



**Groupe BPCE announces a simplification of its structure and a public tender offer (“*offre publique d’achat simplifiée*”) on Natixis’ shares, followed by a potential mandatory squeeze-out**

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**01** TRANSACTION RATIONALE

**02** KEY OFFER TERMS

**03** EXPECTED TIMELINE AND NEXT STEPS

| 01

# TRANSACTION RATIONALE

# A transaction simplifying and reinforcing one of Europe's leading banking groups

- 1 | The transaction aims to accelerate Groupe BPCE's development through a simplification of its organisation...
- 2 | ... and the review and possible evolution of its organisational model...
- 3 | ... as Natixis' listing does not provide the means required for the development of its activities.
- 4 | Over 10 years, Groupe BPCE has become one of Europe's leading and most robust banking groups
- 5 | Following this transaction, Groupe BPCE would be the largest privately-held banking institution in Europe

# The transaction aims to accelerate Groupe BPCE's development through a simplification of its organisation...

- Over the last ten years, Groupe BPCE has become **one of Europe's leading banking groups**. Its **universal cooperative bank model** is **decentralised and organised around three activities** (Retail Banking & Insurance, Asset & Wealth Management, and Corporate & Investment Banking), covering all customer segments (retail customers, professionals, corporates, and institutional clients).
- At a time of **significant changes in the competitive landscape of financial institutions across Europe**, and in light of **a new, post-health crisis, economic cycle**, the Group wishes to enhance the development of its businesses, by providing them with the means to increase their **strategic flexibility**, accelerate their development for the benefit of their customers and their performance, **by simplifying its organisation**.
- This constitutes **a new step in the evolution of Groupe BPCE's organisational model** which, more than ten years since its creation, has proved its ability to **permanently adjust its organisation** to continue financing the economy and to the benefit of all its customers and employees.



An increased strategic flexibility and a simplified organisational model ahead of the next strategic plan to be presented in June 2021

# ... and the review and possible evolution of its organisational model...

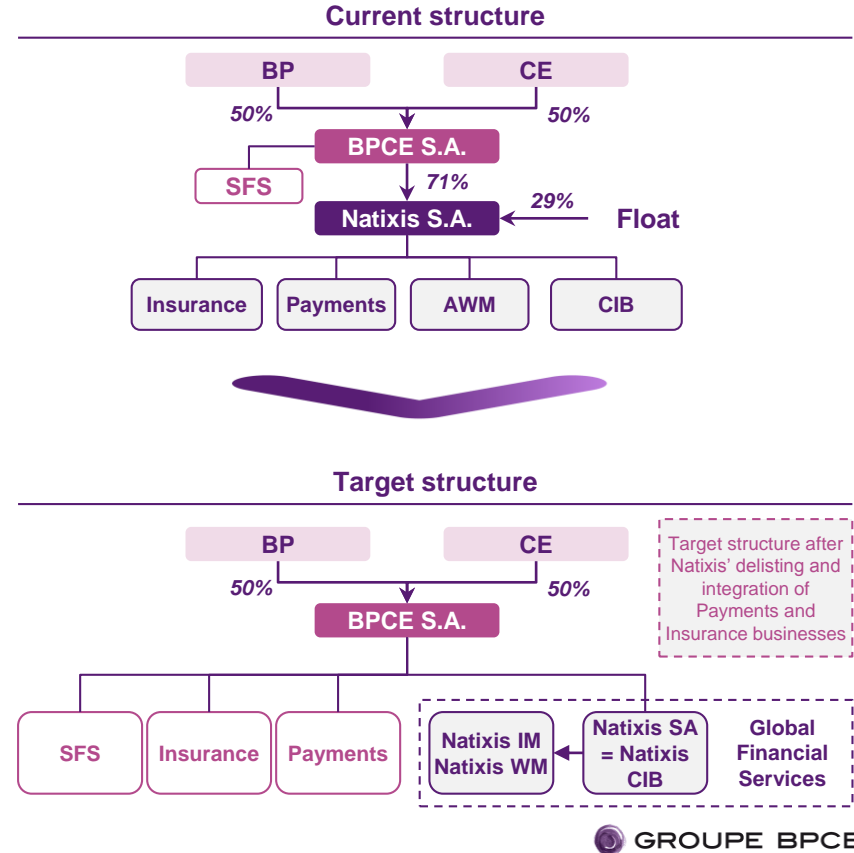
Groupe BPCE wishes to study, together with its corporate bodies, an evolution of its organisation with:

- On one side, the **retail businesses**:
  - Retail Banking and Insurance (Banque Populaire, Caisses d'Epargne)
  - Specialised Financial Services (SFS)
  - Insurance and Payments businesses
- On the other side, Groupe BPCE's **global businesses serving Large and Global Customers**, gathered within a new structure: **Global Financial Services**
  - Asset and Wealth Management (« Natixis Investment Managers », « Natixis Wealth Management »)
  - Corporate and Investment Banking (« Natixis Corporate and Investment Banking »)
- A clearer model for the support functions of BPCE, Natixis and its businesses with simplified functional links

This study will be carried out regardless of the tender offer's outcome.

