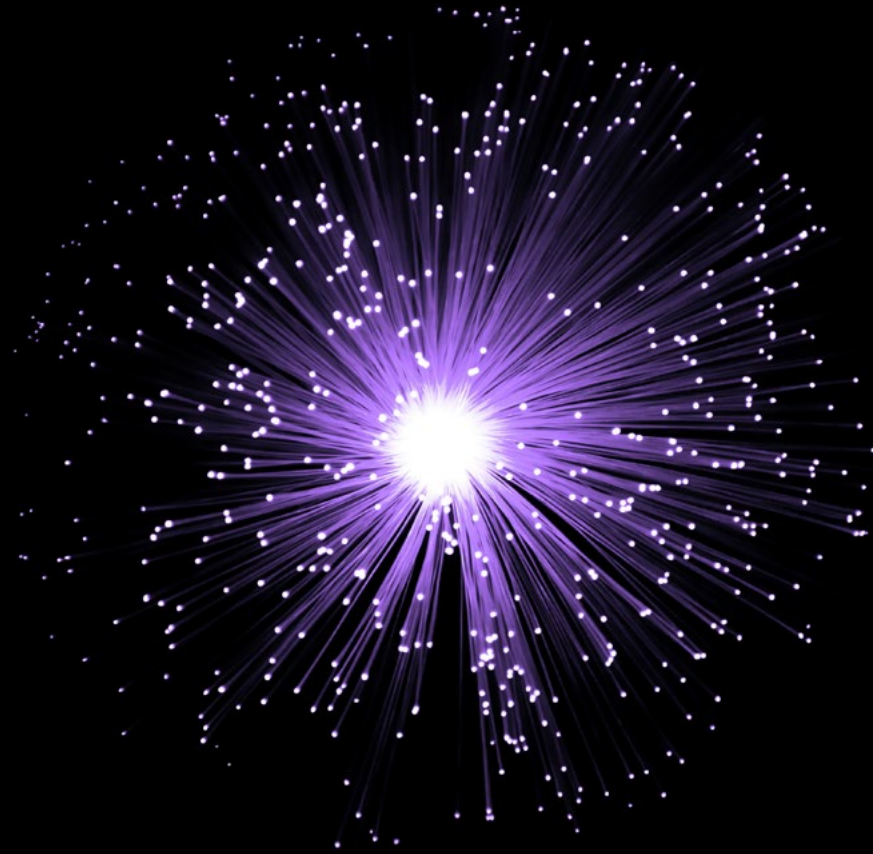


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France M&A Financial Services

Newsletter

January to June 2019

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 2019 (1H19). The information contained herein is based on publicly-available information only.

