

PRESS RELEASE

SOCIETE GENERALE AND ABSA AGREE TO ROLL OUT A UNIQUE PAN-AFRICAN WHOLESALE BANKING OFFERING

Paris, January 18, 2019

- **Commercial agreement signed to launch a unique pan-African offering**
- **Separate agreement reached on the sale to Absa of the custody, trustee and derivatives clearing services operated by Societe Generale in South Africa**

Societe Generale and Absa Group Limited, two leading banks on the African continent, **announce the signing of a Memorandum of Understanding (MOU) to roll out a commercial agreement** and expand their activities through the development of a pan-African wholesale banking offering. Separately, **Absa agreed to acquire Societe Generale's custody, trustee and clearing services operated in South Africa**, enabling Absa to advance its growth strategy.

A unique financial services offering

With operations in 19 African countries, mainly in Western and Northern Africa*, Societe Generale has a strong position on the continent, enabling the Bank to offer its clients the expertise of an international bank combined with the proximity of its local banking networks.

Absa is one of Africa's largest diversified financial services groups. With a presence in 12 countries, primarily in Southern and Eastern Africa**, the bank has strong knowledge of local markets which allows Absa to meet client needs with a full range of local banking solutions.

This partnership will leverage on Societe Generale and Absa's geographical complementarity and combined strengths to reinforce their expertise and offer a wider range of banking products and services to international and domestic corporate clients and financial institutions with operations in Africa. This will also enable them to boost client coverage beyond their own traditional markets through an extended offering across 27 countries in Africa.

While this is a non-exclusive agreement, the pan-African offering will be enriched over time with new complementary services and products.

Agreement to better serve clients

The agreement is in line with Societe Generale's growth ambition in Africa. Being connected closely with a local banking partner allows the Bank to further strengthen its client coverage on the continent and foster its dynamic local growth strategy.

It is also aligned with Absa's growth strategy which aims to further develop its wholesale banking activities and extend its geographical reach into key African trading corridors.

The combined offering results from an innovative approach driven by Societe Generale and Absa's shared ambition in Africa: to better serve clients, both local and international, in their banking needs across the continent.

The agreement includes a combined offering dedicated to Chinese companies operating in Africa. Societe Generale has established China business desks at 11 of its local subsidiaries to service Chinese clients in Africa.

As part of Absa's international and China strategy, the Group will be rolling out China service desks in key African countries to complement its desk in South Africa. These desks will allow Absa to extend its strong local offering to Chinese multinational corporates. Through the new cooperation agreement, Absa will be able to leverage on Societe Generale's strong presence in China.

"Large African companies and multinational groups present in Africa have increasingly sophisticated banking needs and require expertise that was mostly delivered in more mature economies. On the other hand, there are more and more regional champions on the continent for whom national markets have become too narrow. Joining our forces through this agreement makes perfect sense to accompany the economic development of the continent," comments Frédéric Oudéa, Chief Executive Officer of Societe Generale.

"The agreement we have entered into should go a long way to enable our clients to do business in Africa regardless of where they want to do business. This is yet another example of how Absa is delivering against our growth strategy through both partnerships and acquisitions where relevant and appropriate," says Maria Ramos, Absa Group Chief Executive Officer.

Absa to acquire Societe Generale's custody, trustee and derivatives clearing services in South Africa

Societe Generale has reached a separate agreement to sell its custody, trustee and derivatives clearing services operated in Johannesburg to Absa Group Limited. Absa agreed to acquire the related activities conducted by Societe Generale in South Africa, notably its client portfolio, IT systems and all the employees dedicated to these activities. The transaction is subject to the approvals of the relevant authorities, which are anticipated to be obtained by end of 2019.

The securities lending and borrowing services are not part of the transaction and will be terminated by end of March 2019.

Furthermore, Societe Generale and Absa intend to cooperate on the provision of securities services as part of the enrichment of the pan-African and global offering.

"For Absa, the acquisition supports our growth strategy in Africa," said Maria Ramos. *"The transaction allows Absa to re-establish a firm foothold in the custody and trustee services market and provides us with the opportunity to expand our offer to corporate clients in South Africa. Our strategic intent is, in time, to provide these services across markets where we have a presence."*

The sale is in line with Societe Generale's strategic plan whose primary objectives are to focus on markets where it can generate potential synergies with other Group businesses.

Societe Generale group remains engaged in South Africa with its activities in corporate and investment banking managed via its representative office in Johannesburg and through the combined pan-African offering launched in partnership with Absa.

* Algeria, Benin, Burkina Faso, Cameroon, Chad, Congo, Equatorial Guinea, Ghana, Guinea, Ivory Coast, Kenya, Madagascar, Morocco, Mauritania, Mozambique, Senegal, South Africa, Togo, Tunisia

** Botswana, Ghana, Kenya, Mauritius, Mozambique, the Seychelles, Namibia, Nigeria, South Africa, Tanzania, Uganda, Zambia

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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, Cr dit 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.

For more information, you can follow us on twitter  [@societegenerale](https://twitter.com/societegenerale) or visit our website www.societegenerale.com

About Absa Group Limited

Absa Group Limited ('Absa Group') is listed on the Johannesburg Stock Exchange and is one of Africa's largest diversified financial services groups.

Absa Group offers an integrated set of products and services across personal and business banking, corporate and investment banking, wealth and investment management and insurance.

Absa Group has a presence in 12 countries in Africa, with approximately 42 000 employees.

The Group's registered head office is in Johannesburg, South Africa, and it owns majority stakes in banks in Botswana, Ghana, Kenya, Mauritius, Mozambique, Seychelles, South Africa (Absa Bank), Tanzania (Barclays Bank Tanzania and National Bank of Commerce), Uganda and Zambia. The Group also has representative offices in Namibia and Nigeria, as well as insurance operations in Botswana, Kenya, Mozambique, South Africa, Tanzania and Zambia.

For further information about Absa Group Limited, please visit www.absa.africa

About Absa Bank Limited

Absa Bank Limited ('Absa Bank') is a wholly-owned subsidiary of Absa Group Limited, which is listed on the Johannesburg Stock Exchange and is one of Africa's largest financial services groups. Absa offers a range of retail, business, corporate and investment banking and wealth management and insurance products and services primarily in South Africa and Namibia.

Absa Group is represented in 12 countries, with approximately 42 000 employees.

For further information about Absa, please visit our website www.absa.co.za