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**France M&A Financial Services**

Newsletter

January to June 2018

# Foreword

This publication is intended to be issued on a semi-annual basis.

The purpose of this document is to provide an overview of recent M&A activity in the French financial services industry. This edition covers the first half of 2018 (1H18). The information contained herein is based upon publicly-available information only.

**Brice Chasles**  
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**Managing Partner**

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# Overview

## Focus : France overview

### Trend

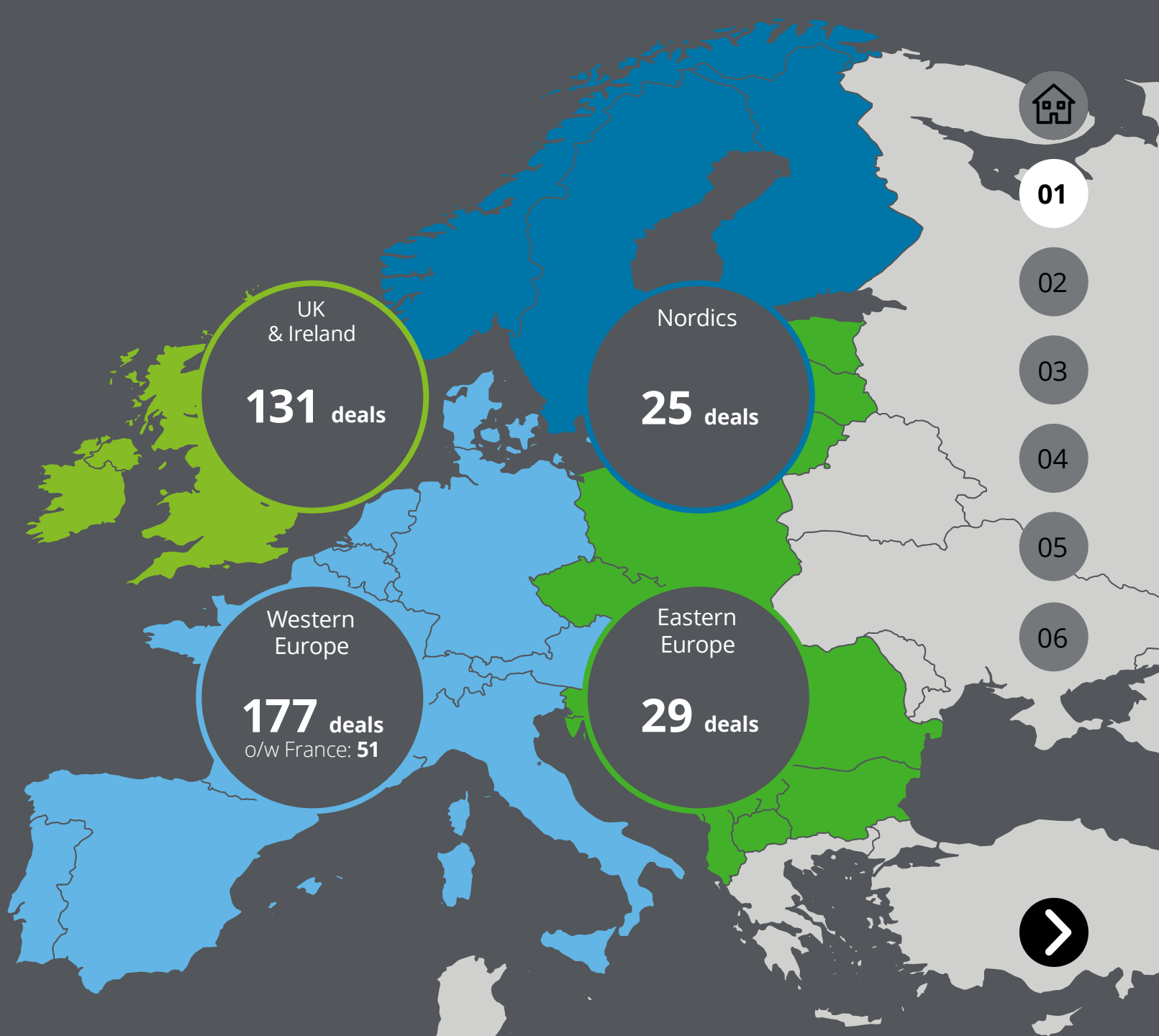
The number of M&A deals in 1H18 in the Financial Industry in France slightly increased compared to 1H17: 51 transactions announced or completed, versus 49 in 1H17 and 55 in 2H17. France is the leading Western European country in terms of deal volume.

