



**BUREAU VAN DIJK**

A Moody's Analytics Company

# **Banking M&A Review August 2018**

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### The following report details mergers and acquisitions of banking companies in August 2018 using data from the Zephyr database.

It focuses on deal activity by target company.

Click [here](#) to access the raw data in an Excel spreadsheet.

Bureau van Dijk recently expanded its reach to cover an additional number of smaller development capital deals. This expansion has resulted in increased deal volumes of smaller financial services companies receiving investment from financial sponsors.

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### Global banking value slowed down in August

Investors generally put the brakes on mergers and acquisitions (M&A) during the typically quieter holiday month of August, and global banking in August 2018 was no exception as a decline in value month-on-month to USD 7,269 million reversed two consecutive months of growth that had resulted in USD 22,442 million-worth of deals in July. On a positive note, value was up year-on-year from USD 7,015 million, though volume, which increased month-on-month to 127 deals, was down on the 160 deals announced during August 2017.

The slump in value over the four weeks would have been worse if not for four global banking deals each worth more than USD 500 million – including one that topped USD 1,000 million – and which, together, accounted for 46 per cent of the month's total value.

In spite of a US bank being targeted in the largest global deal of August, the Far East and Central Asia was the main target region by value (USD 2,849 million) and accounted for eight of the month's top 20 deals by value.

### All banking deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
Aug-18	127	7,269
Jul-18	97	22,442
Jun-18	106	11,929
May-18	156	27,815
Apr-18	131	9,254
Mar-18	149	9,945
Feb-18	177	11,465
Jan-18	128	5,574
Dec-17	174	16,296
Nov-17	158	14,201
Oct-17	142	7,855
Sep-17	145	13,637
Aug-17	160	7,015



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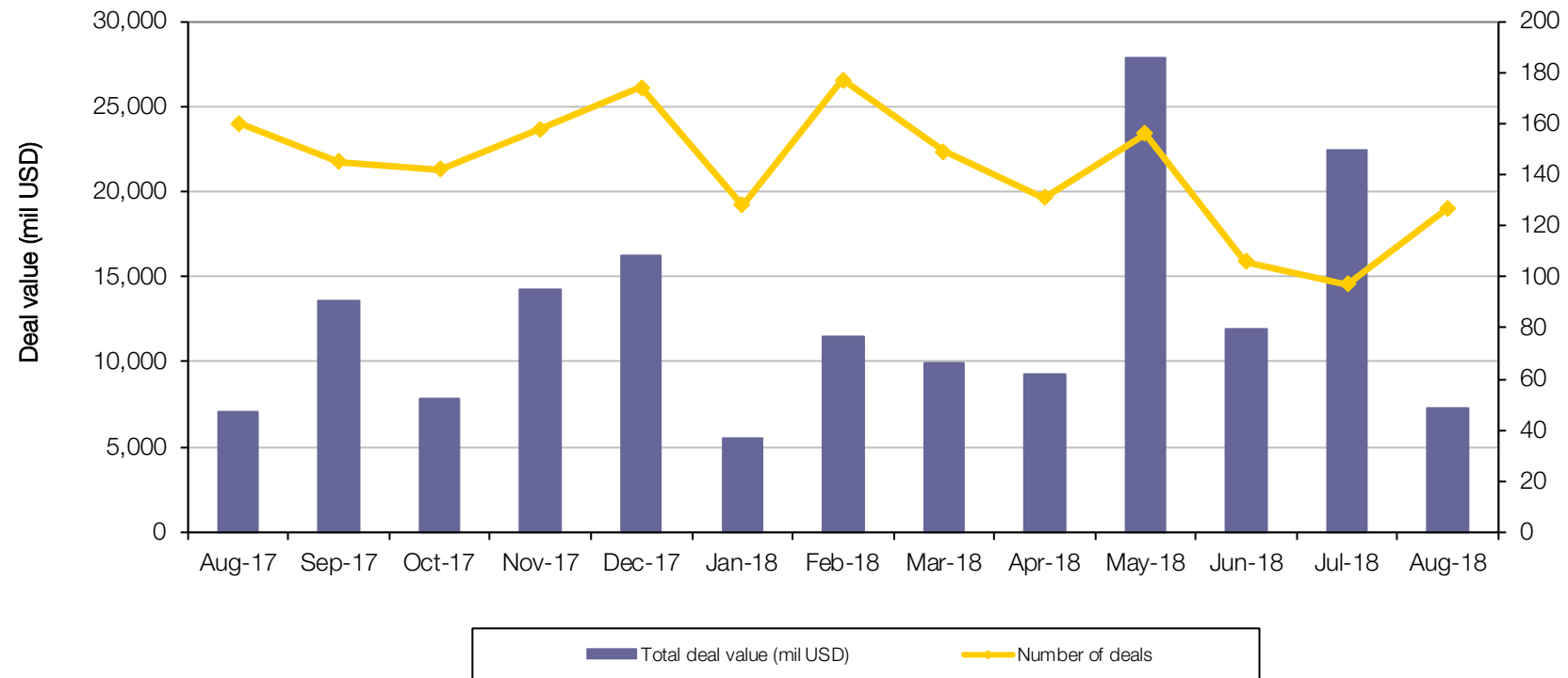