Any project stemming from today's announcement will be submitted, if need be, to the consultation of relevant works councils.

In the perspective of this considered reorganisation, Groupe BPCE announces its **intent to file a public tender offer** ("offre publique d'achat simplifiée") on Natixis' shares, followed by a potential mandatory squeeze-out.



# ... as Natixis' listing does not provide the means required for the development of its activities (1/2)

- A **loss of investors appetite for banking sector stocks** over the last decade led to a **lasting de-rating of banks' valuation multiples**.
  - French banks' Price-to-Book value multiples decreased from almost 2x in 2006 to less than 0.5x at the beginning of 2021.
  - In the aftermath of the global financial crisis, this trend has been underpinned by **increased regulatory requirements** and a **low / negative-rate environment negatively impacting banks' return on equity**, and by **increased cost of equity levels retained by investors for the banking sector**.
  - The Covid-19 crisis further stressed the profitability of the banking sector, though valuation levels have experienced a sharp rebound since November 2020 with an improvement in economic expectations and new vaccines.

## Valuation multiples have significantly de-rated since 2006

Evolution of P/BV multiples<sup>1,2</sup>

	<i>Natixis IPO</i> 06 Dec. 2006	<i>Creation of Group BPCE</i> 31 Jul. 2009	31 Dec. 2019	05 Feb. 2021	% change vs. Dec. 2006
<b>Natixis</b>	1.36x <sup>3</sup>	0.21x	0.72x	0.59x <sup>2</sup>	(57%)
<b>French banks<sup>4</sup></b> (excl. Natixis)	1.79x	0.76x	0.60x	0.43x <sup>2</sup>	(76%)

Sources Company information, Factset as of 5 February 2021

1 Based on 1-month average share prices

2 Based on latest data available at the mentioned date (data as of 05-Feb-2021 based on BV' and TBV as of 30-Sep-2020 for consistency purposes) – Shareholders' equity group share (excl. deeply super subordinated notes and preferred shares)

3 Based on IPO price of €19.55 per share

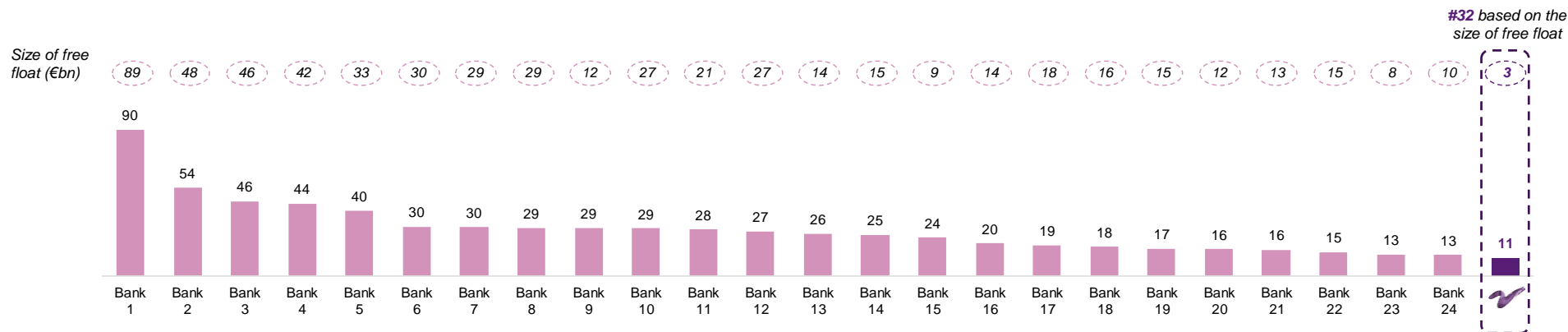
4 Including BNP Paribas, Crédit Agricole SA, Société Générale



# ... as Natixis' listing does not provide the means required for the development of its activities (2/2)

- Natixis is today the 25th European bank based on its market capitalisation and ranks 32nd based on the size of its free float (~€3bn)

