

# SocGen pares back Africa businesses in first move by new CEO

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Societe Generale has agreed to sell some of its businesses in Africa in a first move by the French bank's new chief executive officer to sharpen its use of capital.



Source: Reuters.

France's third-biggest listed bank said on Thursday, 9 June, it had signed agreements with pan-African banking groups Vista and Coris to take over its activities in Congo Brazzaville, Equatorial Guinea, Mauritania and Chad.

New chief executive officer, Slawomir Krupa said on taking up his role in late May that one of his top priorities was to allocate the bank's capital more effectively. The new management team is due to present its strategy in September.

The sales will boost SocGen's Cet 1 ratio - a key measure of financial strength - by five basis points after the closing of the deals, expected to take place by the end of 2023, it said.

SocGen, which did not disclose the financial details of the deals or the amount of outstanding loans it would cede, also said it had launched a strategic review of its 52.34% stake in Tunisia's Union Internationale de Banques (UIB).

The French bank, along with Citi and Barclays, is one of the top international banks in Africa. It will remain in 13 countries there, including Tunisia, after the sales, a spokesperson said.

SocGen is not alone among major European banks in reducing its presence in Africa.

Barclays last August sold its remaining 7.4% stake in South African bank Absa, marking an almost total exit from its 90-year presence on the continent and leaving behind only an investment banking hub.



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British rival, Standard Chartered meanwhile in April last year said it would exit five African countries, Angola, Cameroon, Gambia, Sierra Leone and Zimbabwe, as it focuses on faster-growing markets.

Bigger French rival BNP Paribas also started to retreat from the sub-Saharan African market in 2019. Following the sale of its businesses in Gabon and Guinea, the bank sold its subsidiary in Senegal and also exited from Ivory Coast.

SocGen's subsidiaries in Congo Brazzaville and Equatorial Guinea will be sold to Vista Group, and those in Mauritania and Chad to Coris Group, the bank said.

Simon Tiemtore, chairman of Vista group, said in a statement that the deal will add two key Central African countries to its portfolio and represents progress in its strategy to become a pan-African group with operations in 25 countries.

The agreements include all client portfolios and employees within these entities, it added.

The deals will result in the total divestment of SocGen's stakes in Societe Generale Congo, Societe Generale de Banques en Guinee Equatoriale, Societe Generale Mauritanie, and Societe Generale Tchad, currently 93.5%, 57.2%, 95.5% and 67.8% respectively.

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