PRESS RELEASE

BPCE and Generali to Create the Largest Asset Manager in Europe by revenues and a Major Player Worldwide

Milan & Paris, 21 January 2025 – Assicurazioni Generali S.p.A. ("Generali") and BPCE today announce that they have signed a non-binding Memorandum of Understanding ("MoU") to create a joint venture between their respective asset management operations Generali Investments Holding ("GIH")[1] and Natixis Investment Managers ("Natixis IM"). BPCE (through Natixis IM) and GIH would each own 50% of the combined business with balanced governance and control rights.

Overview of the proposed joint venture

- Creation of a major global champion, with €1.9 trillion[2] in assets under management, ranking #9 worldwide by AUM, and the leader in asset management in Europe with €4.1bn in revenues[3].
- Critical scale in the fast-evolving asset management market, leveraging a complementary geographical presence in France, Italy, and the United States, along with diversified expertise and a broad range of high-quality investment affiliates and teams.
- #1 in insurance asset management by AUM[4] worldwide with clear pathway to further grow the platform as a global leader well-positioned to further expand in the growing third-party insurance asset management segment. BPCE and Generali would retain full authority over asset allocation decisions for their respective assets.
- Enhanced offering in private assets to meet the growing expectations of clients in these asset classes. To achieve this strategic goal, the newco would notably capitalize on the seed commitment and permanent capital provided by Generali.
- Global distribution capabilities to serve all types of client needs with innovative, diversified investment strategies and solutions.
- Potential to unlock value through a powerful combination achieved with the scope of assets brought by BPCE and Generali, a €15 billion seed money commitment from Generali, as well as via synergies and growth opportunities.
- A 50-50 co-controlled business, building upon a long-term asset management commitment by BPCE and Generali underpinned by 15-year contracts. BPCE to benefit from preferred dividend rights over 2026 and 2027, while Generali would benefit, over the same period, from the repayment tranches of a loan related to the financing of the recently announced MGG acquisition[5].
- Balanced governance structure reflecting the co-control with BPCE's CEO, Nicolas Namias, as Chairman of the Board, and Generali's CEO, Philippe Donnet, as Vice Chairman. Woody Bradford, the current CEO of GIH, would serve as CEO of the entity, and Philippe Setbon, the current CEO of Natixis IM, as Deputy CEO.

[1] The perimeter does not include Guotai AMC and Generali China AMC.
[2] As of September 2024.
[3] Based on transaction perimeters 2023 revenues.
[4] Based on General Account AUM.
[5] Preferential dividend distribution to BPCE over 2026 and 2027 for € 125m per year. Generali benefitting over the same period 2026 and 2027 from the reimbursement of a c € 230m loan used by GIH to fund MGG acquisition.

- Unique opportunity to deliver tangible benefits for all stakeholders, including investors, retail and institutional clients, affiliates as well as employees with a clear focus on growth, innovation, sustainability and performance.
- The parties' respective employee representative bodies will be consulted before any definitive transaction documents are signed. The closing of the potential combination would be subject to customary regulatory approvals and expected by early 2026.

Philippe Donnet, Group CEO of Assicurazioni Generali, said:

"As a leading global integrated insurer and asset manager with a clear long-term vision as a Lifetime Partner to our customers, Generali is committed to further building on the successful transformation and diversification of our Group. The creation of a joint venture with BPCE would present a unique opportunity to establish a European leader and a top 10 global asset manager building on strong roots in Italy, France and the US to serve the constantly evolving needs of our customers, led by Woody Bradford, Philippe Setbon, Nicolas Namias, and me. Our home country Italy and all other countries in which we serve our customers would benefit from an even stronger asset management platform with greater investment capabilities that deliver real benefits to the economy.

Partnering with BPCE, which shares a similar culture and operational approach, ensures ideal conditions for a smooth and successful integration path for the combined business. The joint venture marks a key milestone since the launch of Generali's asset management business seven years ago and is testament to the significant achievements over the most recent strategic cycles. I am immensely proud of our employees' and affiliates' hard work over this period."

Nicolas Namias, CEO of BPCE, said:

"Over the past 20 years, BPCE has built an exceptional asset management franchise through a multi-affiliate model that creates value for all our stakeholders, namely our clients and shareholders, Banque Populaire and Caisse d'Epargne. We are proud to have gathered a distinctive array of talent, with a unique balance of business between Europe and the United States.

Today we are thrilled to take a new step toward creating the largest asset manager in Europe and a major global player, alongside Generali, a financial institution that shares our values. Together with Philippe Donnet, Woody Bradford, Philippe Setbon and the teams at Generali Investments and Natixis IM, we would leverage our strengths in France, Italy, and the United States to innovate for our clients and transform the asset management sector.

With our Vision 2030 plan launched last June, we expressed our ambition to expand in France, Europe, and beyond. It's very exciting to kick off a project that aligns perfectly with these goals.

Building on our recent announcement of the creation of the European leader in equipment leasing and one of the largest European payment processors, this new ambition in asset management illustrates that the dynamic of transformation and acceleration at BPCE is fully underway."

Key Business Highlights

With over €1.9 trillion of assets under management ("AUM"), the combination would create a global asset management platform with leading positions and critical scale in both Europe and North America. The combined business would rank #1 by revenues and #2 by AUM in Europe, #9 by AUM globally, and #1 in insurance asset management by AUM worldwide[6].

