

SOCIETE GENERALE PRESENTS ITS NEW FRENCH RETAIL BANK: A NEW MODEL COMMERCIALLY AMBITIOUS AND MORE EFFICIENT SERVING 10 MILLION CLIENTS

Press release

Paris, 12 October 2021

Societe Generale group today submits a complete dossier to its employee representative organisations setting out in detail the model and structure of its new French retail bank. The key principles are:

- A new model founded on **a complete merger** of the Crédit du Nord and Société Générale retail banks, retaining the strengths of both: one bank with one branch network, one head office and one IT system serving nearly 10 million clients with 25,000 employees in 2025.
- A Bank with **local roots**: 11 regions with enhanced responsibilities, **regional coverage through 1,450 branches securing the same presence in towns that we currently have**, and a new branding approach that reflects our regional roots.
- A Bank that is **more responsive, accessible and efficient**: a remodelled organisation to improve the client experience and operational efficiency.
- A Bank **better adapted to the specific needs of each client category with the goal of ranking among the top three banks for client satisfaction** through highly skilled bankers and a quality customer experience, whether at the branch, over the telephone or digitally.
- A **responsible** bank: acceleration of our ESG commitments to strengthen our positive local impact and confirmation of our **commitments as a responsible employer to support our employees during this merger, with no compulsory departures**.

This new stage comes in the context of the financial roadmap presented by the Group in December 2020.

Sébastien Proto, Deputy General Manager in charge of the Societe Generale, Crédit du Nord, Private Banking networks and their Innovation, Technology and IT division: *“By merging its Société Générale and Crédit du Nord retail banking networks, the Group is anticipating an evolution in the environment and client behaviour changes, as well as getting a head start in responding to underlying trends. For us, this merger is an opportunity to build a new model that is commercially ambitious and more efficient. Built on collaborative work with more than 2,000 employees from our two networks, our project is fundamentally one that centres on development and client satisfaction. We want to create a new champion in the French market serving 10 million clients. We are respecting all of the commitments made in December 2020, notably our promise not to give up our presence in any town, by grouping together the Crédit du Nord and Societe Generale branches, and that the merger will not lead to any compulsory departures, in accordance with our policy as a responsible employer.”*

Given the multiple challenges facing retail banks, including low interest rates, competition, new entrants and an acceleration in digital use due to the pandemic, Societe Generale group decided to take a pre-emptive approach that would give it a head start and set in place a sustainable and winning dynamic by creating a new bank founded on a **model guided by our ambition to be among the leading players in client satisfaction**.

A BANK WITH LOCAL ROOTS

The New Bank will have strong regional roots. It will be organised into **11 regions that will play a leading role in their local development**, serving between 210,000 and 1.4 million clients depending on the region.



These regions will have broader responsibilities to **speed up decisions and increase client satisfaction**, notably through greater decision-making power at a local level and the ability to adapt their organisation to better suit local requirements.

The regrouped network will have around 1,450 branches in 2025. We confirm that the regrouping of the branches will **not involve an exit from any town** given that it will involve Société Générale and Crédit du Nord branches **located close to each other in the same town**. Ultimately the new coverage will offer **more commercial points for our clients**: 15% more commercial points for Societe Generale clients compared with 2020 and nearly three times more for Crédit du Nord clients.

The brand strategy will reflect the regional coverage of our retail bank. It will express both being part of a major bank and specific regional characteristics, with **each region having a combination of a national and regional brand name drawing on the majority of the Crédit du Nord group brands** (Crédit du Nord, Courtois, Tarneaud, Laydernier, SMC) or geographical references.

A MORE RESPONSIVE, ACCESSIBLE AND EFFICIENT BANK

A key concept of the client experience, the New Bank has been designed to allow **shorter paths for more rapid decision-making for clients**. In the vast majority of cases, decisions will be taken at a regional level, and mostly at the branch and business centre level.

It will be easier to contact our advisers, as there will be a 15% increase in the number of advisers in our client contact centres, with a wider range of opening times.

Our goal is to ensure **more efficient end-to-end handling** of our clients' requests. The shift from two IT systems to one, combined with greater investment in data and artificial intelligence, will enable us to speed up the digital transformation of our model, with a **target of 30% of product sales being fully digital by 2025** for eligible products and ongoing enhancement of the Societe Generale mobile banking app. We will make our **back-office operations more efficient** through greater specialisation of teams by transaction, and a decrease in the number of processing sites from 24 to 13.

