



In the Market



August 2016



Introduction

Hello and welcome to the inaugural KPMG Banking Deal Advisory Newsletter – “In the Market”.

Working with banks and investors across the EMEA banking market, we at KPMG wanted to provide you with access to relevant views, content and insights in a regular monthly download. We hope that you find this newsletter informative and useful.

Since late June, the market has been dominated by the news that voters in the UK elected to leave the European Union. The political fallout and economic impact has been profound, both in the UK and across Europe. In his regular blog, Nick Colman has addressed many of the key issues and impacts that the Brexit vote has had on our market, and how both banks and investors have responded. In our Market Intelligence section, we’ve observed those transactions that managed to either avoid or withstand the impact that Brexit has had on M&A activity in the European banking sector. We’ve also undertaken a detailed review of the European Banking Authority (EBA) EU-wide stress tests, which were released on July 29.

Finally, KPMG has developed “KPMG Deal Room”, a sophisticated and intuitive virtual file sharing site which provides clients with a secure environment to up-load due diligence materials, contact and communicate with buyers, track, allocate and distribute Q&A and allows buyers to submit binding and non-binding offers.

If you would like further information, please visit the Deal Room website [here](#).

Thanks and welcome to In the Market.

Andrew and Nick



Andrew Jenke

T: +44 (0)20 7311 1234

E: andrew.jenke@kpmg.com



Nick Colman

T: +44 (0)20 7311 1234

E: nicholas.colman@kpmg.com



Nick's Blog

In the wake of Brexit, big deals are stalling for time while small deals carry on. Buyers and sellers are pausing to re-evaluate but it's not all doom and gloom. Nick Colman, a Partner at KPMG, shares his views on how Brexit can pose an investment ...

For access to the EU Referendum portal click [here](#).

[Read more](#)



Market Intelligence

We would like to introduce our 'Market Intelligence' section which provides key statistics on both closed and live transactions within the loan portfolio market in the form of the QlikSense dashboard.

Transaction activity over the past month has been focused in Italy and Spain, where we've seen important transactions in the real estate secured and leasing space (BPER, Heta Italy, Bankia). In Italy we've also seen considerable discussion surrounding the reported €360 billion of NPLs residing with Italian banks, and specifically the impact that this has had on BMPS. Outside of Southern Europe, both the UK and Ireland have been more subdued as both banks and investors firstly awaited, and then digested the Brexit vote.

On Friday 29 July, The European Banking Authority (EBA) released the results of its EU-wide stress tests. KPMG has undertaken a detailed review of these important results and you can find a summary [here](#).

An interactive dashboard summarising European transaction activity and the EBA stress test results above can be found [here](#) along with the installation and operating instructions.



Insights

Below are selected KPMG reports and thought leadership relevant to our market, released during the past month. If you'd like to discuss any of the items below, please feel free to contact Andrew, Nick or the relevant authors via the links below.

For information on Brexit: The Tax impact for business, [click here](#).

For information on the Impact of IFRS 16 and more on the leverage ratio, [click here](#).

For information on Banks Focus on Digital Platforms to Enhance Customer Experience, [click here](#).

For a full detailed analysis of the EBA 2016 Stress Test results, [click here](#).

kpmg.com/socialmedia



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2017 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. Printed in the United Kingdom.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

All rights reserved. Designed by CREATE | CRT075104| 170116