# SOCIETE GENERALE

## PRESENTATION TO DEBT INVESTORS

**2ND QUARTER AND 1ST HALF 2017**

SEPTEMBER 2017

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Unless otherwise specified, the sources for the business rankings and market positions are internal. The consolidated financial statements for the year ended 31st December 2016 has been prepared in accordance with IFRS as adopted by the European Union and applicable at this date, and has been audited by the Statutory Auditors.
The condensed interim consolidated financial statements for the six-month period ending 30 June 2017 has been prepared in accordance with IAS 34 “Interim Financial Reporting” and has been subject to a limited review by the Statutory Auditors.
Societe Generale’s management intends to publish complete consolidated financial statements for the year ended 31st December 2017.

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# 1

# INTRODUCTION

# SOCIETE GENERALE AT A GLANCE: AN INTEGRATED BANKING MODEL

SOCIETE GENERALE

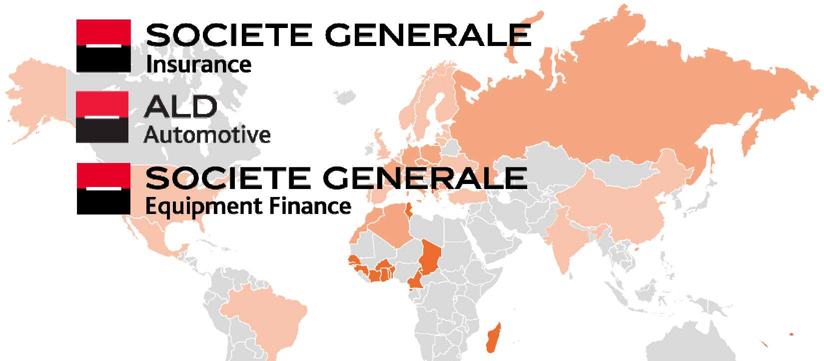
Crédit du Nord

Boursorama

SOCIETE GENERALE Insurance

ALD Automotive

SOCIETE GENERALE Equipment Finance



- Financial Services to Corporates – Insurance
- International Retail Banking – Financial Services to Corporates – Insurance
- International Retail Banking

SOCIETE GENERALE Corporate & Investment Banking

SOCIETE GENERALE Securities Services

SOCIETE GENERALE Private Banking

LYXOR Asset Management GROUPE SOCIETE GENERALE

## FRENCH RETAIL BANKING

**39,000** employees

**12 million** customers, including 810,000 corporates, professionals and associations

**EUR 185bn** in outstanding loans

## INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES

**73,000** employees

**32 million** customers, including **1 million** corporate customers and **13 million** insurance policyholders

**EUR 108bn** in outstanding loans

## GLOBAL BANKING AND INVESTOR SOLUTIONS

**21,000** employees

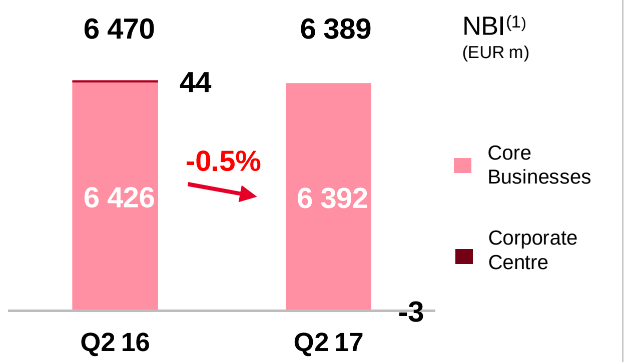
Assets under management (Lyxor and Private Banking): **EUR 222bn**
Assets under custody: **EUR 3,955bn**

**EUR 149bn** in outstanding loans

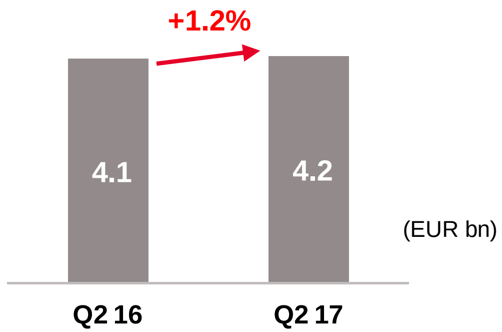
At 31st December 2016

# Q2 17: SOLID RESULTS

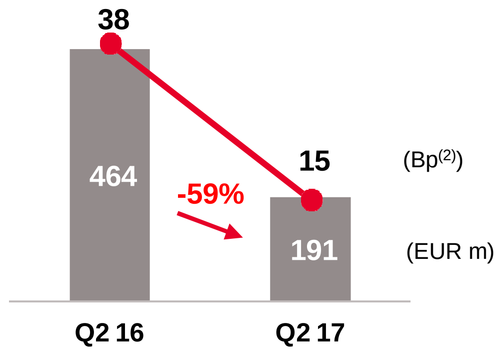
## Resilient revenues of Core Businesses



