

PRESS RELEASE

Paris, July 5th 2016

SOCIETE GENERALE ENTERS IN NEGOTIATION TO SELL A MAJORITY STAKE IN ITS GEORGIAN SUBSIDIARY BANK REPUBLIC

Societe Generale Group entered into a preliminary agreement with the Chinese Xinjiang Hualing Trade and Industry (Group) Co., Ltd. (Hualing Group), and the European Bank for Reconstruction and Development (EBRD), for the sale of its majority stake in Bank Republic, its Georgian subsidiary.

Hualing Group, a large private conglomerate based in Xinjiang, China and one of the major foreign investors in Georgia, operates in various fields. It also owns a banking subsidiary in Georgia, Basis bank and other financial assets in China.

This transaction would help Hualing Group to strengthen its banking arm in Georgia and in the Group's business portfolio. Indeed, according to the transaction terms, Hualing Group would merge Bank Republic with its banking entity Basis Bank to create a universal bank that would be firmly anchored as the n°3 player in the market with notably about 2.5 billion GEL in total assets, 250,000 clients, 61 branches and some 1,300 staff.

After the merger, Societe Generale Group would own approximately 8% of the shares in the new combined entity and remain a member of the Supervisory Board. This operation would have a very limited impact on the Group's ratios.

EBRD would also hold a minority stake of approximately 3.9% in the new combined entity and remain a member of the Supervisory Board as well as a committed financing partner for the Georgian banking market.

This transaction is notably subject to Georgian regulatory approvals and registration with relevant Chinese authorities.

PRESS RELATIONS

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Societe Generale

Societe Generale is one of the largest European financial services groups. Based on a diversified universal banking model, the Group combines financial solidity with a strategy of sustainable growth, and aims to be the reference for relationship banking, recognised on its markets, close to clients, chosen for the quality and commitment of its teams.

Societe Generale has been playing a vital role in the economy for 150 years. With more than 145,000 employees, based in 66 countries, we accompany 31 million clients throughout the world on a daily basis. Societe Generale's teams offer advice and services to individual, corporate and institutional customers in three core businesses:

- **Retail banking in France** with the Societe Generale branch network, Credit du Nord and Boursorama, offering a comprehensive range of omnichannel financial services on the leading edge of digital innovation;
- **International retail banking, insurance and financial services to corporates** with a presence in developing economies and leading specialised businesses;
- **Corporate and investment banking, private banking, asset management and securities services**, with recognised expertise, top international rankings and integrated solutions.

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