

PRESS RELEASE

BPCE signs a Memorandum of Understanding to acquire novobanco, Portugal's fourth-largest bank

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Groupe BPCE, the second-largest bank in France¹ and the fourth-largest in Europe², has signed a Memorandum of Understanding for the acquisition of a 75% equity interest in novobanco from the private equity firm Lone Star Funds. The transaction, representing a cash amount of approximately³ €6.4bn (for 100% of the shares) and a multiple of around 9x annual earnings, is the biggest cross-border acquisition in the euro zone for more than 10 years.

Following the creation of BPCE Equipment Solutions at the start of the year, this project marks a new key stage in the execution of the “Vision 2030” strategic plan, geared to developing and diversifying BPCE in France, Europe and the wider world. On completion of the transaction, Portugal would become the Group's second-largest domestic retail market.

Novobanco, a solid player in Portugal demonstrating exemplary growth in recent years

Novobanco, Portugal's fourth-largest bank⁴, has built up a solid franchise and holds market shares of c.9% with individual customers and c.14% with corporate clients. It has 1.7 million individual customers and manages a €17bn corporate loan book. With its 4,200 employees, novobanco operates through some 290 branches and an extensive network of external partners, while also offering a rich customer experience through its digital channels.

In recent years, novobanco has become one of the most profitable banks in Europe, posting a cost-income ratio under 35% and a return on tangible equity (RoTE) exceeding 20%⁵. These results have been underpinned by the quality of novobanco's teams, together with the engagement of its shareholders for the last eight years.

BPCE, lasting engagement in Portugal, focused on financing the economy

BPCE currently employs over 3,000 staff in Portugal, a figure testifying to its lasting engagement with the country. Since 2017, the opening of a multi-business center of expertise in Porto has deepened its local ties.

By welcoming novobanco into the Group, alongside the Banque Populaire and Caisse d'Epargne banking networks, which already serve the French economy, BPCE would further strengthen its role as an important development partner for the Portuguese economy, recognized for its solid fundamentals and resilience. Through the transaction, BPCE intends to facilitate financing for local companies and individuals' projects, while also expanding the range of services offered to Portuguese customers. BPCE will leverage all of its expertise to strengthen value creation in close collaboration with novobanco.

¹ Ranking based on market share of outstanding loans for all non-financial customer segments (Banque de France 3Q24)

² Ranking in terms of capital (€73bn for BPCE)

³ Estimated consideration as of December 2025

⁴ Ranking in terms of balance-sheet size at end-2024

⁵ In first-quarter 2025

Execution of the “Vision 2030” strategic plan

The acquisition of novobanco would help diversify BPCE in two respects: geographically, via access to a dynamic economy, and in balance sheet terms, by increasing the proportion of variable rate loans on its balance sheet, thus improving its revenue profile. The acquisition would be a growth driver for the whole Group. It is perfectly consistent with BPCE’s “Vision 2030” strategy, underlining the Group’s determination to expand in France, Europe and the wider world through strategic investments that create lasting value. The transaction marks a new key stage in the Group’s European-scale growth, following the creation of BPCE Equipment Solutions in February 2025 and the ongoing project to create the leading European asset manager in partnership with Generali. On completion of the transaction, Groupe BPCE’s CET1 ratio would remain above 15%.

Timing of the transaction

BPCE is engaging in discussions with the Portuguese government and the Portuguese Banking Resolution Fund with a view to acquiring their equity interests in novobanco (11.5% and 13.5%, respectively), on identical terms.

BPCE will proceed with the necessary consultations with employee representative bodies in order to sign the acquisition contract. The project is projected for completion in the first half of 2026.

For Nicolas Namias, CEO of BPCE

“BPCE is pleased to announce today the project to acquire novobanco in Portugal. Holding market shares of c.9% with individual customers and c.14% with corporate clients, novobanco possesses excellent fundamentals, strong growth potential and an already high level of profitability. Major player in local banking in France thanks to the Banque Populaire and Caisse d’Epargne banking networks, BPCE would become a retail banking player in Europe with the acquisition of novobanco and would actively participate in financing the Portuguese economy.

A few months after the creation of BPCE Equipment Solutions, the projected transaction marks a new key stage in the execution of our Vision 2030 strategic plan, announced close to a year ago.

The financial terms of the transaction reflect a disciplined and stringent valuation approach, as well as our confidence in novobanco’s ability to create value over time.

BPCE’s executive managers and employees are all particularly enthusiastic about the prospect of welcoming novobanco, its management and its 4,200 employees, in order to write a new chapter of growth, innovation and performance in Europe together”.

About Groupe BPCE

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