A BANK BETTER ADAPTED TO SUIT THE SPECIFIC NEEDS OF ITS CLIENTS

To achieve our goal of being ranked among the top three banks for client satisfaction among our core client base, **our client relationship model will offer greater expertise and quality services**, whether at the branches, over the telephone or through digital channels. It will draw on methods specifically tailored to each client category:

- **Corporate clients:** access to a broad range of expertise within the region and a dedicated system for French tech companies.
- **Professional clients:** more widespread rollout of a single adviser to manage both the client's professional and private needs; deployment of specialised advisers for VSEs and independent professions.
- **Wealth Management clients:** creation of a new **Wealth Management Bank** that is customer-focused and offers a private banking-style range of products.
- **Private Banking clients:** stronger regional support with a two-fold increase in the number of regional hubs for meeting and assisting clients.
- **Individual clients:** a stronger day-to-day digital offering in particular via the Societe Generale mobile app, France's leading banking app; greater availability of branch advisers offering specialist advice and benefiting from greater decision-making capacity; development of a new remote platform for day-to-day banking needs.

We want to be **commercially more on the offensive, in particular in the priority areas of savings and protection insurance**, by increasing our expert teams in these areas.

We will continue to draw on our **culture of innovation and our open platform strategy** to offer our clients the best products and services on the market, whether in terms of our Group expertise or that of our external partners, as illustrated by our new generation open architecture savings offering. These partnerships will enable us to broaden our offerings and improve the user experience of our clients.

A RESPONSIBLE BANK

We are using this merger as an opportunity to **speed up the implementation of our sustainability commitments**.

Dedicated teams will be set up to **assist our clients with the energy transition** and ensure that SMEs benefit from the experience of Societe Generale as the world's leading adviser of large groups in the **financing of renewable energies**. The only bank in France to offer fully SRI open-architecture savings products, we will continue to develop new ESG credit offers enabling clients to benefit from improved terms to finance their sustainability projects.

To **strengthen our local impact**, each regional manager will set up a framework for engagement with local decision-makers. Our commitment to non-profit organisations, among which we are one of the leading providers of finance in France, will be strengthened by the creation of a dedicated business centre. We will also **make the premises we are freeing up as part of the regrouping of our branches available free-of-charge to non-profit organisations involved in social inclusion initiatives**.

More broadly, the branch regrouping and renovations carried out as part of the merger will enable us not only to improve working conditions for our staff but also to adopt the best environmental standards.

SOCIALLY RESPONSIBLE SUPPORT

In 2025, the New Bank would count a target of 25,000 employees, with a net reduction of 3,700 jobs between 2023 and 2025. As a responsible employer, the Group has made solid commitments: **the merger will not involve any compulsory departures. The job cuts will come about through natural attrition** (estimated at 1,500 a year per annum until 2025) **and priority will be placed on job reclassification and internal mobility**. In certain business lines and job areas, additional voluntary redundancy measures may be implemented. The precise measures aimed at assisting members of staff are currently being discussed with the employee representative organisations. The New Bank will maintain **a significant volume of recruitment annually** throughout this period of transformation, following the recruitment of 1,400 employees on permanent contracts that we aim to have achieved within the French retail banking activity by the end of 2021.

For staff whose business line is set for change as part of this merger, full support will be provided involving **exceptional measures around training** and change management, with the creation of a

“**Skills Academy**” that will offer each staff member personalised training in line with their needs. During the appointments and mobility process, the Group will adhere strictly to the **principle of equity between the employees** of Société Générale and Crédit du Nord.

THE MERGER IS PROGRESSING AS SCHEDULED

Since the announcement of the launch of the project in December 2020, important stages have already been completed as part of an ongoing process of social dialogue. Various agreements have been negotiated and signed: the overall framework agreement (*accord de Méthode*) was signed in May 2020, and the articles of the status agreement (*accord sur les statuts*), maintaining the overall remuneration of Crédit du Nord employees, was signed in September 2021. Negotiations on the Jobs/Skills agreement are ongoing.

We confirm that the legal merger will take place on 1 January 2023. As of that date, all employees of Crédit du Nord will automatically join the new structure.

The IT merger will take place during the first half of 2023.

This project is subject to the consultations with the employee representative organisations and the agreement of the relevant authorities.

Press contacts:

Jean-Baptiste Froville - 01 58 98 68 00 - jean-baptiste.froville@socgen.com

Florence Amphoux - 01 42 14 70 33 - florence.amphoux@socgen.com

Bernard Gaudin - 01 42 13 15 98 - bernard.gaudin@socgen.com

Olivier-Armand Poly - 01 40 22 23 24 - olivier-armand.poly@cdn.fr

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).

In case of doubt regarding the authenticity of this press release, please go to the end of [Societe Generale's newsroom page](#) where official Press Releases sent by Societe Generale can be certified using blockchain technology. A link will allow you to check the document's legitimacy directly on the web page.

For more information, you can follow us on Twitter [@societegenerale](#) or visit our website www.societegenerale.com.