Sébastien Manelfe
M&A Financial Services,
Managing Partner

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Overview

Focus : France overview

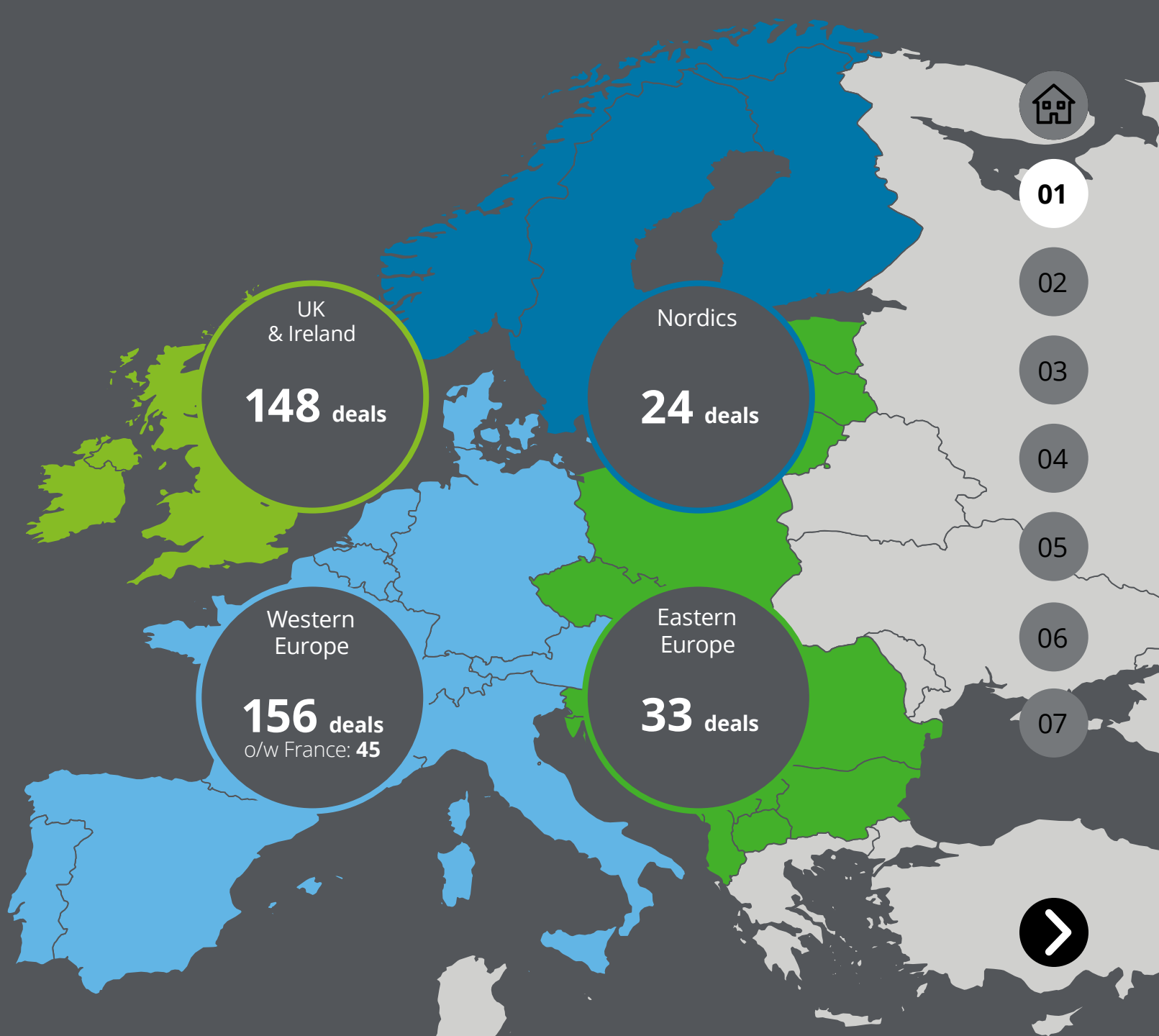
Trend

The number of M&A deals in 1H19 in the Financial Services Industry in France decreased compared to 1H18 and 2H18: 45 transactions announced or completed, versus 56 in 2H18 and 51 in 1H18. France is the leading Western European country in terms of deal volume.

Asset Management sector and Specialised Financial Services drove the M&A activity in 1H19 with 27 deals announced or completed versus 29 in 2H18 and 21 in 1H18. Transaction volume in the Insurance sector decreased to 14 deals in 1H19 versus 24 in 2H18 and 22 in 1H18, while the Banking sector was stable with 4 deals in 1H19 and 3 deals in 2H18, but decreased YoY with 9 transactions in 1H18.






Focus

Several transactions in the Banking sector intended to develop or consolidate activities in France. The Insurance sector saw further consolidation of insurance brokers acquiring their competitors. Additionally, Insurtechs raised capital in order to continue their growth, but also to create new strategic partnerships. The Asset & Wealth Management sectors and crowdfunding Fintechs also saw consolidation activity throughout the semester. Finally, Brexit does not seem to trigger any M&A activity, either inbound or outbound.



European FSI M&A

Number of FSI M&A transactions in Europe (announced or completed as at 30 June 2019)

Country	Banking	Insurance	Asset Management & Specialised Financial Services	Total 1H 2019	Total 2H 2018	%Var 1H19 - 2H18	Activity
UK and Ireland	9	46	93	148	135	10%	
Western Europe ⁽¹⁾	37	40	79	156	168	(7%)	
<i>o/w France</i> ⁽²⁾	4	14	27	45	56	(20%)	
Nordics	3	2	19	24	18	33%	
Eastern Europe	13	8	12	33	31	6%	
Total	62	96	203	361	352	3%	