Natixis Group and BNP Paribas Group were among the most active players over the period.

The Insurance sector drove M&A activity in 1H18, with 21 deals announced or completed versus 17 in 2H17 and 10 in 1H17. The Banking sector remained stable compared to 2H17 with 9 deals, and Specialised Financial Services transactions decreased to 21 deals in 1H18 versus 29 in 2H17.







### Focus

The Banking sector saw several transactions aimed at developing or consolidating overseas activities. Private Equity players were very active in the Insurance sector, acquiring several brokerage targets. The Leasing and Asset Management sectors experienced consolidations over the semester.



# European FSI M&A

Number of FSI M&A transactions in Europe (announced or completed as at 30 June 2018)

Country	Banking	Insurance	Specialised Services	Total 1H 2018	Total 2H 2017	%Var 2H17 - 1H18	Activity
UK and Ireland	10	35	86	131	129	2%	
Western Europe <sup>(1)</sup>	45	48	84	177	174	2%	
<i>o/w France</i> <sup>(2)</sup>	9	21	21	51	55	(7%)	
Nordics	4	8	13	25	32	(22%)	
Eastern Europe	12	10	7	29	40	(28%)	
<b>Total</b>	<b>71</b>	<b>101</b>	<b>190</b>	<b>362</b>	<b>375</b>	<b>(3%)</b>	

 Very dynamic

 Dynamic

 Sustained

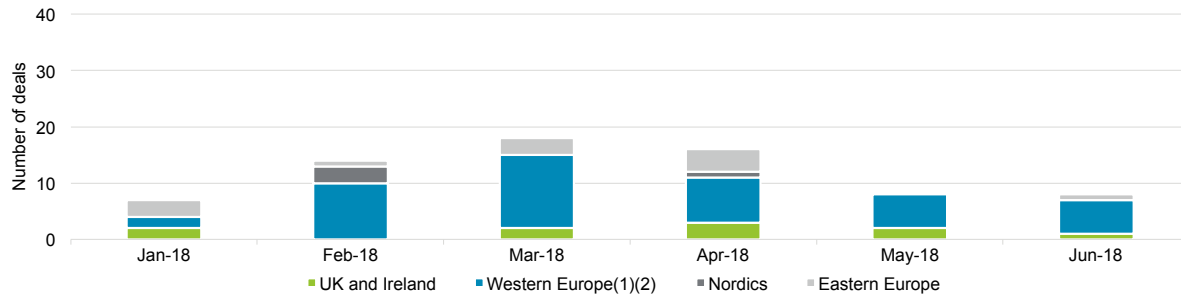
Source: Thomson One - transaction classification by industry and target country  
 Note: (1) excluding UK, Ireland and Nordics; (2) including inbound and outbound deals.



## European FSI M&A

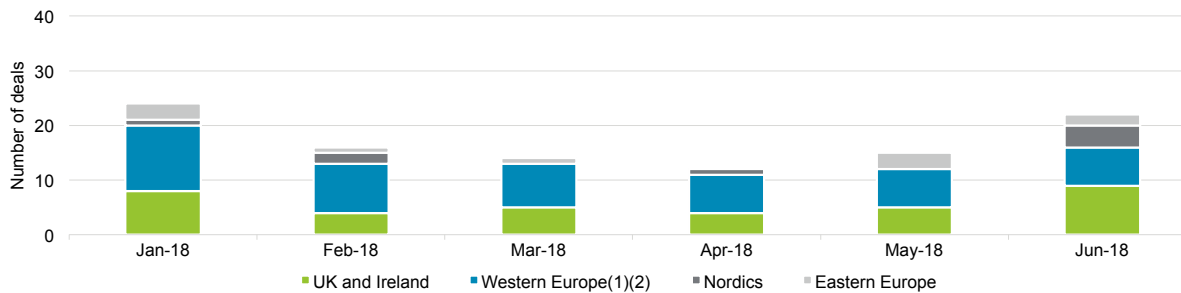
### Monthly number of FSI M&A transactions in Europe (announced or completed as at 30 June 2018)

