

Press Release

With the project to acquire Société Générale Equipment Finance, Groupe BPCE will become the European leader in the equipment leasing market

Paris, April 11, 2024

Preparing its new strategic plan, which will be announced in June, Groupe BPCE has the objective to expand its footprint in Europe in specialized financing, particularly in the leasing business.

In line with this target, Groupe BPCE announces the signing of a memorandum of understanding with Société Générale to acquire the activities of Société Générale Equipment Finance (SGEF)*.

SGEF is one of the European leading providers of industrial equipment lease financing through a diversified range of equipment financing solutions and associated services. Its international footprint in 25 countries is based on a network of solid partnerships with vendors and banking networks. With its 1,600 staff, SGEF posts annual new business volume of more than €6 billion and a global outstandings amounting €15 billion.

Groupe BPCE already ranks second in France's equipment leasing market and **the acquisition will make the Group the European leader of equipment financing solutions** (in terms of outstandings, excluding auto) for manufacturers, dealers, vendors and corporate customers. SGEF's specific expertise in the transport, industrial, technology, medical and renewable energy sectors provides a strong fit with Groupe BPCE's leasing activities in France, as well as in Italy and Spain.

Equipment leasing helps companies to grow by providing solutions for financing real assets. **The characteristics of the business are fully consistent with the priorities of Groupe BPCE as a cooperative and client-focused banking institution.** It offers a moderate risk profile insofar and is based on a growing market estimated to be expanding at an annual average of 6% in Europe.

Groupe BPCE will employ its means and resources to help SGEF's activities to grow, and to pursue strong ambitions in all the regions where it operates, including in France where **the strength of the Banque Populaire and Caisse d'Epargne networks will support SGEF's expansion. Customers of the two networks will consequently benefit of SGEF's sectoral expertise.**

The project will further the Group's international growth ambitions, diversify its revenues and enhance its ability to create value. The acquisition of the activities concerned by the project will be made at a price of €1.1 billion** and will represent a limited impact on the CET1 ratio of around -40bps. Groupe BPCE's CET1 ratio stood at 15.6% at end-December 2023.

* Excluding SGEF's interests in the Czech Republic and Slovakia

** Based on shareholders' equity of €0.96 billion on transaction date

The project is subject to the applicable labor procedures and to obtaining approval from the competent regulatory bodies and anti-trust authorities. **The transaction is expected to be completed for first-quarter 2025.**

For Nicolas Namias, Chief Executive Officer of BPCE: *“Groupe BPCE, the second-largest banking group in France, is already active in equipment leasing through the BPCE Lease subsidiary, managed by Didier Trupin. Looking ahead to the group’s new strategic plan, this transaction underscores our growth ambitions in Europe, intensifies our revenue diversification and changes our dimensions in this business. The choice of investing in this growing business serves the goal of financing the real economy, strengthens the Group’s offering for the energy transition and the real economy, and is consistent with our cooperative nature. We have ambitious growth plans for SGEF, its clients, and its vendor and bank partners, and have full confidence in being able to execute them by leveraging the recognized talent of SGEF’s management team – particularly that of its Chief Executive Officer Odile de Saivre - and of its staff, for the benefit of all Groupe BPCE stakeholders and particularly for customers of the Banque Populaire and Caisse d’Epargne networks”.*

For Odile de Saivre, Chief Executive Officer of Société Générale Equipment Finance: *“As part of the Société Générale group, SGEF has developed its business internationally and built up a unique geographic footprint. SGEF’s staff are recognized experts who work with our clients and partners to construct innovative equipment financing solutions. I am pleased that this project with Groupe BPCE is set to open a new growth-oriented chapter, thanks to the strong fit between our activities”.*

About Groupe BPCE

Groupe BPCE is the second-largest banking group in France. Through its 100,000 staff, the group serves 35 million customers – individuals, professionals, companies, investors and local government bodies – around the world. It operates in the retail banking and insurance fields in France via its two major networks, Banque Populaire and Caisse d’Epargne, along with Banque Palatine and Oney. It also pursues its activities worldwide with the asset & wealth management services provided by Natixis Investment Managers and the wholesale banking expertise of Natixis Corporate & Investment Banking. The Group’s financial strength is recognized by four credit rating agencies with the following senior preferred LT ratings: Moody’s (A1, stable outlook), Standard & Poor’s (A, stable outlook), Fitch (A+, stable outlook) and R&I (A+, stable outlook).

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