

French Bank SocGen Exits Russia

April 11, 2022



Andrei Nikerichev / Moskva News Agency

French bank Societe Generale (SocGen) will cease its banking and insurance activities in Russia, it [announced](#) in a statement Monday.

The move makes SocGen the first large European financial group to leave the Russian market following Moscow's Feb. 24 invasion of Ukraine. Reuters reported that the move equals an income hit of 3 billion euros (\$3.3 billion) for the bank.

Russia made up 1.7% of Societe Generale's global risk portfolio in 2021, according to [Interfax](#). Some 2.8% of Societe Generale's overall income in 2021 was linked to Russia with roughly \$20.3 billion invested in Russian assets. Close to 80% of these funds are linked to Rosbank, making SocGen the majority shareholder in one of Russia's largest banks.

SocGen said it has signed an agreement to sell its majority stake in Rosbank and its other Russian assets to Interros Capital.

"With this agreement, concluded after several weeks of intensive work, the Group would exit in an effective and orderly manner from Russia, ensuring continuity for its employees and

clients,” SocGen said on its website.

Interros founded and chaired by billionaire Vladimir Potanin, who also heads the Nornickel mining giant. He is the second-richest man in Russia with an estimated fortune of \$27 billion, according to [Forbes](#).

Societe Generale initially bought a 10% share in Rosbank from Potanin’s holding company in 2006. The deal is expected to be officially closed in the upcoming weeks, after which Rosbank can return to Potanin.

Other major European banks (the Italian UniCredit and Austrian Raiffeisen) have not signaled their intention to leave the Russian market.

The European Union continues to implement new sanctions against the Russian government as well as companies and individuals linked to the Kremlin over the country’s so-called “special military operation” in Ukraine. In the latest package, the EU [banned](#) the import of Russian coal.

Potanin himself was sanctioned by the Canadian government following the invasion as a person closely linked to President Vladimir Putin’s government.

Original url: <https://www.themoscowtimes.com/2022/04/11/french-bank-socgen-exits-russia-a77304>