



Banco Galicia

With the restrictions placed on social interaction resulting from the COVID-19 outbreak, Banco Galicia, a tier-one bank, needed a way to completely digitize their NPL sale process, specifically to obtain signatures and notarizations necessary to complete a portfolio sale already in progress – and now at risk.

Intralinks, a trusted technology partner, helped Banco Galicia and its clients develop a nonstandard process with a secure, bank-grade collaboration solution, to distribute the NPL information quickly and securely for this offering in the new normal – a digital process they'll retain beyond the health crisis.

Banco de Galicia y Buenos Aires SAU, known as Banco Galicia, a tier-one private bank founded in 1905 and headquartered in Buenos Aires, is one of the main private banks in the Argentine financial system. Banco Galicia offers a wide range of financial services to more than three million clients, both individuals and companies, and operates one of the most extensive and diversified distribution networks in the world.

Situation

Banco Galicia was quite far along in the sale of a Nonperforming Loan (NPL) portfolio when the COVID-19 crisis descended – making it impossible for the team to execute the physical steps necessary for completing the transaction. Banco Galicia needed a way to move to a 100%-digital process, to complete the key manual steps of this transaction.

The bank's customary process for NPL portfolio sales was to manually send invitation letters to investors. Once accepted, the bank's deal team would provide investors access to the Intralinks Virtual Data Room (VDR) set up for the offering, to download the Terms and Conditions and the portfolio offer. Then the Transfer Offer would be physically signed and notarized.

“As a result of the Executive Power in its decree No. 297/20 on Preventive and Compulsory Social Isolation, both banking and notary activity was limited and, in this case, it was impossible to sign physical documents. After analyzing the situation with our legal advisors, we were able to utilize the Intralinks platform to digitally register the information exchange process, the compliance and implementation of the offer.”

– Pablo D'Alesio, Senior Team Leader, Portfolio Sales, Advanced Wholesale Default Management and Judicial Management

Solution

Banco Galicia had been working with Intralinks for more than five years, using Intralinks VDRs for all their key strategic transactions and NPL sales for the credit department. So, the bank was already familiar with the security, productivity and compliance features of the Intralinks platform.

“Intralinks allows us to provide transparency, reliability and cybersecurity to our bidding processes,” said Pablo D'Alesio, senior team leader of the bank's Portfolio Sales, Advanced Wholesale Default Management and Judicial Management sectors.

So, the team naturally turned to Intralinks in this emergency. The main issues to resolve were the signatures on contracts and the notarization for BCRA.

Banco Galicia contacted Intralinks' head of business for South Latam, who quickly developed a five-step solution to successfully execute this sale of the NPL portfolio digitally on the Intralinks platform – transparently and in complete compliance with all banking regulations, as well as observing the new COVID-19 mandates:

1. For three days, the bank will share all their NPL portfolio content through the Intralinks VDR to all third-party banks invited to participate in the bidding.
2. On day four, the bank will announce the Acquiror and digitally revoke access to all portfolio content by the other parties.
3. Once confirmed, the bank will grant access to the winner, to upload the formal offer and contracts to the platform.
4. The bid will end with Banco Galicia downloading the formal offer and contracts, now showing as accepted on the compliance log generated on the Intralinks platform.
5. When the transaction is complete, the bank will then grant VDR access to Banco Galicia's law firm and the Notary; they will check all the compliance logs to certify that the process has been conducted according to the contract terms and conditions. This information also will be downloaded and sent to the Central Bank of Argentina (BCRA).

Result

Using Intralinks, Banco Galicia was able to complete the NPL sale on schedule and in the price range hoped for and expected by the principals. Pablo D'Alesio credits the Intralinks team and technology-enabled services as the key to the deal's success. "We could not have closed this operation without Intralinks," he concluded.

In addition to saving the deal, Banco Galicia now has an updated, streamlined, 100%-digital NPL selling process that is efficient, compliant and secure – a high-efficiency process that the bank will continue to use even after the COVID-19 cloud has passed and the social restrictions have lifted.