 Very dynamic

 Dynamic

 Sustained

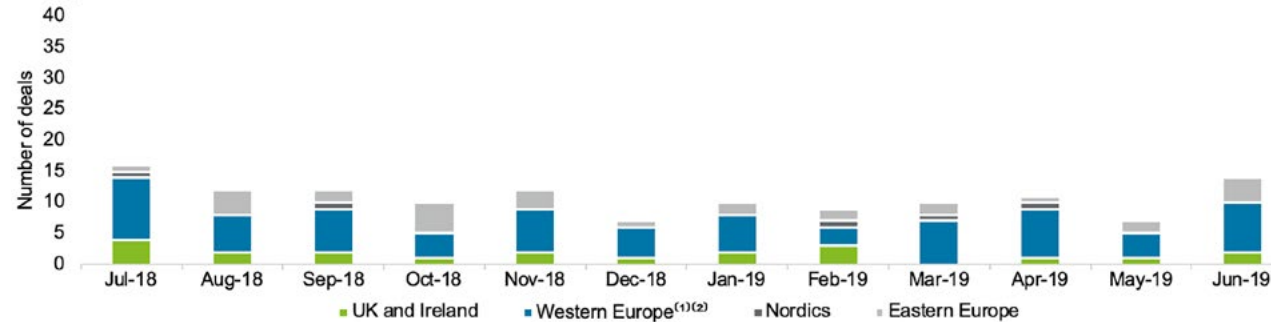
Source: Thomson One - transaction classification by industry and target country
 Note: (1) excluding UK, Ireland and Nordics; (2) including French inbound and outbound deals



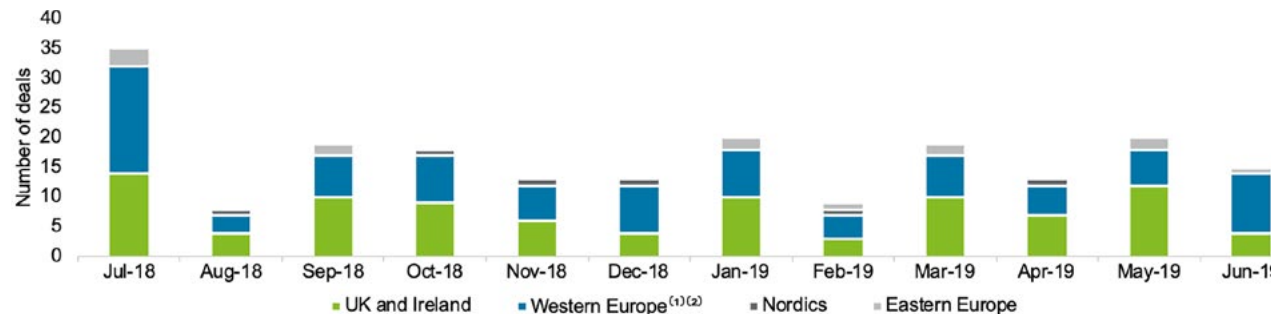
European Financial Services Industry M&A

Monthly number of Financial Services Industry M&A transactions in Europe
(announced or completed as at 30 June 2019)

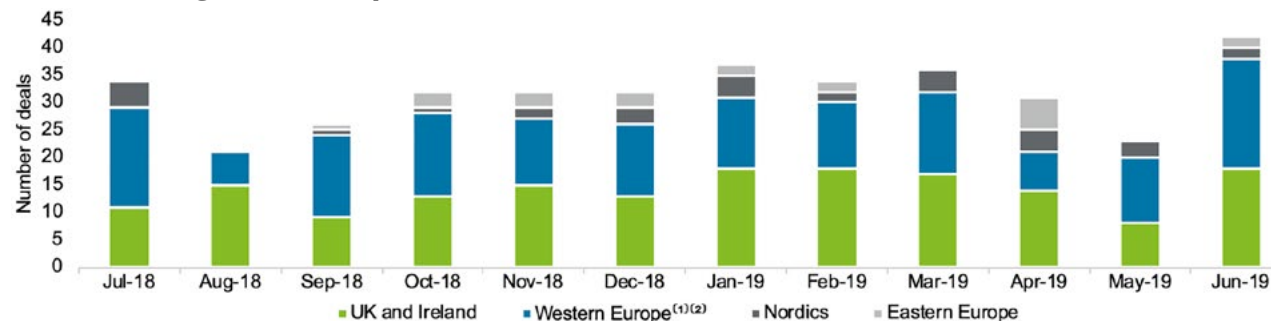
Banking sector



Insurance sector



Asset Management & Specialised Financial Services sectors



June was particularly active with 14 deals of 8 in Western Europe, mainly in Spain and Italy. There were 11 deals on average per month over the last twelve months.

