

DATE

April 30, 2013

SECTORS

Financial Services

DEAL TYPE

M&A Advisory

DEAL LOCATIONS



DEAL TEAM



Henry Berczely
Managing Director

DC Advisory advised Banco Popular on the sale of its depository banking business to BNP Paribas Securities Services



Background

- Founded in 1926, Banco Popular is one of the leading Spanish banks, with around €160bn of total assets and a customer base of more than 7 million clients
- Banco Popular operates in the following business lines: retail & commercial banking, asset management, insurance and institutional & markets. Its business is centered mainly on retail and commercial banking services for SMEs and individuals

Transaction Overview

- DC Advisory advised on the sale of Banco Popular's depository banking business in Spain
- Banco Popular had its own internal business unit to cater for depository activity for Mutual funds, SICAVs, Pension Funds, EPSVs through its own business unit
- The new regulations (AIFMD, UCITS V, MiFD II, etc.) and the growing complexity of the financial instruments of the capital markets, result in a higher operational and reputational risk for the depository entities and in relevant capital expenditures to be

incurred in order to adapt to the new demands

- Following a strategic analysis, Banco Popular decided that the depositary unit was not core for the bank and decided to sell it to a specialized player who could become a reliable long-term partner
- Following a competitive process, BNP Paribas Securities Services, one of the world leading players in the depositary industry and a relevant player in Spain, acquired the depositary unit of Banco Popular

Outcome

- Ensures the best quality of the depositary services to its clients, through an alliance with one of the leading players in the depositary industry
- Eliminates/minimizes operational, economic and reputational risks derived from a non-core and highly-regulated activity
- Removes potential contingencies and additional expenses resulting from the new regulation for depositary entities, thus allowing the bank to focus on its traditional banking business
- Strengthens the balance sheet of the bank with a relevant capital gain