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### All banking deals by volume and value



### Top 20 global banking deals by value

	Deal value (mil USD)	Deal type	Target	Target country	Acquiror	Acquiror country	Announced date
1.	1,500	Acquisition 100%	Beneficial Bancorp Inc.	US	WSFS Financial Corporation	US	08/08/2018
2.	656	Capital Increase 33%	Chong Hing Bank Ltd	HK			14/08/2018
3.	627	Acquisition 100%	Bank Sumitomo Mitsui Indonesia, PT	ID	Bank Tabungan Pensiunan Nasional Tbk, PT	ID	02/08/2018
4.	526	Minority stake 1%	Intesa SanPaolo SpA	IT	Investors		13/08/2018
5.	361	Capital Increase	Shinhan Financial Group Co., Ltd	KR			17/08/2018
6.	236	Acquisition 100%	27 Rural Banks in China	CN	Bank of China Ltd; Fullerton Financial Holdings Pte Ltd	CN; SG	27/08/2018
7.	235	Capital Increase	HSBC Holdings plc	GB	Investors		15/08/2018
8.	229	Minority stake 1%	China Guangfa Bank Co., Ltd	CN	Huachen Automotive Group Holdings Co., Ltd	CN	24/08/2018
9.	215	Acquisition 76% to 100%	Bank Cler AG	CH	Basler Kantonbank	CH	02/08/2018
10.	196	Acquisition to 100%	Taishin International Bank	TW	Taishin Financial Holding Co., Ltd	TW	30/08/2018
11.	171	Capital Increase 49%	Aksionernyi Kommercheskii Bank Sodeistviya Kommertsii i Biznesu PAO	RU	TMK Steel Holding Ltd; Gruppa Sinara AO	CY; RU	14/08/2018
12.	170	Acquisition 100%	ATBancorp	US	MidWestOne Financial Group Inc.	US	21/08/2018
13.	153	Minority stake 1%	Deutsche Bank AG	DE	Investors		28/08/2018
14.	127	Capital increase 10%	Chong Hing Bank Ltd	HK	Guangzhou Metro Investment Finance (HK) Ltd	HK	14/08/2018
15.	104	Minority stake	Deutsche Bank AG	DE	Investors		08/08/2018
16.	100	Minority stake	Deutsche Bank AG	DE	Investors		14/08/2018
17.	98	Minority stake	Venice European Investment Capital SpA; Palladio Holding SpA; Sparta Holding SpA; VGH SpA	IT; IT; IT; IT	Mr Roberto Meneguzzo; Mr Jacopo Meneguzzo; Mr Giorgio Drago	IT; IT; IT	19/08/2018
18.	89	Acquisition 100%	Limberlost Bancshares Inc.	US	Farmers & Merchants Bancorp Inc.	US	20/08/2018
19.	83	Capital Increase	Barclays plc	GB	Investors		22/08/2018
20.	76	Minority stake to 9%	Industrial and Commercial Bank of China Ltd	CN	Ping An Insurance (Group) Company of China Ltd	CN	16/08/2018

### Target countries by volume - global banking deals

Target country	Aug-17	Jul-18	Aug-18
Germany	13	23	21
Romania	15	10	20
Italy	8	1	14
US	35	18	11
Russia	21	7	8
China	6	3	7
Switzerland	6	1	5
UK	3	1	4
Japan	2	2	3
Taiwan	1	0	3
Hong Kong	0	0	2
South Africa	2	0	2
Singapore	0	0	2
Albania	0	0	2
France	0	0	2

