPL guidance, a European AMC and the Single Resolution Mechanism. We also introduce KPMG Deal Tech, our deal focused suite of tools focused on a streamlining transactions.

Finally, we look at the blocked LSE and Deutsche Börse merger, and deleveraging news from Monte dei Paschi di Siena.

Best regards,

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KPMG Peer Bank and Debt Sales Tracker

ECB Office is pleased to announce the latest KPMG Peer Bank update here. The tool is designed to deliver comparative peer-to-peer insights through ratios and indicators for 131 European banks.

From this month onwards you can find our interactive dashboard with both debt transactions and banking data here along with installation and operating instructions.

Highlights

Strength in the storm

KPMG’s analysis on the top 10 banking M&A trends, focusing on the key developments that will shape the financial services industry in 2017.

Please click here to read more.

KPMG Deal Tech

KPMG announce Deal Tech a suite of market-leading technology solutions to streamline the deal process from price driving data quality to value analytics to a truly unique distribution platform.

Please click here to read more.

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ECB – Informed insights on NPL guidance

Informed by discussions with senior policymakers the ECB Office published two articles this month.

Read more here on latest thinking on a European Asset Management Company and here on developments on the Single Resolution Mechanism (SRM).

Key deals and activity

LSEG and Deutsche Börse

The merger of the London Stock Exchange Group Plc ('LSEG') and Deutsche Börse AG ('DBAG'), approved by both sets of shareholders last summer, has been blocked by the EU Competition Regulator, bringing to an end a fifteen month process.

The regulator commented that the deal would have created a ‘de facto’ monopoly in fixed income markets as well as the UK’s vote for 'Brexit' casting questions over the proposed location for the combined group’s headquarters and clearing operations if successful.

This has been a closely followed deal given the current Brexit discussions and may provide an indication of the difficulty in executing pan-European deals in the post Brexit landscape.

Monte dei Paschi di Siena plans $30 billion debt sale

MPS has gained board approval to offload up to $30bn of non performing debt. The disposal will include: i) single portfolios, ii) single names transactions and iii) securitisation with or without GACS scheme.

Since January 2017, MPS issued €11bn of bonds guaranteed by Italian Government, and this further restructure is aimed to increase capital by €8 billion.

UniCredit Bank announces sale of Retail Loan book

UniCredit has announced the sale of a €138.9m Hungarian retail mortgage book. The transaction was financed by funds managed by Balbec Capital LP and APS Holding, and represents a milestone in the Group’s strategy to sell non-core assets to strengthen its risk profile.

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