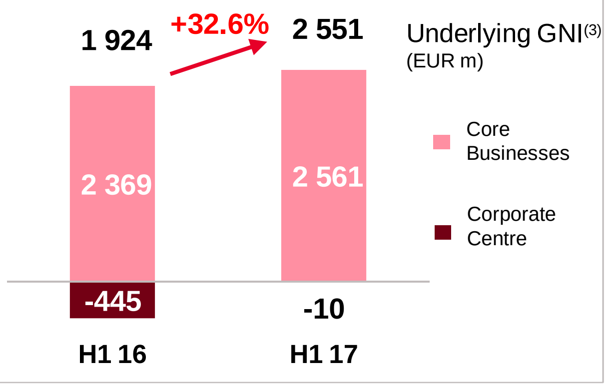

## Costs under control



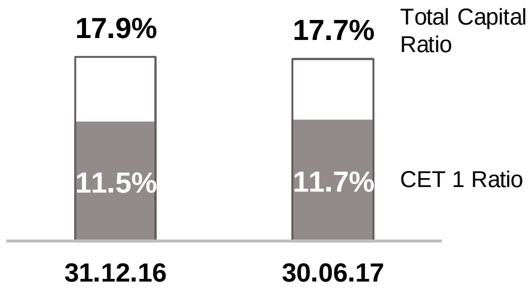

## Further decrease in cost of risk




## Underlying Group ROE[3]
## 9.5% in H1 17 vs. 7.5% in H1 16




## Strong capital position




## Robust ratios

**Leverage ratio at 4.2%**
at 30.06.17 vs. 4.2% at 31.12.2016

**TLAC ratio at 21.9%**
at 30.06.17 vs. 21.1% at 31.12.2016

(1) Excluding revaluation of own financial liabilities and DVA, exceptional items in Q2 16 (EUR 725m impact of Visa Transaction) and in Q2 17 (EUR -963m impact of LIA settlement) - refer to p. 26
(2) Annualised, in basis points. Outstandings at the beginning of period. Excluding litigation, EUR 750m write-back and additional EUR 300m allocation in Q2 17
(3) Adjusted for non-economic and exceptional items and IFRIC 21. See Methodology and Supplement p. 26
Note: Capital ratios reported are “fully loaded” under CRR/CRD4 rules including the Danish compromise for Insurance – see Methodology. TLAC, see p. 12

## 2

## GROUP

# LEVERAGING THE GROWTH POTENTIAL OF A WELL-BALANCED BUSINESS MODEL

***H1 17 figures***

**French Retail Banking**

Good commercial momentum in negative rate environment

Development of fee business

Transformation on track

**International Retail Banking and Financial Services**

Strong revenue growth

Low cost of risk

Growth in Group Net Income in all businesses

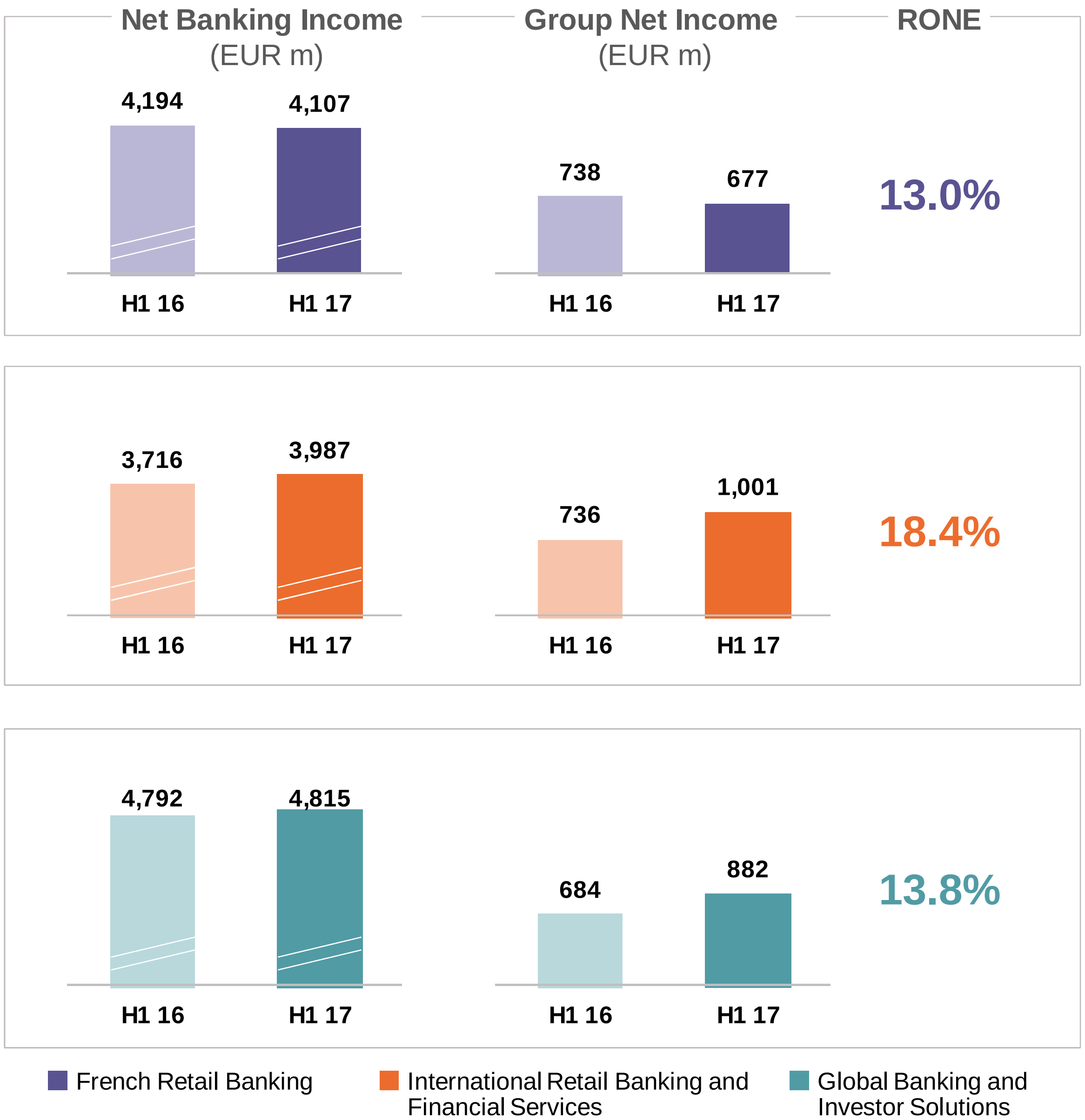
Profitability at historical high

**Global Banking and Investor Solutions**

Resilience and low volatility of revenues

Good results reflecting transformed business model

Decrease in costs and low cost of risk



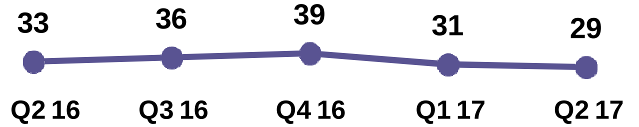

Note: RONE adjusted for IFRIC 21
NBI and Group Net Income adjusted for PEL/CEL provision for French Retail Banking and Euribor fine refund pour Global Banking and Investor Solutions in Q1 16