### Target countries by value - global banking deals

Target country	Aug-17 (mil USD)	Jul-18 (mil USD)	Aug-18 (mil USD)
US	2,500	4,254	1,950
Hong Kong	0	0	784
Italy	489	0	731
Indonesia	13	0	627
Germany	209	1,393	616
China	252	501	596
UK	3	136	373
South Korea	0	0	361
Switzerland	386	24	353
Russia	639	724	273
Taiwan	26	0	244
India	78	114	73
Albania	0	0	66
Singapore	0	0	54
Japan	174	18	49
Romania	43	22	46
Vietnam	0	0	43
Thailand	0	0	15
South Africa	6	0	9
Azerbaijan	0	0	4
Norway	23	674	2
Spain	1,455	10,596	2

### Target region by volume - global banking deals

Target region	Aug-17	Jul-18	Aug-18
Western Europe	55	37	48
Eastern Europe	46	22	34
Far East and Central Asia	18	9	25
North America	35	19	11
Africa	3	2	5
South and Central America	1	2	2
Middle East	2	3	1
Oceania	0	0	1

### Target region by value - global banking deals

Target region	Aug-17 (mil USD)	Jul-18 (mil USD)	Aug-18 (mil USD)
Far East and Central Asia	779	636	2,849
Western Europe	2,756	13,000	2,076
North America	2,500	4,256	1,950
Eastern Europe	841	778	385
Africa	6	39	9
Middle East	1	0	0
South and Central America	132	0	0
Oceania	0	0	0

### Strategic M&A propped up global banking M&A

Strategic M&A drove overall global banking M&A as the 100 deals announced during August worth an aggregate USD 5,131 million accounted for 79 per cent of the month's total volume (127 deals) and 71 per cent of value (USD 7,269 million).

However, despite propping up overall value, strategic M&A was down on the USD 11,818 million-worth of deals announced in July and on USD 6,768 million in August 2017. Similarly, volume fell back from 138 deals in August 2017 and while it represented an uptick on July, the 83 deals announced over the previous month represented a 12-month low.

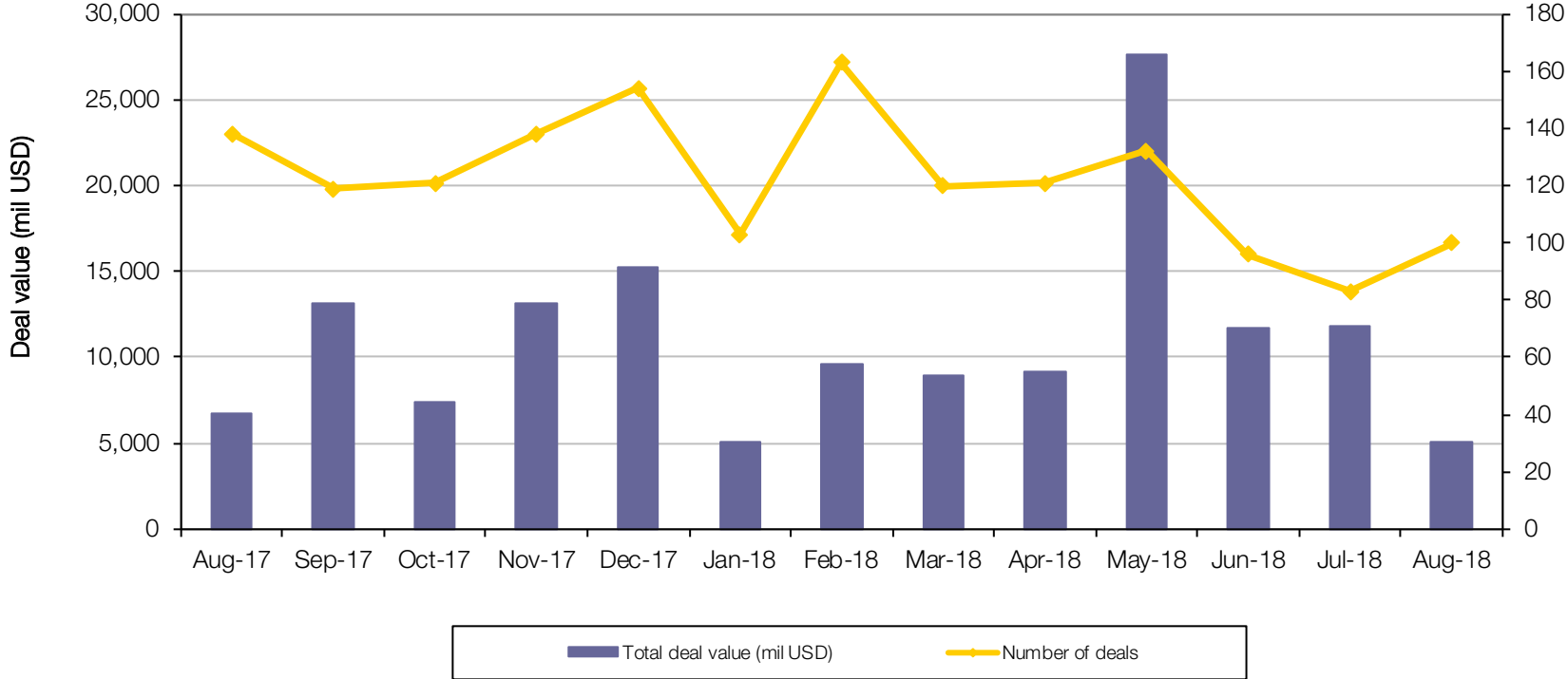
North America was the main target region of strategic M&A by value due to USD 1,759 million-worth of deals targeting companies based in the US being announced in August. Almost all of this value is attributable to the USD 1,500 million acquisition of Beneficial Bancorp by WSFS Financial. It was one of only two US banks featured in the top 20 – the other being the purchase of Limberlost Bancshares by Farmers & Merchants Bancorp for USD 89 million.