#### Banking sector



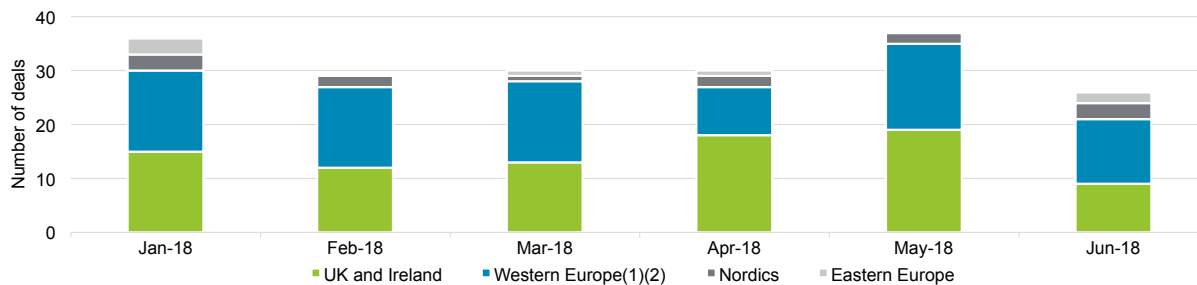
Banking deal volume grew over the first 4 months of 2018, with peaks at 18 and 16 transactions in March and April respectively.

#### Insurance sector



January and June saw insurance deals rise over 20 per month, with a more stable level from February to May (ranging from 12 to 16 deals per month).

#### Specialised Financial Services sector



The UK and Ireland drove transaction volume over the semester in Specialised Financial Services. Total deals amounted to 31 per month on average.

Source: Thomson One - transaction classification by industry and target country  
 Note: (1) excluding UK, Ireland and Nordics; (2) including inbound and outbound deals



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## Banking

### French inbound/ outbound deal activity from January to June 2018

#### Trend

French Banking acquisitions were a mix of domestic and foreign transactions. The 5 outbound deals (announced or completed) were mainly driven by Corporates looking to expand and consolidate their European footprint. The 4 inbound deals were mainly driven by French Private Equity.

#### Focus

Overseas M&A activity was mainly driven by geographic expansion and consolidation, while domestic activity was influenced by:

- Diversification of the product offering through the acquisition of specialised players;
- Acquisition of targets with international exposure to gain market share abroad; and
- Fintech fundraisings.

#### Key Movers

Natixis Partners was particularly active in 1H18, aiming to develop its M&A advisory capabilities abroad through 3 acquisitions of which:

- Fenchurch Advisory Partner LLP to reinforce Natixis' financial services advisory capabilities and to act as a catalyst to further develop its reach in the sector in Europe and in the US; and
  - Vermillon Partners Ltd to strengthen its M&A advisory offering for FSI clients and to support its international expansion, particularly in China.
- BNP Paribas completed sizeable acquisitions to consolidate its international presence, with 2 in the Polish market and 1 in Italy.

#### Main transactions

- BNP Paribas strengthened its Polish presence by purchasing Raiffeisen Bank Polska for €775m in April.
- BNP Paribas Securities Services acquired the custodian banking activity of Banco Bpm SpA for €200m in February.
- Allianz France invested in Lendix, the French crowdfunding platform that allows small-to-medium sized enterprises (SMEs) to access financing to accelerate its development in Germany and other European countries.



## French Banking sector - January to June 2018 inbound/ domestic deals

Announcement date	Target name	Percentage of acquisition	Bidder Name	Deal status as at 30/06/18
Feb-18	My Money Bank SA (Mainland Automotive financing business)	Undisclosed	Financo SA	Pending
Mar-18	Clipperton	Undisclosed minority	Natixis Partners SAS	Pending
Apr-18	Largilliere Finance SAS	34%	Crystal Finance SA	Completed
Jun-18	Lendix IFP SA	Undisclosed	Idinvest partners, Allianz France SA, CIR Compagnie Industriali Riunite SpA	Completed

## French Banking sector - January to June 2018 outbound deals

Announcement date	Target name	Percentage of acquisition	Bidder Name	Deal status as at 30/06/18
Feb-18	Banco BPM Spa (Custodian activity)	Asset deal	BNP Paribas Securities Services	Pending
Mar-18	Fenchurch Advisory Partner LLP	51%	Natixis Partners SAS	Pending
Mar-18	Vermilion Partners Ltd	Majority	Natixis Partners SAS	Pending
Apr-18	Raiffeisen Bank Polska	Undisclosed	BNP Paribas	Pending
May-18	SKOK Rafineria	Undisclosed	BNP Paribas	Pending

Source: Thomson One – classification by industry target



# French inbound/ outbound deal activity from January to June 2018

### Trend

The French Insurance sector was particularly dynamic domestically, with 19 inbound deals and 2 outbound deals in 1H18. All transactions were executed by French bidders, demonstrating their strong deal appetite in the sector.

### Focus

Private Equity and Corporate bidders were equally active over the semester, with 10 and 9 domestic transactions announced or closed, respectively. Insurance brokers were heavily targeted, representing 76% of inbound and domestic transactions (Eurodommages, Groupe Premium, Siaci Saint Honore, Santiane, SFAM, Filiassur, Active Assurances, etc.).

