

Project Liberty

Case study

JULY 2021





Case study: Merger of a Non-Bank Financial Institution and a Fintech Bank

CLIENT
CapitalFlow



TRANSACTION TYPE
Sell-side advisory

ACQUIRER
bunq



Client description

Capitalflow, owned by Pollen Street Capital, is one of Ireland's most prominent Non-Bank Financial Institutions offering loans to Irish SMEs across Commercial Real Estate, Asset Finance and Invoice Discounting. Capitalflow has advanced over €650m in loans to Irish SMEs since 2016.

Counterparty description

bunq is a fintech bank with a full Dutch banking licence offering accounts across Europe and competes with the likes of N26 and Revolut. It offers customers a market leading mobile banking experience and transparent commitment to socially responsible banking.

bunq has over €1bn in deposits mainly in The Netherlands, Germany and France, and is currently available in 30 European markets.

Deal description

Alantra acted as lead sell-side advisor to Capitalflow, an Irish Non-Bank Financial Institution (NBFI) and their majority shareholder Pollen Street Capital, on the sale of Capitalflow to Dutch neo-bank, bunq. The transaction is subject to approval by De Nederlandsche Bank (DNB).

Over a 9-month period, Alantra conducted initial marketing sounding and valuation, process management including due diligence oversight, combined model build, regulatory capital analysis and commercial contract negotiations.

A successful outcome

- Create a highly profitable neo-bank with unique strengths in liability gathering and high-yield asset origination.
- Combine bunq's rapidly growing mobile bank and consumer brand with Capitalflow's SME lending capabilities.
- Create a platform for further expansion across the Euro area, to capitalise on opportunities from the Banking Union.
- Combine bunq's best-in-class technology with Capitalflow's expanding fintech offering to SMEs.

Regulatory perspective & exit potential

- bunq will continue to be regulated by DNB for its activities in The Netherlands and beyond.
- The transaction acts as a stepping-stone to further expansion for the combined entity.
- The deal could also pave the path to an IPO or merger of bunq with a SPAC.



JAMES SCOTT
PARTNER | POLLEN STREET CAPITAL



The input from the Alantra team on many aspects of Capitalflow's funding arrangements has been invaluable over a long period of time. Specifically on this transaction the team demonstrated really strong banking expertise together with an ability to provide practical commercial advice, detailed modelling analysis and excellent project management.



RONAN HORGAN
CEO | CAPITALFLOW



Alantra has a great team who go the extra mile, we have found the team super helpful to work with on this project and look forward to working with them again in the future.

Key transaction themes

This transaction aligns with a number of key themes observed in the European banking and NBFIs markets



The rise of neo-banks across Europe as customers choose a different relationship with their bank



The growth of NBFIs to provide financing to SMEs and the Green economy



An increase in the sophistication of Banking and NBFI technology, in both user interfaces and underwriting



The continued development of the Banking Union across the Euro area



The scope for funding synergies between Banks & NBFIs to build sustainable profitability for both parties

The Alantra team on Project Liberty

Alantra CPAI has teams of Banking experts on the ground in 8 European jurisdictions, providing a seamless service to clients



