

SOCIETE GENERALE ENTERS INTO EXCLUSIVE NEGOTIATION WITH AMUNDI WITH A VIEW TO DISPOSING OF THE ASSET MANAGEMENT ACTIVITIES OPERATED BY LYXOR

Paris, 7 April 2021

Societe Generale's Board of Directors approved, during a meeting on 6 April 2021, the entry into exclusive negotiation with Amundi with a view to disposing of the asset management activities operated by Lyxor.

Lyxor is an entity which includes the Group's asset management activities and operates in particular through Lyxor Asset Management, a wholly owned subsidiary of Societe Generale.

Created in 1998, Lyxor has played a pioneering role in specialised asset management and has notably reached leadership positions in passive asset management. Lyxor's assets under management represent approximately EUR 140 billion at the end of December 2020 of which EUR 124 billion are in the scope of the envisaged transaction¹.

This disposal project would cover Lyxor's passive (ETFs) and active (including alternative) management activities for institutional clients in France and abroad². The scope of the transaction would include the sales and support functions dedicated to these activities.

This agreement is in line with Societe Generale's strategy with regards to savings, which is to operate in open architecture and to propose to its clients investment and asset management solutions through partnerships with external asset managers.

In this context, Societe Generale would announce a project to create a "Wealth & Investment Solutions" department within its private bank. This department would serve as a centre of expertise to structure savings, asset management and investment solutions for the Group's private banking and retail banking networks, as well as structured asset management solutions for global markets clients. It would include Lyxor's teams, which would not be part of the disposal project.

The partnership agreements with Amundi for the provision of savings and investment solutions for Societe Generale's networks are maintained. Societe Generale will also continue to support Amundi through its comprehensive and flexible range of market solutions and securities services.

This transaction, which is expected to be finalized by February 2022 at the latest, would be carried out at a price of EUR 825 million and would have an estimated positive impact of approximately 18 basis points on the Group's CET1 ratio when completed. The capital gain from the disposal, net of tax, would be recorded upon completion of the transaction for around EUR 430 million.

This transaction would successfully conclude the refocusing programme launched by Societe Generale in 2018. Carried out under very good conditions, its execution will have simplified the Group's organisation and optimised its capital allocation by focusing its business model on core activities,

working in synergy and benefiting from critical size, with a positive effect of this program on the Group's capital ratio in line with the target of 80 to 90 basis points.

The two institutions will work together to ensure the smooth integration of Lyxor within Amundi, both in terms of services provided to clients and in relations with the employees involved in this project.

This project will be submitted to the relevant employee representative bodies within Societe Generale Group, and then to the competent regulatory authorities for approval.

Frédéric Oudéa, Chief Executive Officer of Societe Generale, comments: « *This transaction with Amundi, Europe's leading asset manager, which Societe Generale helped to create, will enable Lyxor's teams to play an active role in building the undisputed leader in passive management in Europe in a consolidating market. It is fully in line with Societe Generale's strategy in terms of savings products, which is to operate in open architecture and team up with the best asset management experts to build the most suitable offers for our clients. Societe Generale and Amundi will remain key partners, each participating mutually in the value proposition implemented for their clients. In addition, this transaction would successfully close the refocusing program launched in 2018 by Societe Generale.* »

¹ Certain activities from Lyxor are excluded from the scope of the transaction and retained by Societe Generale: (i) structured asset management solutions intended for Societe Generale's global markets clients and (ii) asset management activities dedicated to savings solutions and carried out for Societe Generale (Branch networks and Private Banking) such as structuring of savings solutions, funds selection and the supervision of the Group's asset management companies.

² with the exception of Lyxor AM Japan Co. Ltd in Japan

Note: Upon completion of this transaction Societe Generale Private Banking, one of the bank's core businesses, would become a fully-fledged Business Unit, renamed "PRIV", integrated within the RBDF pillar and supervised by Sébastien Proto. It would be composed of four main business lines: Private Banking France, Private Banking Europe (Luxembourg, Switzerland, Monaco), Kleinwort Hambros and the Wealth and Investment Solutions department.

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Societe Generale

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth. Committed to the positive transformations of the world's societies and economies, Societe Generale and its teams seek to build, day after day, together with its clients, a better and sustainable future through responsible and innovative financial solutions.

Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 133,000 members of staff in 61 countries and supports on a daily basis 30 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses:

- **French Retail Banking** which encompasses the Societe Generale, Credit du Nord and Boursorama brands. Each offers a full range of financial services with omnichannel products at the cutting edge of digital innovation;
- **International Retail Banking, Insurance and Financial Services to Corporates**, with networks in Africa, Russia, Central and Eastern Europe and specialised businesses that are leaders in their markets;
- **Global Banking and Investor Solutions**, which offers recognised expertise, key international locations and integrated solutions.

Societe Generale is included in the principal socially responsible investment indices: DJSI (World and Europe), FTSE4Good (Global and Europe), Bloomberg Gender-Equality Index, Refinitiv Diversity and Inclusion Index, Euronext Vigeo (Europe and Eurozone), STOXX Global ESG Leaders indexes, and the MSCI Low Carbon Leaders Index (World and Europe).

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