As companies based in North America were only targeted in 4 deals in August, the region was overtaken by Western Europe (44), Eastern Europe (31) and Far East and Central Asia (14).

### “Strategic M&A” banking deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
Aug-18	100	5,131
Jul-18	83	11,818
Jun-18	96	11,668
May-18	132	27,682
Apr-18	121	9,179
Mar-18	120	8,904
Feb-18	163	9,649
Jan-18	103	5,101
Dec-17	154	15,226
Nov-17	138	13,117
Oct-17	121	7,450
Sep-17	119	13,094
Aug-17	138	6,768

**“Strategic M&A” banking deals by volume and value**





### Top 20 "Strategic M&A" banking deals by value

	Deal value (mil USD)	Deal type	Target	Target country	Acquiror	Acquiror country	Announced date
1.	1,500	Acquisition 100%	Beneficial Bancorp Inc.	US	WSFS Financial Corporation	US	08/08/2018
2.	627	Acquisition 100%	Bank Sumitomo Mitsui Indonesia, PT	ID	Bank Tabungan Pensiunan Nasional Tbk, PT	ID	02/08/2018
3.	526	Minority stake 1%	Intesa SanPaolo SpA	IT	Investors		13/08/2018
4.	236	Acquisition 100%	27 Rural Banks in China	CN	Bank of China Ltd; Fullerton Financial Holdings Pte Ltd	CN; SG	27/08/2018
5.	229	Minority stake 1%	China Guangfa Bank Co., Ltd	CN	Huachen Automotive Group Holdings Co., Ltd	CN	24/08/2018
6.	215	Acquisition 76% to 100%	Bank Cler AG	CH	Basler Kantonalbank	CH	02/08/2018
7.	196	Acquisition to 100%	Taishin International Bank	TW	Taishin Financial Holding Co., Ltd	TW	30/08/2018
8.	170	Acquisition 100%	ATBancorp	US	MidWestOne Financial Group Inc.	US	21/08/2018
9.	153	Minority stake 1%	Deutsche Bank AG	DE	Investors		28/08/2018
10.	104	Minority stake	Deutsche Bank AG	DE	Investors		08/08/2018
11.	100	Minority stake	Deutsche Bank AG	DE	Investors		14/08/2018
12.	98	Minority stake	Venice European Investment Capital SpA; Palladio Holding SpA; Sparta Holding SpA; VGH SpA	IT; IT; IT; IT	Mr Roberto Meneguzzo; Mr Jacopo Meneguzzo; Mr Giorgio Drago	IT	19/08/2018
13.	89	Acquisition 100%	Limberlost Bancshares Inc.	US	Farmers & Merchants Bancorp Inc.	US	20/08/2018
14.	76	Minority stake to 9%	Industrial and Commercial Bank of China Ltd	CN	Ping An Insurance (Group) Company of China Ltd	CN	16/08/2018
15.	74	Acquisition to 100%	Rossiiskii Selskokhozyaistvennyi Bank AO	RU	Federalnoe Agentstvo po Upravleniyu Gosudarstvennym Imushchestvom	RU	29/08/2018
16.	66	Acquisition 99%	Banka e Tiranës ShA	AL	Komercijalna Banka AD; Balfin Investment Group	MK; AL	07/08/2018
17.	55	Minority stake to 5%	Credit Suisse Group AG	CH	Qatar Holding LLC	QA	06/08/2018
18.	54	Acquisition to 100%	Asian Gateway Investments Pte Ltd	SG	Singapore Exchange Ltd	SG	30/08/2018
19.	51	Minority stake to 5%	Deutsche Bank AG	DE	BlackRock Inc.	US	10/08/2018
20.	41	Minority stake	Julius Bar Gruppe AG	CH	Investors		31/08/2018

