

## **SOCIETE GENERALE ADAPTS TO ENSURE ITS PROFITABLE AND SUSTAINABLE GROWTH**

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### **Press release**

Paris, 9 April 2019

Societe Generale today announces two adjustment projects. The first is strategic and relates to its Global Banking & Investor Solutions businesses, while the second is operational and covers the head office structure for its International Retail Banking & Financial Services activities. These projects have been submitted today for consultation to the employee representative bodies in France and Europe.

As announced in February 2019 during the Group's annual results publication, and following the review of the Global Banking & Investor Solutions business portfolio, Societe Generale plans some strategic adjustments in order to always better meet its clients' expectations while structurally improving its profitability.

The Group will concentrate its wholesale business model on its areas of strength where it has sustainable and differentiating competitive advantages. The Bank's leading position in Europe, the depth of its Corporate client portfolio, as well as its global franchises in equity derivatives and structured finance mean it can position itself as a provider of high value-added solutions, drawing on its financial engineering expertise that forms the core of its DNA.

The Group will therefore increase the allocation of its resources towards the most relevant clients-offers-geographies mix for its clients and for the Bank:

- In **Global Markets**, the Bank wants to focus on investment and financing solutions, by drawing on its leadership in equity derivatives and structured products. The Bank plans to close its OTC commodities business<sup>1</sup>, and its proprietary trading subsidiary. The Bank also plans to reorganise and refocus its flow activities (cash and flow derivatives) especially in the Rates, Credit, Currencies and Prime Services businesses to make them more profitable.
- In **Financing & Advisory**, the Bank plans to strengthen the alignment of its teams and its offers in order to pursue its growth plan. As such, two Business Units would be merged, covering client relationship, investment banking and financing activities. This new entity would allow the Bank to optimise its client portfolio and its geographic presence, by leveraging on the strength of its coverage and its leadership in structured finance.
- In **Asset & Wealth Management** as well as in **Securities Services**, actions would also be implemented in order to better leverage resources towards core franchises while reducing costs.
- Associated support functions as well as Group Central Functions would also adapt in order to reflect all these adjustments and improve their operational efficiency. In particular, dedicated

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<sup>1</sup> OTC: Over the counter commodities business with the exception of the management of listed and index products on these underlyings

Operations and IT entities would accelerate their digital transformation in the context of the Global Banking & Investor Solutions' platform strategy.

This more focused business model would enable to strengthen its consistency and the Group's strategic positioning.

Furthermore, **the Group intends to simplify the head office structure of its International Retail Banking & Financial Services** activities, reflecting the reduction of its scope following the recent disposals, by streamlining and integrating services dedicated to the international retail banking Business Units (Europe, Russia and Africa, Mediterranean Basin and Overseas) to improve their agility and operational efficiency.

The contemplated organisational projects would be implemented following the consultation with the French employee representative bodies, which is expected to be completed by the third quarter of 2019. In total, these projects could lead to a reduction of close to 1600 jobs globally, including around 750 in France.

In France, these job reductions would be made in accordance with the new employment agreement signed with all employee representatives, through internal mobility and natural departure and, in some perimeters, through a voluntary departure plan. Internationally, these job reductions would be done in accordance with local regulations and practices.

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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, aiming to be the trusted partner for its clients, committed to the positive transformations of society and the economy.

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 147,000 members of staff in 67 countries and supports on a daily basis 31 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, Crédit 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), Euronext Vigeo (World, Europe and Eurozone), four of the STOXX ESG Leaders indices, and the MSCI Low Carbon Leaders Index.

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