

SOCIETE GENERALE AND ALLIANCEBERNSTEIN ANNOUNCE PLAN TO FORM JOINT VENTURE TO ACCELERATE GROWTH IN CASH EQUITIES

Press release

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The joint venture would combine Bernstein Research Services' premier global equity research and execution platform with Societe Generale's equity research and execution capabilities to form a leading global cash equities and equity research business.

Societe Generale (EURONEXT: GLE), a leading European bank, and AllianceBernstein (NYSE: AB), a leading global investment management and research firm, announced today their plans to form a joint venture combining their cash equities and equity research businesses.

For both Societe Generale's and Bernstein Research Services' clients, including corporate and financial institution issuers as well as institutional investors, this new joint venture would offer a comprehensive global suite of world-class services across cash equities and research, combined with Societe Generale's integrated equity capital markets, equity derivatives and prime services platforms.

The joint venture would provide premier investment insights into the American, European and Asia Pacific equity markets, in addition to unparalleled liquidity access and leading global trading technology. The merged entities would bring complementary strengths and a shared vision of a leading full-service equity brokerage business to support the needs of global investor and issuer clients.

Societe Generale and Bernstein Research Services are committed to fostering a strong cultural identity for the joint venture, building on Bernstein Research Services' long-standing history of renowned fundamental research and both organizations' innovative quantitative approaches that have been core to their success. This new joint venture aims to expand these strengths and bring in new and unique perspectives, expertise and insights to better serve its clients.

Societe Generale intends to take a 51% interest in the joint venture, with an option to reach 100% ownership after five years⁽¹⁾. The business would be run as a long-term partnership under the Bernstein name, headquartered in London. Upon closing, Robert van Brugge, CEO of Bernstein Research Services, would become CEO of the new entity for an initial term of five years, and Stephane Loiseau, Head of Societe Generale's cash equities business, would become Deputy CEO.

This new partnership is aligned with Societe Generale's investment banking strategy. It brings further diversification, both from a geographical perspective and nature of revenues, being fee-based with a low risk profile. The combined research and execution capabilities would help deepen engagement with clients, widen the franchise and gain market share overall.

At Societe Generale Group's level, this step-change towards creating a global leading equity house would be accretive from 2025, and at target would generate a profitability (ROTE) uplift between +15 and +20 basis points⁽²⁾. The expected impact on CET1 ratio, which is already factored in the Group's 2025 trajectory presented during Societe Generale's Q2 22 financial results, would be limited to around 10 basis points⁽³⁾ at closing.

"This partnership with one of the most recognized firms in research and cash equities, combined with our global leadership in Equity Derivatives, would create an undisputed leader across the equity business for the benefit of our issuer and investor clients," said **Slawomir Krupa**, head of Global Banking and Investor Solutions, Societe Generale.

"In Societe Generale, we have a strategic partner who is committed to strengthening and growing our world-class cash equities and research business," said **Seth Bernstein**, AllianceBernstein's President and CEO.

"This partnership gives us the opportunity to participate in the high added value segments of the global equities business," said **Robert van Brugge**. *"And, importantly, it would also allow us to preserve and expand our firms' unique strengths, expertise, and cultures,"* added **Stephane Loiseau**.

The proposed transaction has received the support of Societe Generale's and AllianceBernstein's Boards of Directors.

The closing is expected to occur before the end of 2023. The transaction is subject to workers council consultation, approval of regulators, and customary closing conditions. Societe Generale and AllianceBernstein will work closely together to ensure a smooth transition for their staff, clients and partners.

- (1) The joint venture would be 100% consolidated by Societe Generale from an accounting and regulatory perspective. A call option would be granted to Societe Generale to purchase the 49% owned by AllianceBernstein and reciprocally, a put option would be granted to AllianceBernstein to sell its 49% to Societe Generale as of the 5th anniversary of the closing date, and for a one-month period each successive year thereafter.*
- (2) Impact of expected target incremental net income in 2028, based on Societe Generale's 51% stake in the joint venture and including all synergies, on profitability (ROTE) estimated by the analysts' consensus in 2026 (Visible Alpha at 24/10/2022), calculated on the average tangible equity of the consensus adjusted for the capital impact of the contemplated transaction at the closing date.*
- (3) Impact at the closing date of the transaction on the Group's CET1 ratio estimated by the analyst consensus for the fourth quarter of 2023 (Visible Alpha calculated on 10/24/2022).*

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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 117,000 members of staff in 66 countries and supports on a daily basis 25 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**, with networks in Africa, 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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AllianceBernstein

AllianceBernstein is a leading global investment management firm that offers high-quality research and diversified investment services to institutional investors, individuals, and private wealth clients in major world markets. As of October 31, 2022, AllianceBernstein had \$627B in assets under management. Additional information about AB may be found on our website, <http://www.alliancebernstein.com>