### Target countries by volume - "Strategic M&A" banking deals

Target country	Aug-17	Jul-18	Aug-18
Germany	13	23	21
Romania	15	10	20
Italy	8	1	14
China	6	3	6
Russia	20	7	5
US	16	7	4
Switzerland	6	1	4
Taiwan	1	0	2
Singapore	0	0	2
Albania	0	0	2
France	0	0	2

### Target countries by value - "Strategic M&A" banking deals

Target country	Aug-17 (mil USD)	Jul-18 (mil USD)	Aug-18 (mil USD)
US	2,254	4,227	1,759
Italy	489	0	731
Indonesia	13	0	627
Germany	209	1,393	616
China	252	501	596
Switzerland	386	24	323
Taiwan	26	0	222
Russia	639	724	74
Albania	0	0	66
Singapore	0	0	54
Romania	43	22	46
South Africa	6	0	9
UK	3	136	6
Norway	23	674	2
Spain	1,455	0	2

### Target region by volume - "Strategic M&A" banking deals

Target region	Aug-17	Jul-18	Aug-18
Western Europe	54	35	44
Eastern Europe	45	22	31
Far East and Central Asia	18	9	14
North America	16	7	4
Africa	3	2	4
Middle East	1	3	1
South and Central America	1	2	1
Oceania	0	0	1

### Target region by value - "Strategic M&A" banking deals

Target region	Aug-17 (mil USD)	Jul-18 (mil USD)	Aug-18 (mil USD)
North America	2,254	4,227	1,759
Western Europe	2,756	2,404	1,679
Far East and Central Asia	779	636	1,498
Eastern Europe	841	778	186
Africa	6	39	9
Middle East	0	0	0
South and Central America	132	0	0
Oceania	0	0	0

### Capital markets M&A volume and value down in August

The aggregate value of capital markets M&A declined month-on-month in August, despite a slight increase in volume over the same timeframe. In all, there were 24 deals worth a combined USD 2,134 million announced over the four weeks. This represents a 68 per cent decline in value from the USD 6,649 million-worth of deals recorded in July, while volume was up by one deal, from 23 in July.

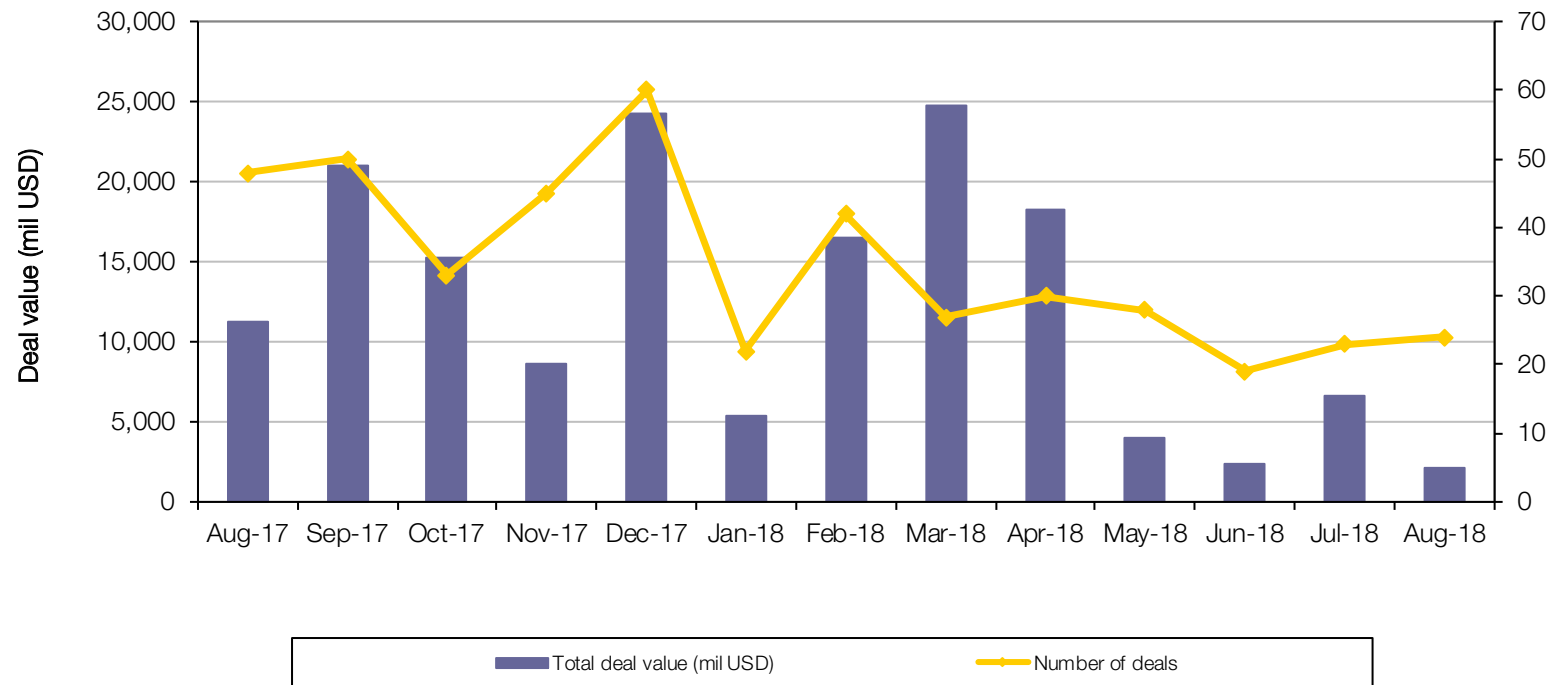
The result was less positive in a year-on-year comparison as volume and value were down from 48 and USD 11,285 million, respectively, in August 2017.