## Largest European banks by market capitalisation (in €bn)

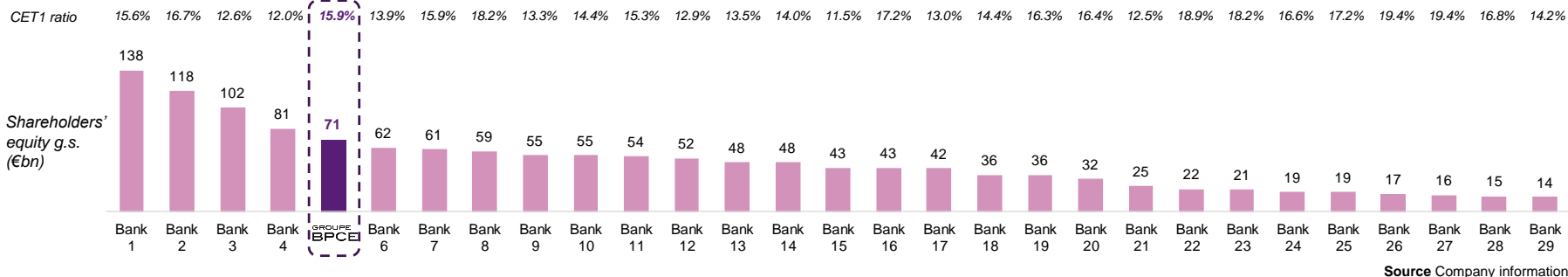


- In this context, Groupe BPCE observes that Natixis' listing does not provide the means required for the development of its activities, whereas the strategic flexibility is greater within Groupe BPCE than in public equity markets.

# Over 10 years, Groupe BPCE has become one of Europe's leading and most robust banking groups

- Founded in 2009 with a Tier 1 capital ratio of 9.1% (31-Dec-2009), **Groupe BPCE today has shareholders' equity group share of €71bn (5th in Europe) and a CET1 ratio of c. 15.9%** (as of 30-Sep-2020), with **excess capital** allowing the Group to offer an attractive price for Natixis' shareholders.

## European banks shareholders' equity group share<sup>1</sup> (in €bn) and CET1 ratio (latest available as of 30-Sep-2020)



- A 100% success of the envisaged offer would translate into:
  - A total cash consideration of c. €3.7bn** for the acquisition of the c. 29.3%<sup>2</sup> of the Natixis S.A.'s capital BPCE S.A. does not already own
  - Groupe BPCE's CET1 ratio end-2021 will be in line with its strategic target of 15.5%**
- The Group, which has solid credit ratings (**Moody's A1 / S&P A+ / Fitch A+ / R&I A+**)<sup>3</sup> **does not anticipate negative impacts on its credit ratings in relation with the envisaged transaction.**

<sup>1</sup> Excluding AT1 instruments (latest available data as of 30-Sep-2020)

<sup>2</sup> Based on total shares outstanding as of 31-Dec-2020

<sup>3</sup> Long term rating senior preferred

# Following this transaction, Groupe BPCE would be the largest privately-held banking group in Europe

This transaction would allow Groupe BPCE to become the largest privately-held banking institution in Europe and to further reinforce its universal cooperative bank model, while benefiting from increased strategic flexibility

## A Group with a clearer model

- ⊙ A simplified organisation providing its businesses with the means to increase their strategic flexibility, accelerate their development for the benefit of their customers and their performance
- ⊙ A major step for Groupe BPCE in the strengthening of its universal cooperative bank model

## A Group with an enhanced strategic flexibility

- ⊙ An increased strategic flexibility for the Group and its businesses
- ⊙ Improved capital flows within the Group, in an increasingly challenging regulatory environment

## A banking group with one of the highest solvency in Europe

- ⊙ Following the completion of the transaction, Groupe BPCE would be the largest privately-held banking institution in Europe, with regulatory capital levels among the highest across European banks
- ⊙ Strong regulatory capital ratios, with a CET1 ratio end-2021 of Groupe BPCE in line with its strategic target of 15.5%

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## KEY OFFER TERMS

# Key terms of the Offer

- The proposed **simplified cash public tender offer** (the "Offer") aims to acquire all Natixis shares not already owned by BPCE S.A., representing approximately 29.3%<sup>1</sup> of Natixis' share capital, at an **offer price of 4.00 euros per share (cum dividend<sup>2</sup>)**.
- BPCE S.A. intends to proceed with a **mandatory squeeze-out** and to **delist all remaining Natixis shares at the end of the Offer period, should the Offer result in Natixis' minority shareholders holding no more than 10% of the company's share capital and voting rights**.
  - As part of the mandatory squeeze-out, BPCE S.A. would then acquire all remaining outstanding Natixis shares which it does not already own, against the payment of a cash consideration of **4.00 euros per Natixis share (cum dividend), equal to the Offer price**.
- **BPCE's Supervisory Board approved the proposed transaction** and authorised the filing of the Offer with the AMF.
- Natixis' Board of Directors, which met today, **favourably welcomed the transaction** and will release an informed opinion on the terms of the Offer in light of the work of an independent expert appointed to opine on the financial terms of the Offer and, as the case may be, the mandatory squeeze-out.
- Once filed, this tender offer and the draft offer document will be subject to the AMF's review, which will assess their conformity with the relevant legal and regulatory provisions.