# LOW COST OF RISK IN Q2 17

**Cost of Risk[1]** (in bp)

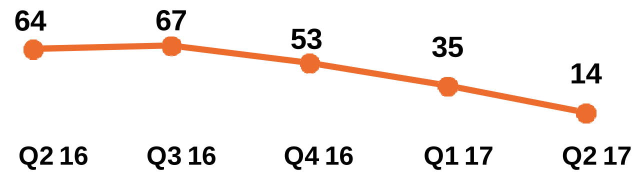
## French Retail Banking

**Stable cost of risk**
**Improving French economy**



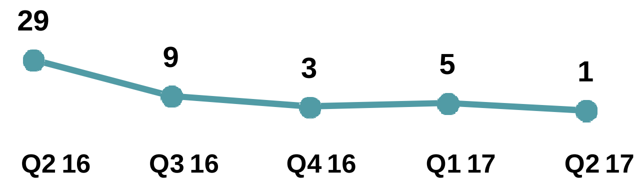

## International Retail Banking and Financial Services

**Cost of risk for Q2 17 at a historical low**
**Very few new defaults, net write-backs in Romania**



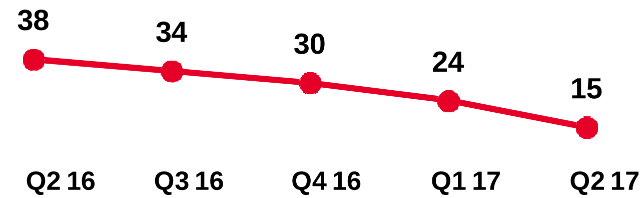

## Global Banking and Investor Solutions

**Low cost of risk across all regions and sectors**




## Group

**Low cost of risk reflecting strong Group risk profile and improved environment**




(1) Commercial Cost of Risk in basis points: Excluding provisions for disputes. Outstandings at beginning of period. Annualised

# Q2 17 : SOLID RESULTS

**Good operating performance**
**Resilient NBI from Businesses**
Corporate Centre impacted by exceptional items

**Monitoring of costs, +1.2%* vs. Q2 16**
Supporting French Retail Banking transformation and fast growth in International Retail Banking and Financial Services
Benefiting from cost savings plans in Global Banking and Investor Solutions

**Low commercial cost of risk**
**Net reversal of provision for disputes**

**Net profits or losses from other assets**
Profit from acquisition of 50% residual stake in Antarius

**Underlying Group Net Income(2): EUR 2,551m in H1 17 +32.6% vs. EUR 1,924m in H1 16**
**ROE(2): 9.5% in H1 17 vs. 7.5% in H1 16**

| In EUR m | Q2 17 | Q2 16 | Change | H1 17 | H1 16 | Change |
|---|---|---|---|---|---|---|
| **Net banking income** | **5,199** | **6,984** | ***-25.6%*** | **11,673** | **13,159** | ***-11.3%*** |
| *Net banking income(1)* | *5,426* | *7,195* | *-24.6%* | *11,878* | *13,225* | *-10.2%* |
| Operating expenses | (4,169) | (4,119) | *+1.2%* | (8,813) | (8,403) | *+4.9%* |
| **Gross operating income** | **1,030** | **2,865** | ***-64.0%*** | **2,860** | **4,756** | ***-39.9%*** |
| *Gross operating income(1)* | *1,257* | *3,076* | *-59.1%* | *3,065* | *4,822* | *-36.4%* |
| Net cost of risk | 259 | (664) | *n/s* | (368) | (1,188) | *-69.0%* |
| Operating income | 1,289 | 2,201 | *-41.4%* | 2,492 | 3,568 | *-30.2%* |
| *Operating income(1)* | *1,516* | *2,412* | *-37.1%* | *2,697* | *3,634* | *-25.8%* |
| Net profits or losses from other assets | 208 | (16) | *n/s* | 245 | (12) | *n/s* |
| Income tax | (302) | (627) | *-51.8%* | (691) | (1,011) | *-31.7%* |
| Reported Group net income | 1,058 | 1,461 | *-27.6%* | 1,805 | 2,385 | *-24.3%* |
| **Group net income(1)** | **1,218** | **1,599** | ***-23.8%*** | **1,951** | **2,428** | ***-19.7%*** |

* Including reversal of restructuring provision (EUR +60m)
(1) Excluding non-economic items (revaluation of own financial liabilities and DVA (refer to p. 26))
(2) Adjusted for non-economic and exceptional items and IFRIC 21. See Methodology and Supplement p. 26

# 3

## CAPITAL AND LIQUIDITY

# BALANCE SHEET RATIOS COMFORTABLY ABOVE REGULATORY REQUIREMENTS

| | 2017 requirements | End-Q2 17 Phased-in ratios[3] | 2019 requirements[4] | End-Q2 17 Fully-loaded ratios | |
|---|---|---|---|---|---|
| CET1 | 7.8%[2] | 11.9% | 9.5%[2] | 11.7% | ✓ |
| Total Capital | 11.3% | 17.9% | 13.0% | 17.7% | ✓ |
| Leverage ratio | NA | 4.2% | 3.0%[4] | 4.2% | ✓ |
| TLAC[1] | NA | | 19.5% (% RWA)<br>6.0% (% leverage) | 21.9% (% RWA)<br>6.4% (% leverage) | ✓ |
| LCR | > 80% | | 100% | 123% | ✓ |
| NSFR | NA | | 100% | >100% | ✓ |

