

PRESS RELEASE

Paris, November 19, 2018

SOCIÉTÉ GÉNÉRALE REACHES AGREEMENTS WITH U.S. AUTHORITIES TO RESOLVE U.S. ECONOMIC SANCTIONS AND AML INVESTIGATIONS

- Société Générale has reached settlement agreements with certain U.S. authorities, resolving their investigations relating to certain U.S. dollar transactions processed by Société Générale involving countries, persons or entities that are the subject of U.S. economic sanctions and implicating New York State laws.
- Société Générale has agreed to pay penalties totaling approximately \$1.3 billion (€1.2 billion) to the U.S. Authorities. This amount is entirely covered by the provision for disputes booked in Société Générale's accounts. These agreements will not have an additional impact on the Bank's results for 2018.
- The Bank has signed deferred prosecution agreements with the U.S Attorney's Office of the Southern District of New York ("SDNY") and the New York County District Attorney's Office, which provide that, following a three-year probation period, the Bank will not be prosecuted if it abides by the terms of the agreements, to which Société Générale is fully committed. The deferred prosecution agreement with SDNY will be subject to court approval in the United States.
- The Bank has also committed, beyond the extensive actions it has already taken to date, to enhance its compliance program to prevent and detect potential violations of U.S. economic sanctions regulations and New York state laws, and to enhance corporate oversight of its sanctions compliance program. The Bank has also agreed with the Board of Governors of the Federal Reserve System to retain an independent consultant that will evaluate the Bank's progress on the implementation of enhancements to its sanctions compliance program.
- In addition, the Bank has reached a separate agreement with the New York State Department of Financial Services relating to the Bank's anti-money-laundering compliance program in the New York Branch. The Bank has agreed to pay an additional penalty of \$95 million (€82 million) in connection with this agreement, which amount is

likewise entirely covered by the provision for disputes booked in Société Générale's accounts.

Société Générale has reached settlement agreements with the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"), the U.S. Attorney's Office of the Southern District of New York ("SDNY"), the New York County District Attorney's Office ("DANY"), the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York (together, the "Federal Reserve"), and the New York State Department of Financial Services ("DFS") (collectively, the "U.S. Authorities"), resolving their investigations relating to certain U.S. dollar transactions processed by Société Générale involving countries, persons, or entities that are the subject of U.S. economic sanctions and implicating New York State laws

The vast majority by value of the sanctions violations involved in the settlements related to Cuba, and stem from a single revolving credit facility extended in 2000. The remaining transactions involved other countries that are the target of U.S. economic sanctions, including Iran.

Under the terms of these agreements, Société Générale has agreed to pay penalties totaling approximately \$1.3 billion (€1.2 billion) to the U.S. Authorities, including \$53.9 million to OFAC, \$717.2 million to SDNY, \$162.8 million to DANY, \$81.3 million to the Federal Reserve, and \$325 million to DFS.

This amount is entirely covered by the provision for disputes booked in Société Générale's accounts. These agreements will not have an additional impact on the Bank's results for 2018.

The Bank has signed deferred prosecution agreements with SDNY and DANY, which provide that, following a three-year probation period, the Bank will not be prosecuted if it abides by the terms of the agreements, to which Société Générale is fully committed.

Société Générale received significant credit from the U.S. Authorities for its cooperation during the investigation. The Bank will continue to cooperate with the U.S. Authorities in the future, pursuant to the agreements.

The Bank has also committed to continue to enhance its compliance program to prevent and detect potential violations of U.S. economic sanctions laws and New York state laws. The Bank also agreed to enhance its oversight of its sanctions compliance program. The Bank has also agreed with the Federal Reserve to retain an independent consultant that will evaluate the Bank's progress on the implementation of enhancements to its sanctions compliance program.

In this regard, in recent years, the Bank has already taken several actions, which include:

- Disseminating enhanced policies related to complying with regulations regarding sanctions and embargoes to all employees, emphasizing their importance, and in parallel, initiating an ambitious training program in the matter.
- Recruiting additional compliance officers working on financial crime, at the Group level and in the relevant business lines, and reinforcing the centralized Group-level sanctions and embargoes alert management teams.
- Reorganizing the hierarchical structure of the teams responsible for sanctions and embargoes compliance, and enhancing escalation procedures.

These specific actions supplement important measures that the Bank has already taken regarding the organization and operation of its compliance program. Notably, they include a vast multi-year compliance transformation program, the implementation of a centralized and independent compliance role directly supervised by General Management, and the deployment of a worldwide “Culture & Conduct” program. The Bank is fully committed to complying with all remediation program requirements set forth in the agreements.

In addition, the Bank has agreed to a Consent Order with DFS relating to components of the Bank’s anti-money-laundering (“AML”) compliance program in the New York Branch. The Consent Order requires the Bank to pay a civil money penalty of \$95 million (€82 million) in light of deficiencies noted by DFS, which amount is likewise entirely covered by the provision for disputes booked in Société Générale's accounts. The Consent Order requires the Bank to continue a series of enhancements to its New York branch’s AML compliance program. After a period of 18 months, an independent consultant will conduct an assessment of the Branch’s progress on the implementation of its AML compliance program.

Frédéric Oudéa, Chief Executive Officer of Société Générale, stated: "We acknowledge and regret the shortcomings that were identified in these settlements, and have cooperated with the U.S. Authorities to resolve these matters. Société Générale has already taken a number of significant steps in recent years and dedicated substantial resources to enhance its sanctions and AML compliance programs. More broadly, these resolutions, following on the heels of the resolution of other investigations earlier this year, allow the Bank to close a chapter on our most important historical disputes. Looking to the future, we aim to be a trusted partner. Anchoring a culture of responsibility in the way we conduct and develop our activities is a priority of our 'Transform to Grow' strategic plan. We aim to meet the highest standards of compliance and ethics, in the best interest of our clients and of all of our stakeholders."

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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