M&A activity in the Insurance sector experienced a cyclical trend with peaks in July 2018 with 35 deals and decrease in activity during August and February with 8 and 9 deals, respectively. The remainder of the year was stable, having a monthly average of 17 deals over the semester.

Western Europe and UK & Ireland fuelled the M&A activity, representing 85% of total transactions over the semester with a majority in Asset Management.

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 2019

Trend

The first half of 2019 was characterised by idling activity with only 4 deals announced or completed similarly to 2H18, but below the 9 deal that occurred during 1H18. French banking transactions included (i) the acquisition of Oney Bank (Auchan Group's bank - formerly Banque Accord) activities by BPCE; (ii) the acquisition of KAS Bank by CACEIS; (iii) the merger of the custodian and asset servicing activities from Santander Security Services and CACEIS Bank; and (iv) the acquisition by Société Générale of a 8.84% stake in MobiasBanca in Moldavia from EBRD - this comes as a preliminary step in anticipation of the disposal of the entire participation in MobiasBanca to OTP Bank.

Focus

- The Oney Bank acquisition by BPCE was mainly driven by Auchan Group's strategy to find a long term partnership to support the bank's retail

network expansion and to leverage Oney Bank's expertise in specialised financial services and payments. Oney Bank will benefit from BPCE's full support and its resources as it continues growing and developing new products; and

- Société Générale acquired an additional 8.84% stake in MobiasBanca from EBRD raising its participation from 67.85% to 76.7%. This represents a preliminary step prior to the disposal of Société Générale's majority stake in MobiasBanca to OTP Bank announced in February 2019. The disposal will aim at reducing by 1% Société Générale CET1 ratio while refocusing on retail banking and geographies where the bank has a critical size with high expectations of synergies as part of Société Générale's "Transform to Grow" plan.

Key Movers

- Santander and Crédit Agricole have reached an agreement to combine their custodian and asset

servicing businesses (Santander Security Services and CACEIS Bank, respectively), into a combined entity. This transaction consists in transferring 100% of Santander Security Services Spain activities and 49.99% of Santander Security Services operations in Latin America to CACEIS, in exchange for CACEIS securities. This results in a new shareholding structure in which 39.5% of the CACEIS shares are held by Santander and 60.5% by Crédit Agricole. The combined CACEIS Bank and Santander Security Services is expected to provide more value and scale to its current clientele, but also entice new clients with its global presence and full scale offering. The deal is expected to be finalised in 2H19; and

- Complementing the Santander-CACEIS merger is CACEIS' acquisition of the Netherlands-based KAS Bank, a custodian and asset servicing mainly to institutional investors, demonstrating CACEIS' intention to further develop its presence internationally and grow its institutional investor base.



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French Banking sector - January to June 2019 inbound/domestic deals

Announcement date	Target name	Percentage of acquisition	Bidder Name	Deal status as at 30/06/19
Feb-19	Oney Bank SA	50.1%	BPCE SA	Pending

French Banking sector - January to June 2019 outbound deals

Announcement date	Target name	Percentage of acquisition	Bidder name	Deal status as at 30/06/19
Apr-19	Santander Security Services	Merger	CACEIS	Pending
Apr-19	MobiasBanca	Minority (8.84%)	Société Générale	Completed
Feb-19	Kas Bank	100%	CACEIS	Pending

Source: Thomson One – classification by industry target



Insurance

French inbound/outbound deal activity from January to June 2019

Trend

The French Insurance sector was active with 11 inbound deals and 3 outbound deals announced or completed in the first half of 2019. All inbound acquirers were French with the exception of 21 Partners (IT) and Aon (UK).