# An attractive offer for Natixis' shareholders

- With an Offer price of **4.00 euros per share (cum dividend<sup>8</sup>)**, BPCE S.A. believes the Offer represents a **full valuation of Natixis** and a **liquidity opportunity** for Natixis' shareholders.
- The Offer price of 4.00 euros per Natixis share (cum dividend) represents a premium of:
  - **+16%** relative to Natixis' closing share price on 5 February 2021
  - **+40%** relative to Natixis' closing share price on 11 January 2021<sup>1</sup>
  - **+40%, +62%, +66%** relative to Natixis' average share price<sup>2</sup> over the last 60, 120, 180 trading days respectively
  - **+36%** relative to the research analysts' average target price<sup>3</sup>
  - **+86%** relative to French banks' average Price-to-Tangible Book Value Q3 2020 (P/TBV) multiple<sup>4</sup> and **+91%** relative to a selection of Eurozone banks' average Price-to-Tangible Book Value Q3 2020 (P/TBV) multiple<sup>5</sup>
- The Offer price represents **attractive valuation multiples** for Natixis shareholders:
  - Implied price to tangible book value multiple<sup>6</sup> (based on Q4 2020 reporting): **0.98x** P/TBV Q4 2020
  - Implied price to 2022e earnings multiple<sup>7</sup>: **11.5x** P/E 2022e.

100% cash offer

€4.00 per share  
(cum dividend<sup>8</sup>)

Offer price

+40% premium

vs. Natixis' VWAP 60 days<sup>2</sup>  
as of 5 February 2021

0.98x P/TBV Q4 2020<sup>6</sup>

11.5x P/E 2022e<sup>7</sup>

Note: the share price as of 08 February 2021 has not been taken into account due to significant movements on the stock

1 Last close prior to the publication of a forum post and several equity research notes mentioning a potential "corporate event" on Natixis

2 Volume Weighted Average Price as of 5 February 2021

3 Based on the average of 22 research analysts' target prices (sources: Bloomberg, research reports)

4 Average P/TBV Q3 2020 (based on 1-month average share price) of BNP Paribas, Crédit Agricole SA, and Société Générale as of 5 February 2021

5 Average P/TBV Q3 2020 (based on 1-month average share price) of ABN Amro, BNP Paribas, Crédit Agricole SA, Deutsche Bank, ING, Intesa Sanpaolo, Santander, Société Générale and UniCredit as of 5 February 2021

6 Accounting shareholders' equity group share (excl. deeply subordinated notes) adjusted for goodwill and intangible assets