A lack of high-value deals can be blamed for the decline in value both month-on-month and year-on-year as no deal broke the USD 1,000 million-barrier. The largest was worth USD 656 million and took the form of a capital increase by Hong Kong-based Chong Hing Bank. No other deal surpassed USD 500 million during the month - second place was taken by a USD 361 million share issue by Shinhan Financial Group.

### Capital markets banking deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
Aug-18	24	2,134
Jul-18	23	6,649
Jun-18	19	2,341
May-18	28	4,032
Apr-18	30	18,284
Mar-18	27	24,741
Feb-18	42	16,565
Jan-18	22	5,324
Dec-17	60	24,242
Nov-17	45	8,668
Oct-17	33	15,290
Sep-17	50	21,048
Aug-17	48	11,285

### Capital markets banking deals by volume and value



### Top capital markets banking deals by value

	Deal value (mil USD)	Deal type	Target	Target country	Acquiror	Acquiror country	Announced date
1.	656	Capital Increase 33%	Chong Hing Bank Ltd	HK			14/08/2018
2.	361	Capital Increase	Shinhan Financial Group Co., Ltd	KR			17/08/2018
3.	235	Capital Increase	HSBC Holdings plc	GB	Investors		15/08/2018
4.	171	Capital Increase 49%	Aktsionernyi Kommercheskii Bank Sodeistviya Kommertsii i Biznesu PAO	RU	TMK Steel Holding Ltd	CY	14/08/2018
5.	127	Capital increase 10%	Chong Hing Bank Ltd	HK	Guangzhou Metro Investment Finance (HK) Ltd	HK	14/08/2018
6.	83	Capital Increase	Barclays plc	GB	Investors		22/08/2018
7.	75	Planned IPO	Bank7 Corporation	US			24/08/2018
8.	73	Capital Increase	Kotak Mahindra Bank Ltd	IN			01/08/2018
9.	49	Capital Increase	Standard Chartered plc	GB	Investors		16/08/2018
10.	48	Capital Increase 16%	Pacific City Financial Corporation	US			10/08/2018
11.	46	Capital Increase 9%	Bank of The Ryukyus, Ltd	JP			24/08/2018
12.	45	Capital Increase	MainStreet Bancshares Inc.	US	Accredited investors		31/08/2018
13.	45	Capital Increase 35%	MainStreet BankShares Inc.	US	Accredited investors		24/08/2018
14.	43	Capital Increase	Vietnam Thuong Tin Commercial Joint Stock Bank	VN			30/08/2018
15.	30	Capital Increase 1%	St Galler Kantonalbank AG	CH	Existing shareholders		23/08/2018
16.	23	Capital Increase 1%	The Shanghai Commercial & Savings Bank Ltd	TW	Employees		18/08/2018
17.	20	Capital Increase 44%	Rossiiskii Aktsionernyi Kommercheskii Dorozhnyi Bank PAO	RU			02/08/2018
18.	19	Capital Increase 24%	Fentura Financial Inc.	US			29/08/2018
19.	15	Capital Increase 29%	Finansa PCL	TH	Mr Vorasit Pokachaiyapat	TH	24/08/2018
20.	9	Capital Increase 20%	Best Efforts Bank PAO	RU			24/08/2018

