

**DATE**

January 03, 2014

**SECTORS**

Financial Services

**DEAL TYPE**

M&A Advisory

**DEAL LOCATIONS**



**DEAL TEAM**



**Henry Berczely**  
Managing Director

# DC Advisory advised BMN on the sale of its debt collection portfolio to Lindorff



## Background

- BMN is a relevant player in the Spanish Banking System, with customer loans above €28bn (excluding loans to real estate developers) and a customer base of more than 2.5 million clients
- BMN's debt servicing process is divided into three distinct stages:
  - (i) Amicable management, from 0 to 120 days since first default;
  - (ii) Pre-litigation phase, from 120 to 150 days since first default; and
  - (iii) Litigation phase, from 150 days onward
- For the debt recovery activity from 0 to 120 days, Atenea relied on external debt collectors and its own branches
- Lindorff is one of the leading European providers of debt collection services with more than 100 years of history. Founded in Norway in 1898, it has grown into one of the biggest and fastest growing debt-collection companies in the world

## Transaction Summary

- DC Advisory advised on the sale of BMN's debt collection portfolio: an early-stage, non-performing debt portfolio (balances overdue between 15-120 days)
- Previous to the transaction, BMN carried out early collection of debt via Geslico, an external provider. BMN also owned Serveis Agrupats de Contact Center, a Penedès-based contact center
- The deal resulted in the transfer of assets and employees of the aforementioned subsidiary (Serveis) to Lindorff, along with an exclusivity agreement for debt collection with a duration of 10 years

**Outcome**

- This transaction has positioned Lindorff as the top player in the Spanish market
- The final result of the transaction is highly beneficial for BMN for the following reasons:
  - Improvement of BMN's balance sheet with a capital gain
  - Monetizing of the value of the early recovery activity of debt in arrears;
  - Enhancement of the bank's solvency image;
  - Partnership with a leading firm within the debt collection industry (Lindorff)