Focus

Over the semester, insurance brokers were the main targets of acquisitions representing around two thirds of inbound and outbound transactions. Insurtechs were active over the period with 3 transactions from both Venture Capital firms and strategic partners. Insurance companies were less active over the semester with only 2 transactions announced or completed versus 9 in 2H18.

Key Movers

- Alan SA raised €40m in its Series B round from Index Ventures and DST Global. Alan, the only licensed health insurance company since 1986, hopes to transform health insurance by using technology and design. Its revenue has grown

from €3.5m to €22m, or +500% YoY; and

- CNP Assurances acquired the remaining 49.9% stake in CNP's Cypriot subsidiary. The transaction was initiated by CNP Assurances as it seeks to strengthen its position in Cyprus where it has a market share in life and P&C insurance of 20% and 13%, respectively; and Medicis SA, an insurance mutual with premiums of c.€60m in FY17 has entered into negotiations to combine with the mutual group Malakoff Mederic Humanis SA.

Other transactions

- Europ Assistance, a fully-owned French subsidiary of Italian insurer Generali Group, has made an undisclosed investment in Pflegix, a German digital platform for care personnel. Europ Assistance has stated it seeks to address the growing need of the in-home care market;
- Inora Life, a unit-linked run-off insurer owned by Société Générale, was acquired by Bermuda-based Monument Re for an undisclosed sum. The acquisition fits Monument Re's ambitions as

an active consolidator of European life insurance closed books across Europe;

- Société Générale's insurtech, Moonshot-Internet has formed a strategic partnership with Roadzen, an Indian Insurtech specialising in helping insurers' underwriting and claims management using AI. Société Générale hopes to step up the commercial and international development of Moonshot-Internet by using Roadzen's AI expertise and complementary geographical strengths;
- Aon acquired Chapka Assur SAS, a travel insurance broker. Additionally, Aon hopes to strategically leverage Chapka Assur's IT and marketing strategies onto other affinity products;
- Xyla Assurances was acquired by Diot Immobilier, increasing its regional presence in the Rhone area; and
- Siaci Saint Honore's acquisition of CLC Assurances grows its regional presence in the Bordeaux region.



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French Insurance sector - January to June 2019 inbound/domestic deals

Announ. date	Target name	Percentage of acquisition	Bidder name	Deal status as at 30/06/19
Jun-19	Otherwise	Undisclosed minority	Mutualia Grand Ouest SM, Bpifrance, and 360 Capital Partners SAS	Completed
Apr-19	Fma Assurs Sas	Undisclosed majority	21 Partners SpA & Management	Pending
Apr-19	Moonshot-Internet SAS	Undisclosed minority	Roadzen Inc	Pending
Apr-19	Medicis SA	Merger	Malakoff Mederic Assurances SA	Pending
Mar-19	Xylassur	Undisclosed merger	Diot Immobilier Courtage & Solutions	Completed
Feb-19	AFI Assurances	Merger	Active Assurs Sas	Completed
Feb-19	Alan SA	Undisclosed minority	Index Ventures and DST Global	Completed
Feb-19	CLC Assurances SARL	Undisclosed	Siaci Saint Honore SAS	Completed
Jan-19	Assur'Conduite	Undisclosed	Antinea Courtage d'Assurances SAS	Completed
Jan-19	Virage-Viager SAS	10%	Prefon Distribution SAS	Completed
Jan-19	Chapka Assur SAS	Undisclosed majority	Aon France SAS	Completed

Source: Thomson One – classification by industry target

- Brokers
- Insurtechs



French Insurance sector - January to June 2019 outbound deals

Announ. date	Target name	Percentage of acquisition	Bidder name	Deal status as at 30/06/19
Jun-19	CNP Cyprus Insurance	49.9%	CNP Assurances SA	Pending
Apr-19	Pflegix	Undisclosed	Europ Assistance	Completed
Mar-19	Inora Life DAC	Undisclosed majority	Monument RE	Pending



Source: Thomson One – classification by industry target

French inbound/outbound deal activity from January to June 2019

Trend

The French M&A market in the Asset Management sector was active in 1H19, with 15 inbound deals (for which 11 were French bidders and 4 were foreign) and 2 outbound deals.