Andrew Jenke
Managing Partner
andrew.jenke@alantra.com



Marcus Evans
Managing Director
marcus.evans@alantra.com



Michael O'Sullivan
Director
michael.osullivan@alantra.com



Brian Minnock
Senior Vice President
brian.minnock@alantra.com

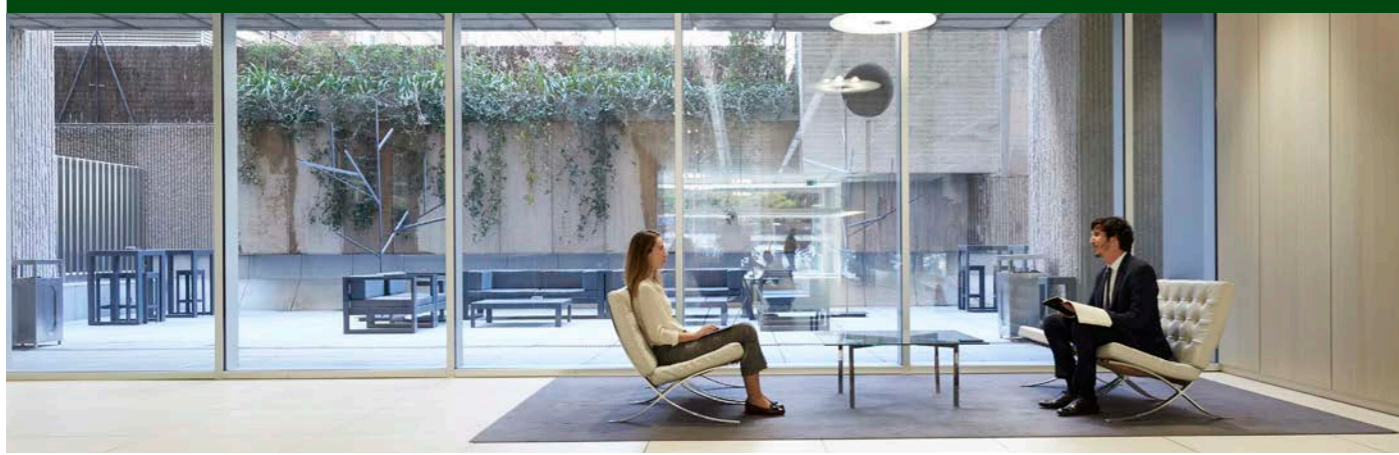


James Kavanagh
Associate
james.kavanagh@alantra.com



Sarah Keegan
Analyst
sarah.keegan@alantra.com

About Alantra



Alantra is a global alternative asset management, investment banking, and credit portfolio advisory firm providing high value-added services to companies, families, and investors operating in the mid-market segment.

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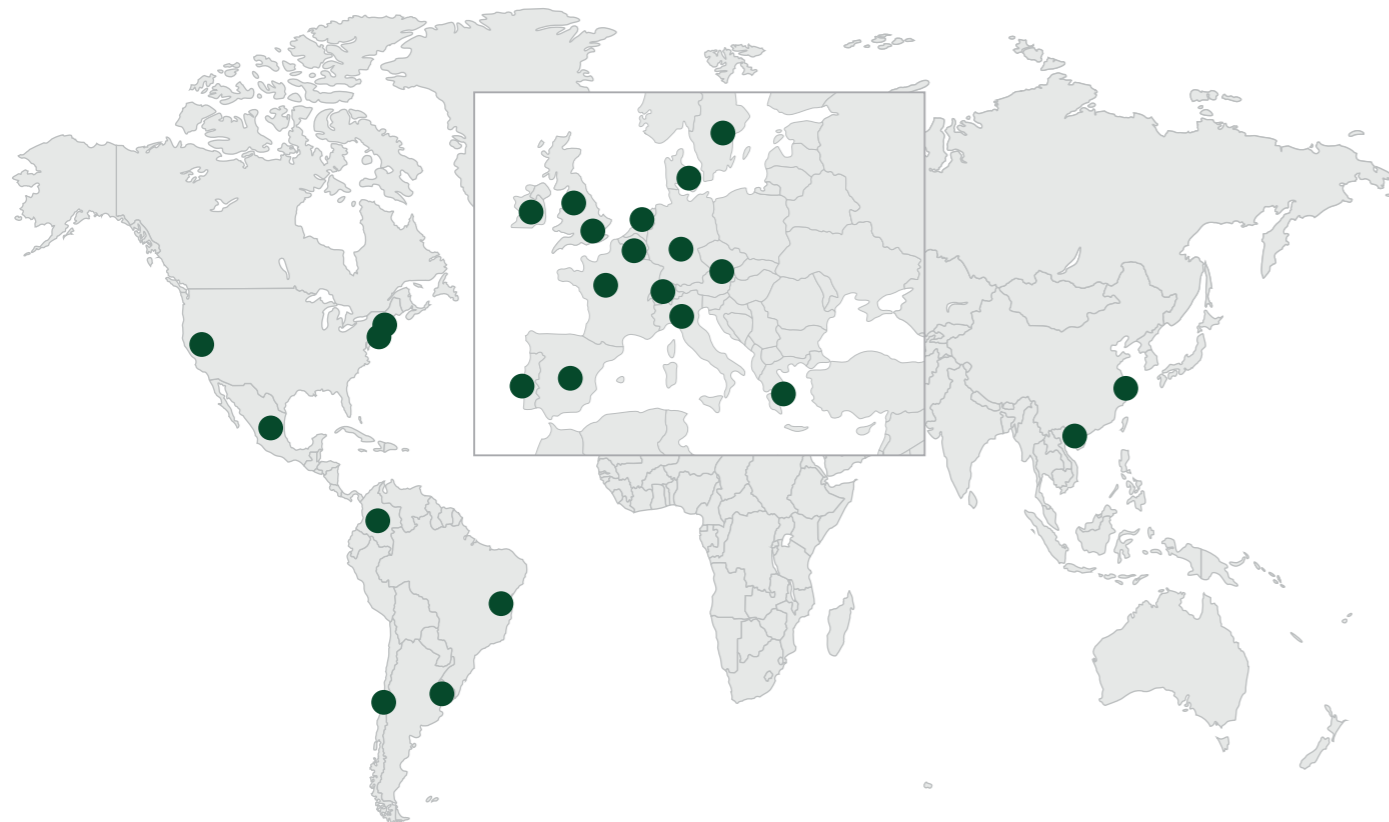
35+

NATIONALITIES

525+

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Global Presence



ALANTRA

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Alantra is a global investment banking, credit portfolio advisory and alternative asset management firm focusing on the mid-market with offices across Europe, the US, Latin America and Asia.

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