

SCOTIABANK ADQUIERE BBVA CHILE

Torys LLP in Toronto and Carey in Santiago have helped Canadian lender Scotiabank buy a majority stake in BBVA Chile for US\$2.2 billion.

Philippi Prietocarrizosa Ferrero DU & Uría (Chile) advised Spanish banking group BBVA. The deal was signed on 4 December.

BBVA sold 68.19% of its stake to Scotiabank after getting approval from Chile's Said family, which owns the remaining 32%. The family also waived its right of first refusal to acquire BBVA's shares in BBVA Chile.

The transaction will double Scotiabank's market share in Chile, worth US\$390 billion, to 14%, and make it the third-largest private sector bank in Chile.

Scotiabank, which has the biggest foreign presence of any Canadian bank, has made the Pacific Alliance countries of Chile, Colombia, Mexico and Peru a primary focus for expansion. The region already accounts for over 60% of the bank's international earnings.

The deal comes as large banks continue to make strategic acquisitions to absorb greater regulatory compliance and operational costs. Earlier this month, Chile's Banco de Crédito e Inversiones (BCI) expanded its presence in the US by acquiring TotalBank from Santander for US\$528 million. In another recent tie-up, investment manager BlackRock agreed to buy Citigroup's Mexican subsidiary.

Counsel to BBVA

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