(1) Refer to p.12 for detailed presentation of TLAC ratio
(2) Excluding Pillar 2 Guidance add-on
(3) Including the earnings of the current financial year
(4) Requirements are presented as of today's status of regulatory discussions and without non-significant impact of countercyclical buffer
(5) Without potential G-SIB add-on

# CAPITAL RATIOS WELL ABOVE REGULATORY REQUIREMENTS

**CET1[1] at 11.7%, up +7bp vs. Q1 17**

Capital position already in line with end-2017 target [11.5%-12%]

**Total Capital ratio at 17.7%**

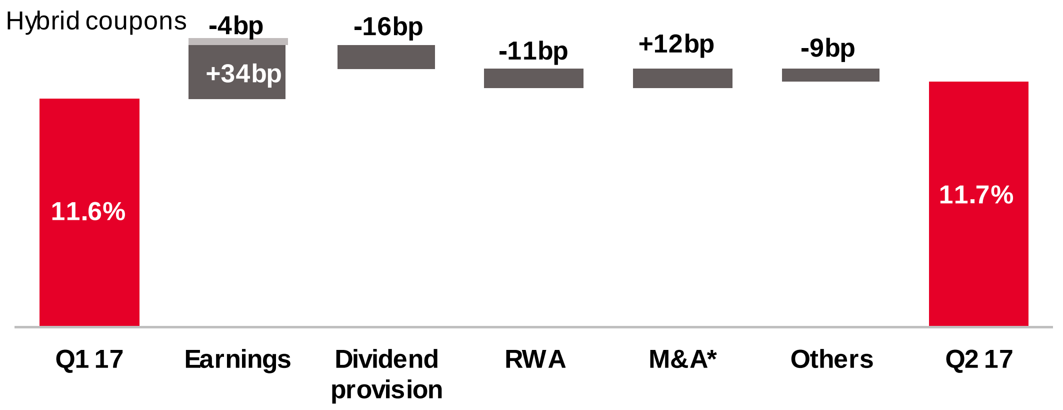
**Leverage ratio at 4.2%**

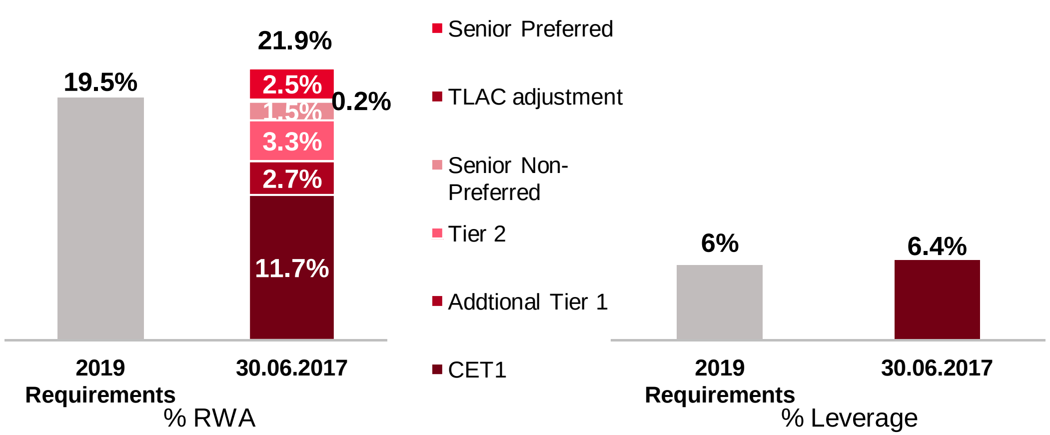
**TLAC ratio already exceeding 2019 FSB requirements: 21.9% of RWA and 6.4% of leverage exposure at end-Q2 17**

Issued benchmark Senior Non-Preferred debts:

EUR 5.2bn since December 2016

**Balance sheet ratios comfortably above regulatory requirements**



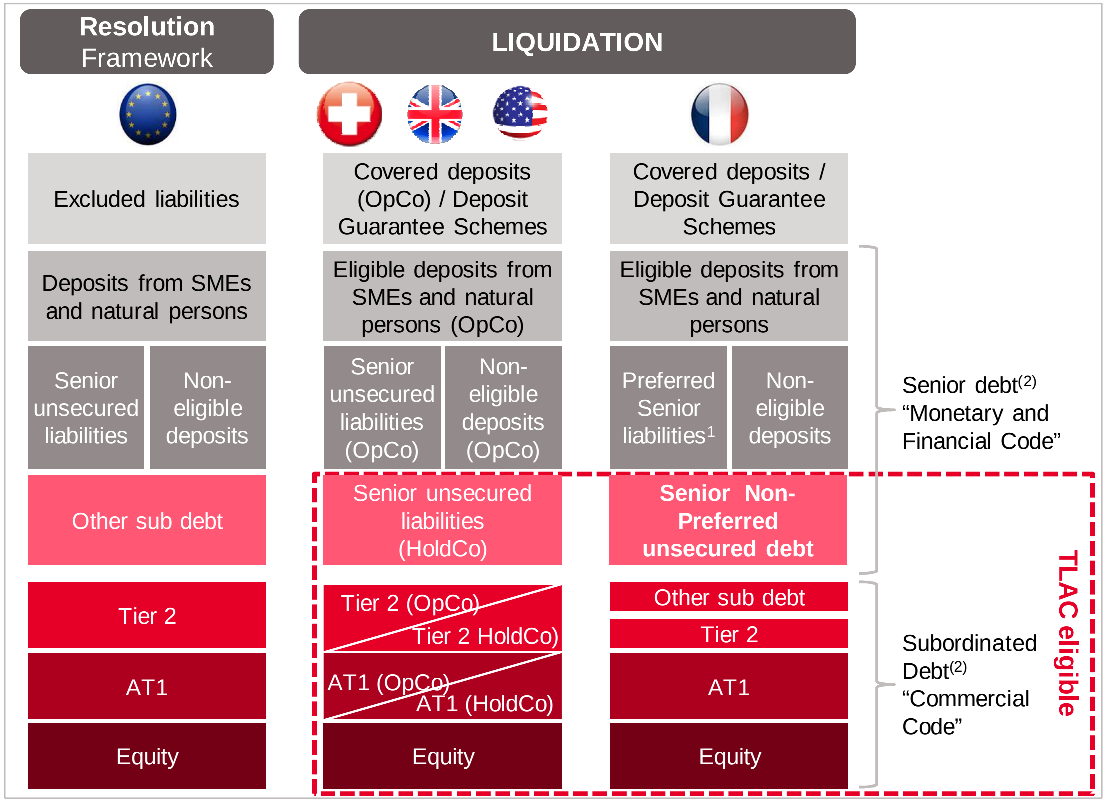

* Antarius acquisition, disposal of Splitska Banka and ALD IPO

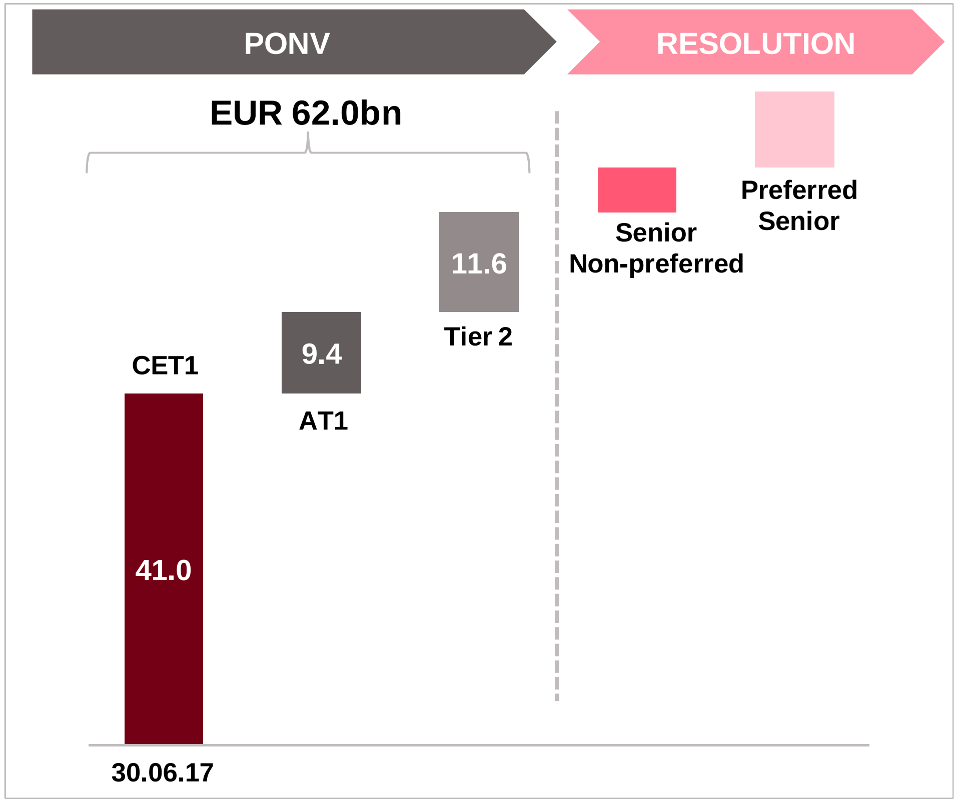
(1) Fully loaded, based on CRR/CRD4 rules, including the Danish compromise for Insurance. See Methodology

(2) Requirements excluding non significant impact of countercyclical buffer

Note : Capital and TLAC eligible debt computed as sum of (i) Regulatory fully loaded Total Capital (ii) TLAC adjustments (iii) Senior non preferred debt and (iv) senior preferred debt capped at 2.5% of RWA amount. RWA and leverage exposure computed as in CRR/CRD IV. TLAC adjustments: Deduction of Tier 2 instruments maturing within a year and integration of regulatory hair-cut

# A NEW TLAC ELIGIBLE SENIOR DEBT WITH HIGH LEVEL OF PROTECTION




**New French Senior Non-Preferred main characteristics**

Efficient and simple statutory framework, as Senior unsecured debts

Not eligible to subordinated debt as defined in the CRR

Not bail-inable prior to entry into resolution (Point Of Non Viability)

**Statutory equivalent to that of foreign banks with holdco structure, with a clearer ranking hierarchy**

**High level of protection**

High rank in creditors hierarchy

Comfortable buffer gradually set-up through Societe Generale Total Capital increase over last years

**This new type of debt could become the new European standard for OPCOs**

(1) Preferred vanilla MLT debt, ST debt, structured notes, net derivatives liabilities, other
(2) Subordinated debts are defined in the article L.228-97 of the French Commercial Code; SNP is defined in the Article L.613-30-3-I-4 of the French *Code monétaire et financier*

# DIVERSIFIED ACCESS TO LONG TERM FUNDING SOURCES

**Parent company 2017 funding programme EUR 24.1bn (Including EUR 17.1bn of structured notes)**

Completed at 75% at 19th July 2017 (EUR 18.1bn, including 65% of structured notes)

Competitive funding conditions: MS6M+26bp, average maturity of 5 years (including Senior Non-Preferred, Senior Preferred and Covered Bonds)