### Target countries by volume - Capital markets banking deals

Target country	Aug-17	Jul-18	Aug-18
US	5	0	5
UK	2	3	3
Russia	3	2	3
Japan	0	1	2
Hong Kong	0	0	2
India	9	3	1
Thailand	0	0	1
Taiwan	3	1	1
South Korea	2	0	1
Brazil	1	0	1
China	6	4	1
Azerbaijan	0	2	1
Vietnam	0	0	1
Switzerland	0	0	1

### Target countries by value - Capital markets banking deals

Target country	Aug-17 (mil USD)	Jul-18 (mil USD)	Aug-18 (mil USD)
Hong Kong	0	0	784
UK	15	71	367
South Korea	529	0	361
Russian	132	4	199
US	100	0	187
India	1,424	2,432	73
Japan	0	13	49
Vietnam	0	0	43
Switzerland	0	0	30
Taiwan	685	51	23
Thailand	0	0	15
Azerbaijan	0	106	4

### Target region by volume - Capital markets banking deals

Target region	Aug-17	Jul-18	Aug-18
Far East and Central Asia	28	13	11
North America	5	0	5
Western Europe	4	3	4
Eastern Europe	6	4	3
South and Central America	2	0	1
Middle East	0	0	0
Africa	2	1	0
Oceania	1	2	0

### Target region by value - Capital markets banking deals

Target region	Aug-17 (mil USD)	Jul-18 (mil USD)	Aug-18 (mil USD)
Far East and Central Asia	9,693	6,235	1,351
Western Europe	52	71	397
Eastern Europe	157	79	199
North America	100	0	187
Middle East	0	0	0
South and Central America	357	0	0
Africa	194	23	0
Oceania	731	240	0



### Financial sponsors activity plummeted in August

The volume and value of financial sponsor-backed banking deals announced in August declined month-on-month. In all, there were 3 deals worth a combined USD 4 million announced during the month. In terms of value, this represents a significant decline on the USD 10,624 million recorded in July, while volume slipped from 14 deals over the same timeframe.

It was a similar story year-on-year; while volume fell at a slightly faster rate, from 22 deals in August 2017, value declined more slowly, from USD 247 million.

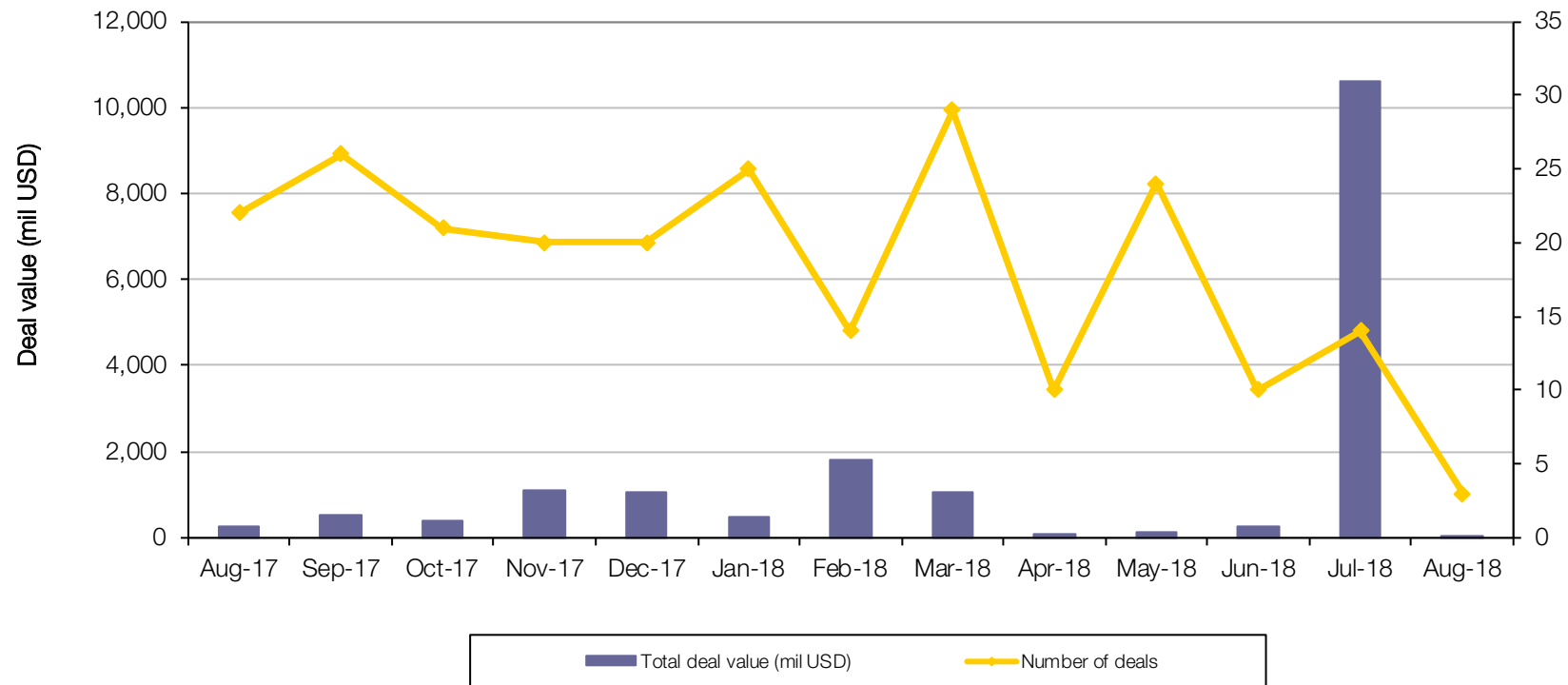
Of the three financial sponsor-backed deals announced in August, only two had disclosed values. The largest of these was worth almost USD 3 million and took the form of a funding round by General Bancshares. The identity of the investors was not disclosed. This was followed by a USD 1 million injection in United Bancorp, although, again, the financial sponsors involved were not identified.

