

SOCIETE GENERALE HAS SIGNED A MEMORANDUM OF UNDERSTANDING WITH GROUPE BPCE WITH A VIEW TO SELL SOCIETE GENERALE EQUIPMENT FINANCE'S ACTIVITIES

Press release

Paris, 11 April 2024 at 7:15 am

Societe Generale's Board of Directors, which met on 10 April 2024 under the chairmanship of Lorenzo Bini Smaghi, has approved the signing of a *Memorandum of Understanding* with Groupe BPCE for the divestment of the professional equipment financing businesses operated by Societe Generale Equipment Finance (SGEF)*.

Groupe BPCE would take over most of Societe Generale Equipment Finance's* activities, which offer tailor-made financing and leasing solutions for distributors, traders, manufacturers and companies. SGEF deploys its expertise internationally in the transport, industrial equipment, technology, medical and renewable energy sectors. The outstanding loans of the businesses covered by the *Memorandum of Understanding* amount to almost €15 billion at the end of December 2023, i.e. around €8 billion in risk-weighted assets (RWA).

This divestment project would mark an important step in the execution of Societe Generale's strategic roadmap presented in September 2023, targeting a streamlined, more synergetic and efficient business model, while strengthening the Group's capital base. This transaction would be done at a price of €1.1 billion and would have an estimated positive impact of approximately 25 basis points on the Group's CET1 ratio at the completion date which should occur in the first quarter of 2025.

Slawomir Krupa, Chief Executive Officer of Societe Generale Group comments: *"During the presentation of the Group's strategy in September 2023, we affirmed Societe Generale's ambition to be a rock-solid and sustainable top tier European bank. We announced that the Group would take strategic decisions to simplify its business portfolio and shape a more integrated, competitive and synergetic business model. The signing of the Memorandum of Understanding with Groupe BPCE for the sale of SGEF's activities illustrates the strategic roadmap's execution that creates value for all our stakeholders."*

For **Odile de Saivre, Chief Executive Officer of Societe Generale Equipment Finance**: *"Within Societe Generale, SGEF has developed its international activities to achieve a unique geographical coverage. SGEF's employees are recognized experts who work with our customers and partners to build innovative equipment financing solutions. With the proposed Groupe BPCE project, I am delighted to open a new chapter firmly oriented towards growth, thanks to the strong alignment of our activities."*

This project will be subject to the applicable social/labor procedures, the usual conditions precedent, and the approval of the relevant financial and regulatory authorities. Societe Generale remains fully committed to its employees, clients and partners during this transition period.

**Only activities in the Czech Republic and Slovakia would remain part of Societe Generale.*

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Societe Generale

Societe Generale is a top tier European Bank with more than 126,000 employees serving about 25 million clients in 65 countries across the world. We have been supporting the development of our economies for nearly 160 years, providing our corporate, institutional, and individual clients with a wide array of value-added advisory and financial solutions. Our long-lasting and trusted relationships with the clients, our cutting-edge expertise, our unique innovation, our ESG capabilities and leading franchises are part of our DNA and serve our most essential objective - to deliver sustainable value creation for all our stakeholders.

The Group runs three complementary sets of businesses, embedding ESG offerings for all its clients:

- **French Retail, Private Banking and Insurance**, with leading retail bank SG and insurance franchise, premium private banking services, and the leading digital bank BoursoBank.
- **Global Banking and Investor Solutions**, a top tier wholesale bank offering tailored-made solutions with distinctive global leadership in equity derivatives, structured finance and ESG.
- **International Retail, Mobility & Leasing Services**, comprising well-established universal banks (in Czech Republic, Romania and several African countries), Ayvens (the new ALD | LeasePlan brand), a global player in sustainable mobility, as well as specialized financing activities.

Committed to building together with its clients a better and sustainable future, Societe Generale aims to be a leading partner in the environmental transition and sustainability overall. The Group 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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