Additional EUR 2.6bn issued by subsidiaries

**Access to diversified and complementary investor bases through:**

Subordinated issues

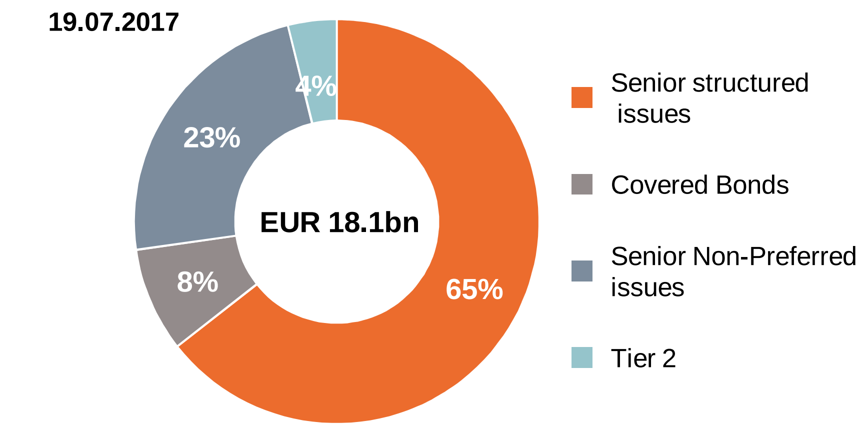
Senior vanilla issuances (public or private placements)

Senior structured notes distributed to institutional investors, private banks and retail networks, in France and abroad

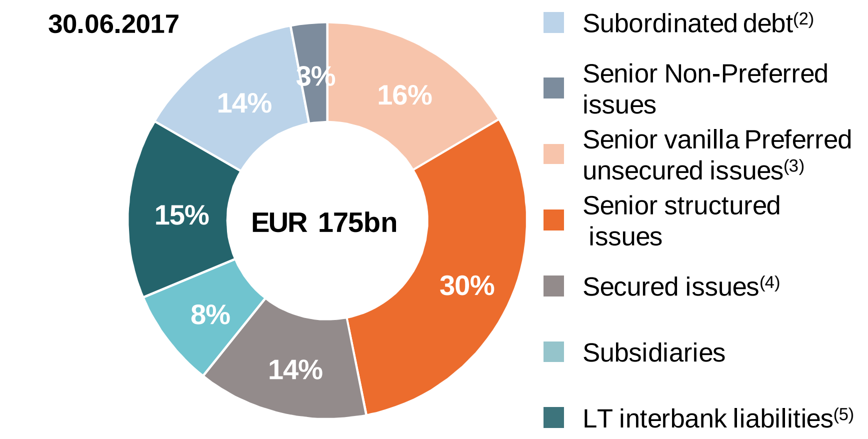
Covered bonds (SFH, SCF) and securitisations

Issuance by Group subsidiaries

## 2017 Long Term Funding Issuance




## Long Term Funding Breakdown(1)




(1) See Methodology
(2) Including undated subordinated debt
(3) Including CD & CP >1y
(4) Including CRH
(5) Including IFI

# HIGH LEVEL OF LIQUIDITY RESERVE

**Liquid asset buffer of EUR 158bn at end-June 17**

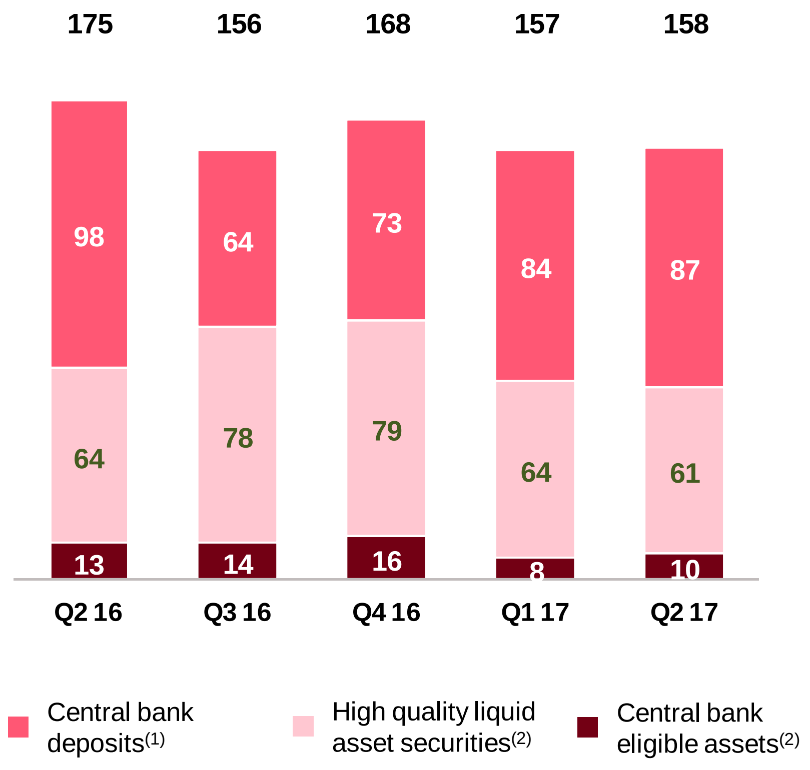
High quality of the liquidity reserve: EUR 61bn of HQLA assets at the end-June 2017 and EUR 87bn of Central bank deposits

