

Montrouge - October 31, 2024

Crédit Agricole Leasing & Factoring accelerates the development of its business in Germany, and announces the signing of an agreement to acquire Merca Leasing

Crédit Agricole Leasing & Factoring (CAL&F) announces the signing of a Share Purchase Agreement (SPA), subject to obtaining the necessary regulatory approvals, to acquire Merca Leasing, one of the top ten independent Leasing companies in Germany¹.

This operation is in line with CAL&F's development strategy, which aims to round out its offering in the European market, and particularly in the dynamic German leasing market.

Founded in 1989, Merca Leasing is based in Kronberg, near Frankfurt, with branches in Hamburg and Berlin. Mainly focused on SMEs, Merca Leasing offering them tailor-made Leasing solutions with a strong expertise in financing industrial equipment, through Direct Sales channel. As a partner of the German manufacturing industry for more than three decades, Merca Leasing manages leasing assets with an acquisition cost of approximately €750m (outstanding receivables).

CAL&F has been present on the German Factoring market for over 30 years and started its Leasing activities in 2020 via its branch "CAL&F Germany"². With the acquisition of Merca Leasing, CAL&F is expanding its presence in Germany, a very dynamic Leasing market, where 3 out of 4 companies include Leasing solutions in their investment plans³ and where Leasing is perceived as an enabler for innovation for SMEs.

By incorporating the expertise of Merca Leasing, CAL&F is accelerating its European development and broadening its offering, especially on Mobility, IT and Machine-Tools. It is as well an opportunity for CAL&F to strengthen its position in the Direct Sales channel, while gradually expanding into new distribution channels, such as the Vendor Program⁴.

The agreement was signed on 30 October, after consultation with the employee representatives' bodies. The transaction is expected to be completed in early 2025, subject to obtaining the required authorisations from German BaFin and the German Competition Authority.

The impact of the transaction on Crédit Agricole S.A.'s CET1 ratio is not significant.

1 - Source: BDL / Bundesverband Deutscher Leasing-Unternehmen (Federal Association of German Leasing Companies)

2 - Crédit Agricole Leasing & Factoring SA – Niederlassung Deutschland Branch (branch of CAL&F SA).

3 - Source: BDL / Bundesverband Deutscher Leasing-Unternehmen (Federal Association of German Leasing Companies)

4 - Supplier sales financing

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Today, with Frédéric MADALLE, Deputy Chief Executive Officer of CAL&F (International Development and Factoring Pole), we are carrying out an important operation for Crédit Agricole Leasing & Factoring Groupe. It allows us to integrate a stable and profitable activity on the direct channel in Germany and to develop a Vendor offer. The acquisition of Merca Leasing is fully in line with our strategy and the implementation of our MTP 2025 « Transitions to the Future » for two main raisons: it allows us to strengthen our expertise and service offering in Mobility as well as to accelerate our growth in a very fragmented German market and which constitutes one of Crédit Agricole Leasing & Factoring Group's development priorities.”

Hervé VARILLON, Chief Executive Officer of Crédit Agricole Leasing & Factoring

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From the very first exchanges with Crédit Agricole Leasing & Factoring, I felt that we share common values and that the views on Merca Leasing's strategic positioning and development are aligned for the benefit of our customers. Merca's ambition for growth will be strengthened and sustained with the backing of the Crédit Agricole Group. Andreas Werner, who is with Merca since 2013 will continue and become part of the Management to ensure continuity for employees, clients, and partners. I will fully support this transition.”

Ulrich HELMDACH, Founder and CEO of Merca Leasing

About Crédit Agricole Leasing & Factoring

With a presence in 10 countries in Europe, Crédit Agricole Leasing & Factoring (CAL&F) is a key player in Leasing, Factoring and Energy and Infrastructure Financing, in France and Europe. CAL&F offers specialised financing for corporates, professionals, farmers, and local authorities.

Key figures (end of 2023): France and international: 257,000 clients – 2,703 employees - €32bn in outstanding financed (of which 28% abroad).

For further information: www.ca-leasingfactoring.com

About Merca Leasing GmbH

Merca Leasing was founded in 1989 by Kredietbank N.V., Brussels, Belgium, & U. Helmdach and integrated into the KBC Bank & Insurance Group in 1998. In 2012, the KBC Lease (Deutschland) Group was taken over by the management, renamed Merca Leasing again, based in Kronberg / Taunus (near Frankfurt).

The group offers financing solutions for business-critical movable equipment focusing on production machinery through leasing, hire purchase, sale-and-lease-back, retrofitting funding services and forfaiting solutions (through Merca Vendor).

Key figures (end of 2023): 37 employees - €240m production - €420m Portfolio (actual outstanding)

For further information: www.merca-leasing.de

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