### Key Movers

Ardian announced the purchase of a minority stake in SFAM in February and entered into exclusive negotiations to acquire Opteven Assurances in April. Ardian also announced the disposal of its stake in Siaci St Honoré to Management and Charterhouse in June.

### Main transactions

AXA SA carried out the most significant transaction of the semester, shifting its core business towards corporate P&C insurance and reinforcing its global coverage through the acquisition of 100% of XL Group in March for a total €12.4bn.

Other main transactions include:

- Humanis Prevoyance's merger with Malakoff Médéric in March, with the objective of becoming a leading player in social protection insurance;
- Ciprès Assurances' bolt-on acquisition of 100% of Axelliance, announced in June, to develop its offer in the P&C insurance brokerage for SMEs; and
- Tikehau Capital's acquisition of a €30m stake of Filiassur in May.



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## French Insurance sector - January to June 2018 inbound/ domestic deals

Announ. date	Target name	Percentage of acquisition	Bidder name	Deal status as at 30/06/18
Jan-18	+Simple.fr	Undisclosed minority	Idinvest Partners, Anthemis, Oneragtime & Rothschild family	Completed
Jan-18	Assur Construction SASU	Undisclosed	Asqua leader	Completed
Jan-18	Azimut SAS	70%	CNP Assurances	Completed
Jan-18	Richard de La Baume Assurances	Undisclosed	Ovatio S.A.S	n/a <sup>(1)</sup>
Jan-18	Septier assurances	Undisclosed	Ovatio S.A.S	n/a <sup>(1)</sup>
Feb-18	SFAM SASU	Undisclosed minority	Ardian	Completed
Feb-18	Santiane	Remaining 20%	BlackFin Capital Partners	Completed
Mar-18	Jean Busnot SA	Undisclosed majority	Siaci Saint-Honore	Pending
Mar-18	Humanis Prevoyance	Merger	Malakoff Mederic Assurances SA	Pending
Mar-18	Chedal Anglay et Associes	Undisclosed majority	Delta Assurances	n/a <sup>(1)</sup>
Apr-18	Filiassur SAS	40%	Tikehau Capital SCA	Completed
Apr-18	Opteven Assurances SA	Undisclosed majority	Ardian SAS	Pending
May-18	Owliance SAS	Undisclosed	Tessi SA	Pending
May-18	Groupe Premium SAS	70%	Montefiore Investment SAS	Completed
May-18	Active Assurances SAS	Undisclosed minority	Activa Capital SAS & Bpifrance SA	Completed
Jun-18	Siaci Saint Honore SA	Undisclosed majority	Management & Charterhouse Capital Partners LLP	Pending
Jun-18	Eurodommages SA	Undisclosed	Qualium Investissement SAS	Completed
Jun-18	Axelliance Groupe SASU	100%	Cipres Assurances SAS	Pending
Jun-18	Leader Assurances	MBO / Undisclosed	LT Capital	n/a <sup>(1)</sup>

## French Insurance sector - January to June 2018 outbound deals

Announ. date	Target name	Percentage of acquisition	Bidder name	Deal status as at 30/06/18
Mar-18	XL Group Ltd	100%	AXA SA	Pending
May-18	Europ Assistance Cia Portuguesa De Seguros Sa	Remaining stake	Europ Assistance Holding SA	Completed

Note: (1) "n/a": not available

Source: Thomson One – classification by industry target



## Specialised Financial Services

### French inbound/ outbound deal activity from January to June 2018

#### Trend

The French M&A market in Specialised Financial Services was moderate in 1H18, with 15 inbound deals (of which 11 French bidders, and 4 foreign bidders) and 6 outbound deals.

#### Focus

Leasing and factoring companies were frequently targeted, with 6 deals over the period (including 4 Corporate bidders and 2 Private Equity players). Other transactions also showed a consolidation trend in wealth and asset management, with 6 deals in the sector over the semester, and 2 debt collection companies acquired by foreign Corporate bidders to develop their presence in the French market.

#### Key Movers

Worldline SA was the most active M&A player in 1H18, acquiring 3 French payments specialists. Natixis Investment Managers was also very active, focusing on international development with the acquisitions of Airborne Capital in Ireland to develop its alternative investments offer, and UK-based MV Credit Partners to expand its private debt capabilities in Europe. In April, Natixis Investment Managers also completed the sale of Axeltis SA (fund platform) to the Swedish bidder MFEX.