Focus

Asset Management companies were frequently targeted by 13 corporate bidders and 4 Private Equity players and Private Equity-backed corporates. This is representative of the Asset Management sector consolidation trend with 5 trades aimed at diversifying product ranges and geographical footprint of the acquirers.

Asset Management movers

• Following Blackfin's investment in DLPK, a three-way merger between Nortia, Nortia Invest and Haas Gestion in 2018, DLPK took a 30% minority position in Nexo Capital in March 2019. These acquisitions follow the consolidation seen in the

Asset Management sector in 2018 as seen by DLPK's predecessor firm, Nortia, having acquired two asset management companies: Sélection 1818 and Aprep Diffusion;

- Similarly to 2H18, Natixis SA and its subsidiaries were active M&A players in 1H19 in an effort to reinforce their position in key geographical markets in Asset Management and M&A advisory. This was driven by (i) the acquisition of a minority stake in Fiera Capital Corp which became the exclusive third-party distributor of Natixis Investment Manager products in Canada; and (ii) majority acquisition of Azure Capital (refer to Specialised Financial Services section), an M&A boutique advisor headquartered in Western Australia, focusing on energy, natural resources and infrastructure in Australia.
- Private equity-backed Wealth Manager, Groupe Primonial, acquired the remaining 60% in Financière De L'Echiquier (the initial 40% was acquired in March 2018) as it continues expanding

across Europe. At the time of the acquisition, Financière De L'Echiquier's AuMs amounted to €10bn;

- Following its creation in 2018, Apicil Asset Management has taken a majority stake in Roche-Brune Asset Management, which had c.€300m in AuMs in FY18. This investment is expected to translate into a common investment strategy followed by the creation of synergies between the two entities; and
- Having AuMs of c.€8.3bn, Sycomore Asset Management SA, controlled by Sycomore Factory SAS, has agreed to sell a majority stake to Italian insurer Assicurazioni Generali S.p.A. This strategic partnership will support Sycomore to become the leading Environmental, Social and Governance (ESG) asset manager in Europe and allow Generali to enrich its ESG investment offering.

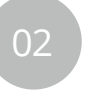


Asset Management

French inbound/outbound deal activity from January to June 2019

Other transactions

- IK Investment Partners executed 2 deals during 1H19 with acquisitions of (i) Eres, a specialist in retirement savings, which expects strong growth from the new PACTE law (Action Plan for Business Growth and Transformation), and (ii) Recocash (refer to Specialised Financial Services section), a leading player in the French debt-servicing market; and
- Monfinancier, an online based investment advisor, was acquired by Goldman Sachs backed Meilleurtaux, France's leading online financial services comparison website;



Asset Management

French Asset Management sector - January to June 2019 inbound/domestic deals

Announ. date	Target name	Percentage of acquisition	Bidder name	Deal status as at 30/06/19
May-19	Tikehau Capital Advisors SAS	Undisclosed majority	N Haven Tactical Value LP	Completed
May-19	Nollet Conseil SAS	80%	Herez	Completed
May-19	Monfinancier SAS	Undisclosed majority	Meilleurtaux SASU	Completed
Mar-19	Eres SAS	Undisclosed	IK Investment Partners	Pending
Mar-19	Iskander SAS	Undisclosed majority	Alvarium Investments Ltd	Completed
Mar-19	Roche-Brune AM SASU	Undisclosed majority	Apicil Asset Management SA	Pending
Mar-19	CD Partenaires	Undisclosed majority	Finaveo Partenaires	Pending
Mar-19	Financière De L'Echiquier SA	60%	Groupe Primonial SASU	Pending
Feb-19	Nexo Capital SAS	30%	DLPK SAS	Completed
Feb-19	Sycomore Factory SAS	Undisclosed majority	Assicurazioni Generali SpA	Completed
Jan-19	La Cote Alphabetique SARL	Undisclosed majority	Quantalys France SARL	Completed
Jan-19	Pytheas Capital Advisors SAS	Undisclosed	Cedrus Partners, RTFS Investment , BTW Capital Management, and Credit Mutuel Arkea Sca	Completed
Jan-19	Atalante SAS	22%	AXA Investment Managers SA	Completed
Jan-19	Anatec SAS	51%	Amundi SA	Completed
Jan-19	Cabinet Giraudon	Undisclosed majority	Arceus Finance	Completed

