

## **SOCIETE GENERALE CEASES ITS ACTIVITIES IN RUSSIA AND SIGNS AN AGREEMENT TO SELL ROSBANK AND ITS RUSSIAN INSURANCE SUBSIDIARIES**

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### **Press release**

Paris, 11 April 2022, 8 am

**Societe Generale ceases its banking and insurance activities in Russia and announces the signing of a sale and purchase agreement to sell its entire stake in Rosbank and the Group's Russian insurance subsidiaries to Interros Capital**, the previous shareholder of Rosbank. With this agreement, concluded after several weeks of intensive work, the Group would exit<sup>(1)</sup> in an effective and orderly manner from Russia, ensuring continuity for its employees and clients.

This contemplated transaction, which remains subject to the approval of the relevant regulatory and anti-trust authorities, will be conducted in compliance with the legal and regulatory obligations in force. The closing of this operation should occur in the coming weeks.

The impact of the disposal of Rosbank and the Group's Russian insurance activities on **the Group's CET1 ratio is expected to be around 20 basis points** based on the net value of the disposed assets as of December 31, 2021<sup>(2)</sup>. It would mainly result from the impact of the write-off of the net book value of the disposed assets, largely offset by, on the one hand, the deconsolidation of the local exposure to Russia (~EUR 15.4 billion of exposure at default as of December 31, 2021<sup>(3)</sup>) and on the other, a payment in favor of Societe Generale including notably the repayment by the purchaser of the subordinated debt granted by Societe Generale to its subsidiary.

Pro-forma this transaction, **the Group's CET 1 ratio would remain comfortably above the Group's guidance**. As a reminder, the Group's CET1 ratio was 13.7% as of December 31, 2021, i.e. 470 basis points above the minimum regulatory requirement.

This contemplated disposal would lead to the accounting in the Group's income statement<sup>(4)</sup> of the following main items:

- the write-off of the net book value of the divested activities (~EUR 2 billion<sup>(5)</sup>);
- an exceptional non-cash item with no impact on the Group's capital ratio (~EUR 1.1 billion<sup>(5)</sup>), which corresponds to the normative reversal of the conversion reserve in the Group's income statement.

The Group confirms its distribution policy for the 2021 financial year i.e. the cash dividend of EUR 1.65 per share, subject to the approval of the Combined General meeting of shareholders on 17 May 2022, and the announced share buyback program for an amount of approximately EUR 915 million<sup>(6)</sup>.

(1) ALD Automotive OOO, which operates in Russia and through its branches in Kazakhstan, and ALD Belarus LLC no longer conclude any new commercial transactions.

(2) Value as of December 31, 2021 based on a EUR/RUB exchange rate of 85.

(3) Equivalent to ~EUR 10.7 billion of Risk Weighted Asset as of December 31, 2021.

(4) Accounted in "net profit or loss on other assets".

(5) Based on non-audited estimated data as of February 28, 2022 and a EUR/RUB exchange rate of 92. The final impact would be calculated based on the data and the foreign exchange rate at the closing date. The accounting period would depend on the closing date.

(6) Subject to usual approvals from ECB and Combined General meeting.

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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 131,000 members of staff in 66 countries and supports on a daily basis 26 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 (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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