The only other financial sponsor-backed deal to have been announced during August featured a South African target as ARC Financial Holding agreed to buy the remaining 10 per cent stake it does not already own in TymeDigital for an unknown sum.

### Banking deals with financial sponsors by volume and value

Announced date	No of deals	Total deal value (mil USD)
Aug-18	3	4
Jul-18	14	10,624
Jun-18	10	261
May-18	24	134
Apr-18	10	75
Mar-18	29	1,041
Feb-18	14	1,816
Jan-18	25	472
Dec-17	20	1,071
Nov-17	20	1,084
Oct-17	21	405
Sep-17	26	543
Aug-17	22	247

### Banking deals with financial sponsors by volume and value



### Top banking deals with financial sponsors deals by value

	Deal value (mil USD)	Deal type	Target	Target country	Financial Sponsor	Announced date
1.	3	Minority stake	General Bancshares Inc.	US		30/08/2018
2.	1	Minority stake	United Bancorp Inc	US		02/08/2018
3.	n.a.	IBO 90% to 100%	TymeDigital ZA	ZA	African Rainbow Capital (Pty) Ltd	08/08/2018

### Target countries by volume - Banking deals with financial sponsors

Target country	Aug-17	Jul-18	Aug-18
US	19	11	2
South Africa	0	0	1

### Target countries by value - Banking deals with financial sponsors

Target country	Aug-17 (mil USD)	Jul-18 (mil USD)	Aug-18 (mil USD)
US	246	27	4

### Target region by volume - Banking deals with financial sponsors

Target region	Aug-17	Jul-18	Aug-18
North America	19	12	2
Africa	0	0	1
South and Central America	0	0	0
Western Europe	1	2	0
Eastern Europe	1	0	0
Middle East	1	0	0
Far East and Central Asia	0	0	0
Oceania	0	0	0

### Target region by value - Banking deals with financial sponsors

Target region	Aug-17 (mil USD)	Jul-18 (mil USD)	Aug-18 (mil USD)
North America	246	29	4
Western Europe	0	10,596	0
South and Central America	0	0	0
Eastern Europe	0	0	0
Africa	0	0	0
Far East and Central Asia	0	0	0
Middle East	1	0	0
Oceania	0	0	0

## Notes to editors

Activity is based on the activity of the target company under either Nace code 641 (Monetary intermediation) or a combination of Nace code 642 (Activities of holding companies) and keywords relating to banking and financial institutions

Deal status is announced within the time period

The date range is 01/08/2018 - 31/08/2018 inclusive

Strategic M&A transactions comprise Acquisitions, Joint Ventures, Mergers, Demergers and Minority Stakes and exclude Private Equity and Venture Capital transactions

Capital Markets transactions comprise Initial Public Offerings, Planned IPOs and Capital Increases

Financial Sponsors transactions comprise Acquisitions, Institutional Buy-Outs, Management Buy-Ins, Management Buy-Outs, Management Buy-In/Buy-Outs and Minority Stake transactions with Private Equity or Venture Capital involvement