Source: Thomson One – classification by industry target



Asset Management

French Asset Management sector - January to June 2019 outbound deals

Announ. date	Target name	Percentage of acquisition	Bidder name	Deal status as at 30/06/19
May-19	Coriolis Capital Ltd	100%	SCOR Investment Partners SE	Pending
May-19	Fiera Capital Corp	Minority stake (11.0%)	Natixis Investment Managers	Completed



Source: Thomson One – classification by industry target

Specialised Financial Services

French inbound/outbound deal activity from January to June 2019

Trend

The French M&A market in the Specialised Financial Services sector in 1H19 had 9 inbound deals (for which 5 were French bidders, and 4 were foreign) and 1 outbound deal.

Focus

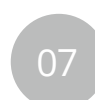
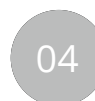
Crowdfunding fintechs were particularly active during 1H19 with two acquisitions: (i) Happy Capital, an equity crowdfunder, acquired Prexem, an online lending platform, and (ii) Ulule, a crowdfunding platform, purchasing Sponsorise. Me, crowdfunding platform focused on sports projects.

Fintech activity

London Stock Exchange Group (LSEG) acquired Beyond Ratings, a fintech that offers a new financial analysis standard that incorporates ESG criteria. This acquisition evokes LSEG's continued investment within the Information Services business, further commercialising Beyond Ratings' existing datasets globally and integrating ESG considerations into investment strategies.

Leasing

FinTake Group finalised its acquisition of Leasecom, sold by Credit Mutuel Arkea, during 1H19. This acquisition transforms FinTake Group into the leading independent equipment lessor in France with more than €500m in assets and 65k contracts.



French Specialised Financial Services sector - January to June 2019 inbound/domestic deals

Announcement date	Target name	Percentage of acquisition	Bidder name	Deal status as at 30/06/19
Jun-19	eServglobal Holdings SASU	100%	Seamless Distribution Systems	Pending
Jun-19	Beyond Ratings SAS	Undisclosed majority	London Stock Exchange Grp PLC	Completed
Jun-19	Recocash Sas	Undisclosed majority	IK Investment Partners	Pending
Apr-19	Messier Maris & Associes SCA	66%	Mediobanca Banca Di Credito	Completed
Mar-19	Leasecom SASU	Undisclosed majority	FinTake Group SAS	Completed
Feb-19	FLG Finances SARL	Undisclosed majority	Artemis courtage SARL	Completed
Feb-19	Prexem	Undisclosed majority	Happy Capital SAS	Completed
Jan-19	Worldline SA	23,4%	Atos Shareholders	Pending
Jan-19	Sponsorise.me SAS	Undisclosed majority	Ulule SAS	Completed

French Specialised Financial Services sector - January to June 2019 outbound deals

Announcement date	Target name	Percentage of acquisition	Bidder name	Deal status as at 30/06/19
May-19	Azure Capital Pty Ltd	Undisclosed majority	Natixis SA	Pending

Source: Thomson One – classification by industry target

■ Fintechs



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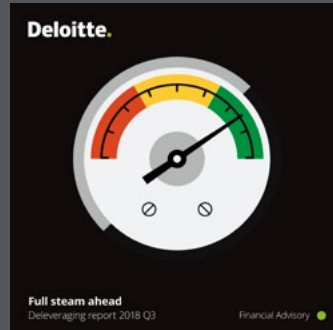
2019 Investment Management Outlook
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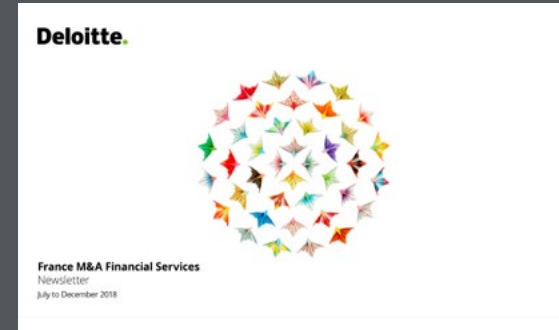
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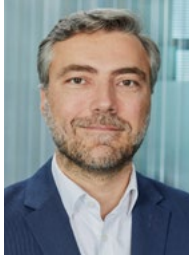
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