Excluding mandatory reserves and unencumbered, net of haircuts

**Comfortable LCR at 115% on average in Q2 17**

**NSFR above regulatory requirements**

**Liquid asset buffer** (in EUR bn)




(1) Excluding mandatory reserves
(2) Unencumbered, net of haircuts

# 4

# BUSINESS RESULTS

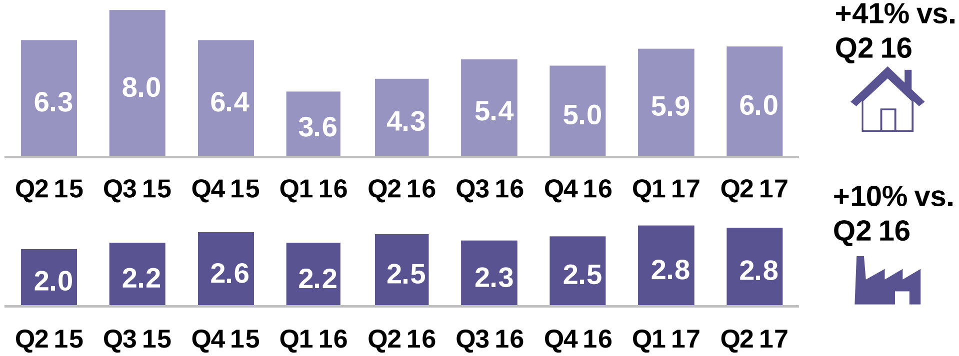
# COMMERCIAL DYNAMISM DRIVEN BY GROWTH DRIVERS

## Robust client acquisition

> 1,400 new business client relationships in Q2 17 — **+4.4%** vs. Q2 16

248,000 new individual clients in Q2 17 — **+2.2%** vs. Q2 16
Boursorama: >1.1m customers at end-June 17

## Solid growth in loan production (in EUR bn)




**Loan outstandings +1.2%** vs. Q2 16, EUR 185.1bn(1)

**Deposit outstandings +7.5%** vs. Q2 16, EUR 196.2bn(1)

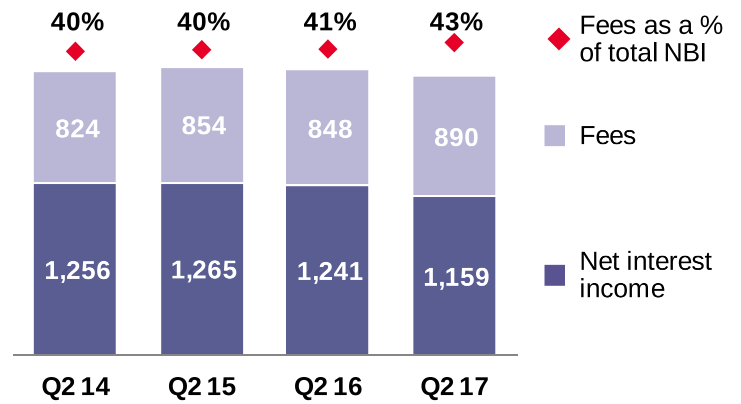
## Quarterly results reflect ongoing transformation

**NBI(2) down -1.8% in Q2 17: decline in net interest margin partially offset by increase in fees**
➲ Progressive shift towards a more fee-oriented model

**Costs up +3.7% vs. Q2 16 reflecting investment in model transformation**

**Contribution to Group Net Income:**
**EUR 359m in Q2 17, 678m in H1 17**
**RONE(3) of 12.6% in Q2 17, 13.0% in H1 17**

### Net Banking Income(2) (in EUR m)




(1) Average outstandings
(2) Excluding PEL/CEL provision
(3) Adjusted for IFRIC 21 implementation and PEL/CEL provision

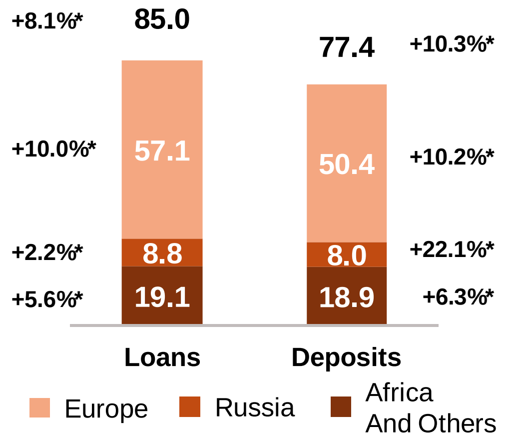
# STRONG VOLUME GROWTH

## International Retail Banking

- Europe: loan growth in every country, driven by retail segment
- Russia: retail activity gaining momentum; leading car loan market
- Africa: sustained pace of volume growth

**Loans and Deposits**

(in EUR bn – change vs. Q2 16, in %*)




## Financial Services to Corporates and Insurance

**Financial Services to Corporates**

ALD Automotive: strong growth in total fleet

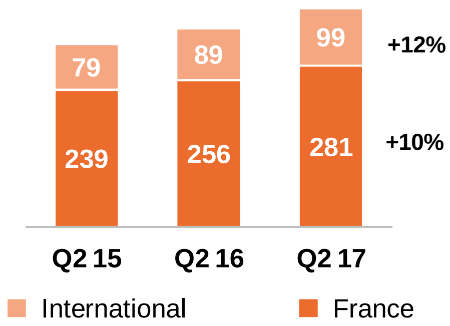
Equipment Finance: steady loan growth (+5%[3])

**Insurance**

Life insurance outstandings +17% vs. Q2 16[1]

