

HSBC finally offloads its French retail bank, but at a loss of \$2.3bn

HSBC today said the long-awaited [sale](#) of its troubled [French](#) retail banking [business](#) to Cerberus, the [US](#) investment fund group, would see it make a [loss](#) of \$2.3 billion on the sale.

The [bank](#) has been looking to sell the French business for more than 18 months as part of its strategy to focus down on its fast growing [Asian](#) operations and get out of most of its continental [European](#) and US operations.

The sale has been complex but today HSBC confirmed it would go to a group of Cerberus-controlled [businesses](#) called Promontoria MMB which trades as My Money Bank and Banque des Caraïbes.

MMB is primarily a debt consolidation and commercial property business while Banque des Caraïbes does retail and commercial banking.

The business being sold has \$28.9 billion of gross assets including \$26.2 billion of customer loans.

Its 244 retail bank branches serve 800,000 customers.

However, HSBC said it saw it as “a relatively subscale retail network”.

Chief executive Noel Quinn said a sale would “dramatically simplify our business in Continental Europe and allow us to accelerate the transformation of our European wholesale banking franchise.”

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Technically, today's deal is characterised as the signing of a memorandum of understanding for a potential sale because it now has to go the employee works councils at the various divisions being sold. The move includes 3400 French workers.

On top of the pre-tax loss on the sale of \$2.3 billion, HSBC will write off \$700 million of goodwill.