The creation of an asset management leader with strong European roots backed by BPCE and Generali would present a unique opportunity to build and scale a platform that is well-positioned to compete on a global level, generating significant benefits for stakeholders in all its regions. Both BPCE and Generali have longstanding track records of investing in the growth and resilience of the economies in which they operate, contributing significantly through profitable investments executed by the asset management affiliates.

[6] Based on Oliver Wyman analyses.

With the two groups sharing a similar approach operating multi-affiliate models that have demonstrated their ability to create value, the combined platform would offer a wide range of competitive strategic solutions to all categories of clients, ranging from Banque Populaire and Caisse d'Epargne's retail customers, wholesale intermediaries to institutional investors worldwide. The business would offer a complementary range of investment capabilities across both traditional and alternative asset classes, providing an ideal position to address shifting and increasingly sophisticated client needs.

The combined platform would also be better placed to further scale its third-party business in Europe, North America and regions with attractive growth potential in Asia, building on a global distribution network comprising a strong centralised platform complemented by local presence and multi-channel partnerships.

In addition, Cathay Life, a subsidiary of Cathay Financial Holdings, one of the largest Asia-based financial institutions, would remain an important strategic partner.

Generali and BPCE would retain full authority over asset allocation decisions for their respective assets.

As a result, the joint venture would benefit from a significant large pool of long-term insurance capital translating into a key strong competitive advantage for its combined network of affiliates, while offering both BPCE and Generali attractive opportunities to deploy their capital and seed new strategies to unlock new venues of growth, especially in private markets.

In line with its investment approach, Generali would commit to deploying € 15 billion in seed and acceleration capital over 5 years across the affiliates forming the joint platform, enhancing the capability to develop new investment strategies and contribute to further expansion of competencies and product offering.

Key financial highlights

The joint venture would result from the contribution of assets and activities valued at approximately €9.5bn in total. The enlarged business, would manage €1.9 trillion in assets under management (AUM) with a balanced and diversified breakdown illustrated by

- a presence worldwide with core geographies, Europe (61% of AUM) - including a strong footprint in France and Italy, North America (34% of AUM) as well as a footprint in Asia and in other countries (5% of AUM)
- a comprehensive range of strategies across asset classes with fixed income (c.65% of AUM), equities (c.21% of AUM) supplemented by recognized private markets and other franchises (c.14% of AUM)

The combined entity would serve a diversified client base from both groups and third-parties. Insurers and pension funds would represent more than half of the assets (c.61% of AUM) with the balance split between other institutional and retail / wholesale clients (respectively representing c.14% and c.25% of AUM).

Positive financial impact for the shareholders

The transaction is expected to create value via synergies as well as growth opportunities and to be accretive to BPCE's earnings and Generali's adjusted earnings and cash already from year one[7].

Following completion of the project, the impact on Groupe BPCE's CET1 ratio would be expected to be neutral and the impact Generali's Solvency II ratio would be expected to be broadly neutral. GIH would be deconsolidated from Generali's accounting perimeter. Going forward, Generali's and BPCE's ownership in the JV would be accounted for using the equity method, resulting from the joint control.

[7] For BPCE: including preferential dividend distribution. For Generali: excluding CTAs and preferential dividend distribution to BPCE over 2026 and 2027 for € 125m per year. Impact would be broadly neutral excluding CTAs and including preferential dividend distribution. Generali benefiting over the same period 2026 and 2027 from the reimbursement of a c€ 230m loan used by GIH to fund MGG acquisition.

Key Structure, Governance & Employee Highlights

The combined business would be co-controlled by the two financial institutions, with each holding a 50% interest, and would operate under a joint governance structure with balanced representation and control.

The entity holding the combined activities would be established in Amsterdam, the Netherlands, while France, Italy and the United States would remain operational hubs of the combined business in charge of the day-to-day operations.

The Board of Directors of the entity would comprise an equal number of representatives from BPCE and Generali supplemented by 3 independent directors, jointly selected by BPCE and Generali. Upon the creation of the joint venture, BPCE's CEO, Nicolas Namias, would act as Chairman of the Board, while Generali's CEO, Philippe Donnet, would act as Vice Chairman.

Woody Bradford, the current CEO of GIH, would be the CEO of the global entity, and Philippe Setbon, the current CEO of Natixis IM, would be the Deputy CEO.

The creation of this global asset management leader would also provide employees with access to a broader and more diverse platform, offering enhanced career opportunities on an international scale. Special attention would be given to preserving and fostering the entrepreneurial spirit that has been key to the success of the various affiliated investment managers.

The parties' respective employee representative bodies will be consulted before any definitive transaction documents are signed. The closing of the potential combination would be subject to customary regulatory approvals and expected by early 2026.

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About BPCE

BPCE is the second-largest banking group in France and the fourth largest banking group in the euro zone in terms of capitalization. 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).

About Generali

Generali is one of the largest global insurance and asset management providers. Established in 1831, it is present in over 50 countries in the world, with a total premium income of € 82.5 billion in 2023. With around 82,000 employees serving 70 million customers, the group has a leading position in Europe and a growing presence in Asia and Latin America. At the heart of Generali's strategy is its Lifetime Partner commitment to customers, achieved through innovative and personalised solutions, best-in-class customer experience and its digitalised global distribution capabilities. The group has fully embedded sustainability into all strategic choices, with the aim to create value for all stakeholders while building a fairer and more resilient society.