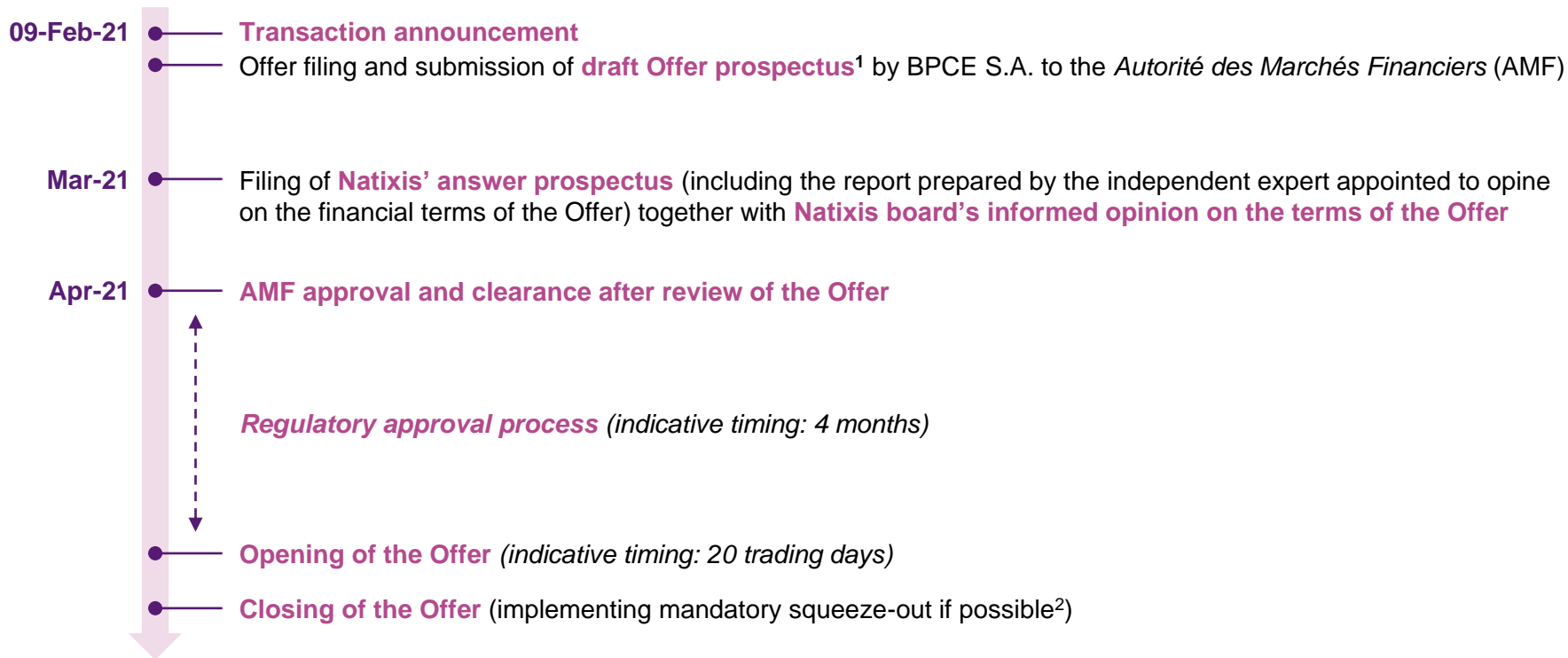
7 Net income group share after interest charges on deeply subordinated notes (source: company consensus)

8 Dividend proposed by Natixis for FY 2020 : 0.06€ / share

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## TIMETABLE AND KEY NEXT STEPS

# Contemplated timeline and key next steps





# | Appendix

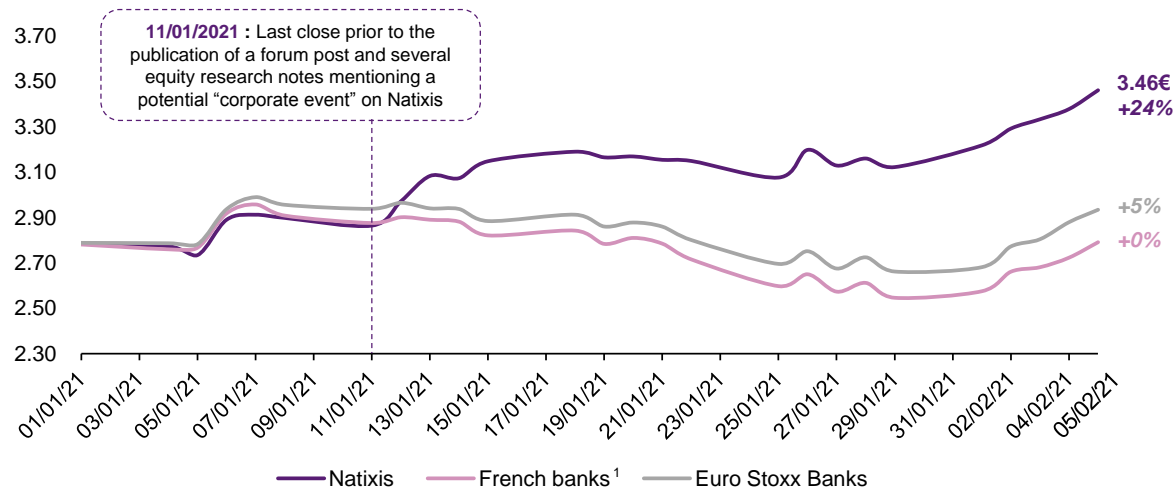
# Main regulatory characteristics of a simplified public tender offer in France

- The Offer is subject to the review by the French *Autorité des Marchés Financiers* (AMF)
- The opening of the Offer is subject to regulatory approvals in various jurisdictions (indicative timing: 4 months)
- Settlement during Offer period: T+2

# Natixis' share price has outperformed other listed French banks and the European banks index since the start of 2021

## Evolution of Natixis' share price since 1<sup>st</sup> January 2021

In €/s  
(rebased to Natixis share price)





PARTENAIRE PREMIUM



[groupebpce.com](https://groupebpce.com)

