

PRESS RELEASE

London, 3 July 2018

Societe Generale reaches an agreement with Commerzbank to acquire its Equity Markets and Commodities activities

The transaction includes Commerzbank's Investment Products, Flow Products, and Asset Management businesses worldwide, including associated market making, sales and structuring capabilities.

Societe Generale is announcing that it has reached an agreement to acquire Commerzbank's Equity Markets and Commodities business (EMC), a leading European manufacturer, distributor and market maker of structured and flow products as well as asset management solutions. With a state of the art technology platform, it benefits from significant franchises in diversified and complementary segments. The activities in the scope of this transaction are based in Frankfurt, London, Hong Kong, Paris, Luxembourg and Zurich. The transaction excludes the Cash Equity brokerage and commodities hedging businesses of Commerzbank.

In line with Societe Generale's strategy to further extend its Global Banking and Investor Solutions activities by leveraging on its strengths, the acquisition of these activities from Commerzbank would reinforce the bank's global leadership in derivatives and investment solutions across asset classes and would contribute to Lyxor's development in Europe by boosting its ETF franchise and complementing its active management offering with a set-up and a product range well-suited to answer the needs of German institutional clients in particular.

"Societe Generale and Commerzbank's EMC franchises are complementary and present an important potential of synergies. This acquisition would further reinforce our Global Banking and Investor Solutions activities in line with our 2016-2020 strategic plan, said Séverin Cabannes, Deputy Chief Executive Officer. In addition, while complementing Lyxor's ETF franchise, this acquisition would be transformational for our activities in Germany as it would enable Societe Generale to reach a new scale in the leading Eurozone economy. Upon integration, this transaction would bring numerous benefits to clients: the reach and geographical footprint, an extended cross-asset product set, the technology and expertise from two associated leading platforms".

The transaction is subject to pre-clearance with competent tax authorities, approval by further relevant authorities and the required steps towards social partners as well as the finalization of legal documentation. Societe Generale anticipates receiving clearance in the 2nd semester of 2018. The transaction would include the transfer of EMC's trading books, client franchise as well as part of the IT infrastructure. The integration of activities and associated teams are expected to take place gradually from end of 2018.

After integration of activities, this transaction would result in a positive impact on the Group's ROTE (Return On Tangible Equity) and it would have a limited impact on the Group's Core Equity Tier One ratio.

Both Societe Generale and Commerzbank are committed to ensuring a smooth and seamless implementation for clients.

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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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