#### Main transactions

- Kepler Chevreux's 32.8% stake was jointly acquired by Atlas Merchant Capital LLC (Atlas) (19.7%), Edmond de Rothschild Group (8%) and UniCredit SPA (5.1%) in June;
- ABN Amro Investment Solutions management activities were acquired by Candriam in April to strengthen its French presence;
- Groupe MCS entered into exclusive negotiations to acquire DSOgroup; and
- Debt collection company NACC was wholly acquired by Norwegian B2Holding for an EV of €90m.



## French Specialised Financial Services sector - January to June 2018 inbound/ domestic deals (1/2)

Announcement date	Target name	Percentage of acquisition	Bidder name	Deal status as at 30/06/18
Feb-18	DLPK	MBO / Undisclosed + Blackfin (34%)	Management & BlackFin Capital Partners	Completed
Feb-18	LGA Investissement Associe SA	Undisclosed	Financieres d'Uzes SA	Completed
Mar-18	NACC SASU	100%	B2Holding	Completed
Mar-18	Groupe Cyrus SAS	Management buyout / Remaining 33%	Management	Completed
Apr-18	Sharepay	Undisclosed	Linxo Group SAS	Completed
Apr-18	Axeltis SA	100%	MFEX Mutual Funds Exchange AB	Completed
Apr-18	Infimed	Undisclosed	Turenne Capital Partenaires	n/a <sup>(1)</sup>
Apr-18	Selection 1818 SA	Undisclosed	Nortia SAS	Pending
Apr-18	ABN Amro Investment Solutions MA	Asset deal	Candriam SA	Pending
May-18	Technofinance SAS	Merger	Nova Lease Solutions	n/a <sup>(1)</sup>
Jun-18	DSOgroup	Undisclosed	Groupe MCS	Pending
Jun-18	Factum Finance SAS	90%	Argos Wityu	n/a <sup>(1)</sup>
Jun-18	Lumo SAS	Undisclosed	Societe Generale SA	Completed
Jun-18	Cofacredit SA	36%	Factofrance SAS	n/a <sup>(1)</sup>
Jun-18	Kepler Cheuvreux SA	33%	Atlas Merchant Capital LLC (19.7%), Edmond de Rothschild Group, (8%) and UniCredit SPA (5.1%)	Completed

Note: (1) "n/a": not available

Source: Thomson One – classification by industry target



## French Specialised Financial Services sector - January to June 2018 outbound deals (2/2)

Announcement date	Target name	Percentage of acquisition	Bidder name	Deal status as at 30/06/18
Jan-18	Airborne Capital Ltd	Undisclosed	Natixis Investment Managers SA	Completed
Jan-18	Landkreditt Finans AS	100%	BNP Paribas Leasing Solutions	Pending
Mar-18	Cataps sro	Remaining 19%	Worldline SA	Completed
May-18	SIX Payment Services AG	100%	Worldline SA	Pending
May-18	Twint AG	20%	Worldline SA	Pending
Jun-18	MV Credit Partners LLP	Undisclosed	Natixis Investment Managers	Pending

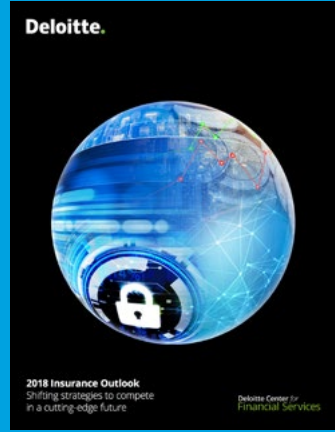


Source: Thomson One – classification by industry target

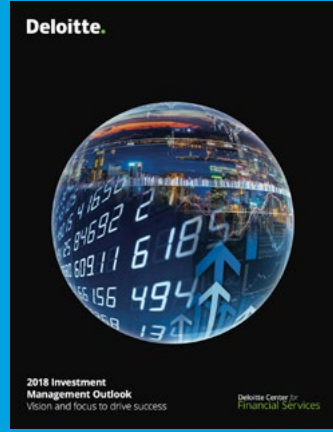
## Recent Publications



2018 Banking Industry Outlook  
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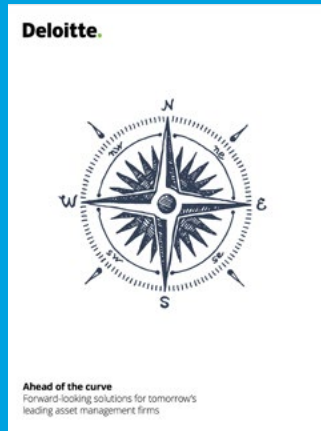
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