Growth of personal protection, property & casualty insurance

**Personal Protection, Property & Casualty Insurance Premiums** (in EUR m)




## Confirmation of growth potential

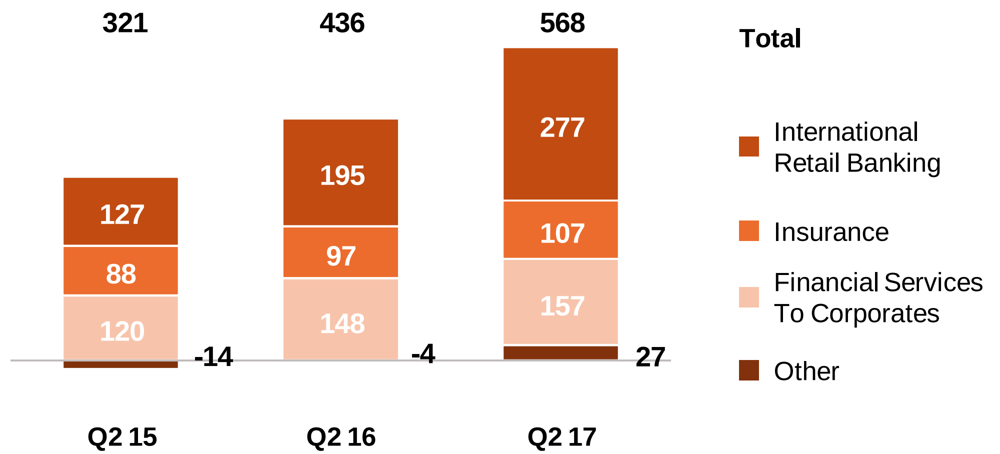
**Steady revenue growth in all regions and businesses +6.2%**

**SG Russia: recovery on track,** NBI growth +5%* vs. Q2 16 RONE 9% in Q2 17, in line with guidance

**Solid returns in Insurance and sustained high performance in Financial Services to Corporates**

**Significantly higher contribution:**
**EUR 568m in Q2 17, 1,001m in H1 17**
**RONE[2] 19.3% in Q2 17, 18.4% in H1 17**

**Contribution to Group Net Income** (in EUR m)




* When adjusted for changes in Group structure and at constant exchange rates
(1) Pro-forma Antarius acquisition
(2) Adjusted for IFRIC 21 implementation
(3) Excluding factoring

# BUSINESS MODEL STRUCTURALLY CHANGED OVER THE PAST THREE YEARS

**Demonstrated less volatile and growing revenues …**

Increase in flow revenues enhanced by the acquisition of Newedge

Development of a cross-asset franchise following Fixed Income restructuring

Successful expansion of securitisation activities in the US and in Europe increasing flexibility to rotate portfolios

Leverage on solid corporate clients franchise

**… while delivering on operational efficiency…**

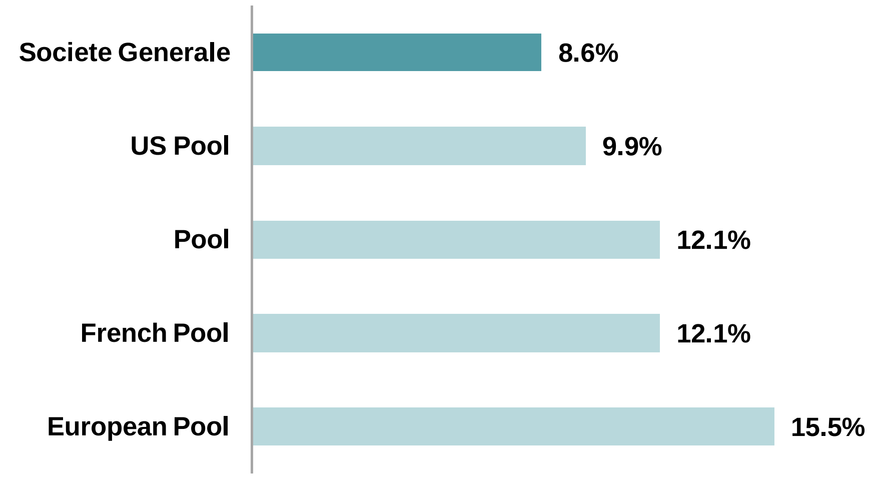
Adjusted set-up: exit or rationalisation of less synergetic and less profitable activities

Staff reduction, organisation simplification and localisation strategy

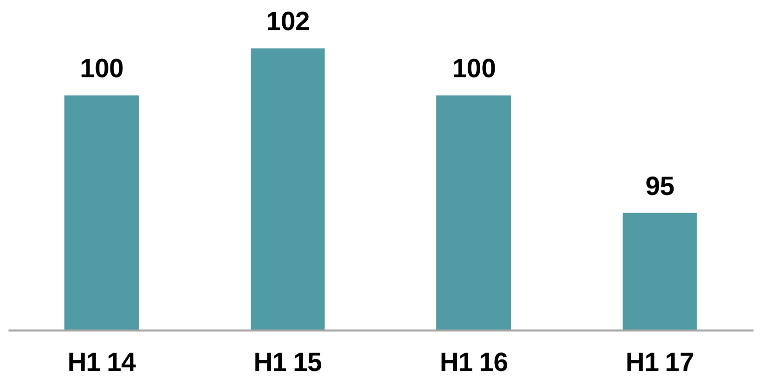
Automation, reengineering of operational model and end-to-end processes, leveraging digital

**… and maintaining best-in-class risk management**

**Quarterly Volatility of CIB Revenues**[1] (Q1 14 – Q1 17)




**Underlying Operating Expenses**[2] (rebased 100 as of H1 14)




(1) Source: Company results. Pool of top 15 banks (Barclays, BNPP, BoA, CASA , Citi, CS, DB, GS, HSBC, JPM, MS, Nomura, RBS, SG, UBS). Societe Generale scope: Global Markets and Investor Services (excl. Securities Services) and F&A. Standard deviation (Q1 14 – Q1 17) /average (Q1 14 – Q1 17).

(2) Underlying operating expenses are at constant change and perimeter and exclude Euribor fine refund in Q1 16, SRF contribution, CTA associated with savings plans and regulatory costs increase

# QUARTERLY REVENUES IMPACTED BY CONTRASTED MARKETS

**Global Markets and Investor Services: NBI -3.1% vs. Q2 16**

**Financing and Advisory: NBI -11.0% vs. high Q2 16, in line with Q1 17**

Commercial Banking and Advisory: down vs. high Q2 16

Natural Resources: lower production in Financing and soft market activity in Commodities

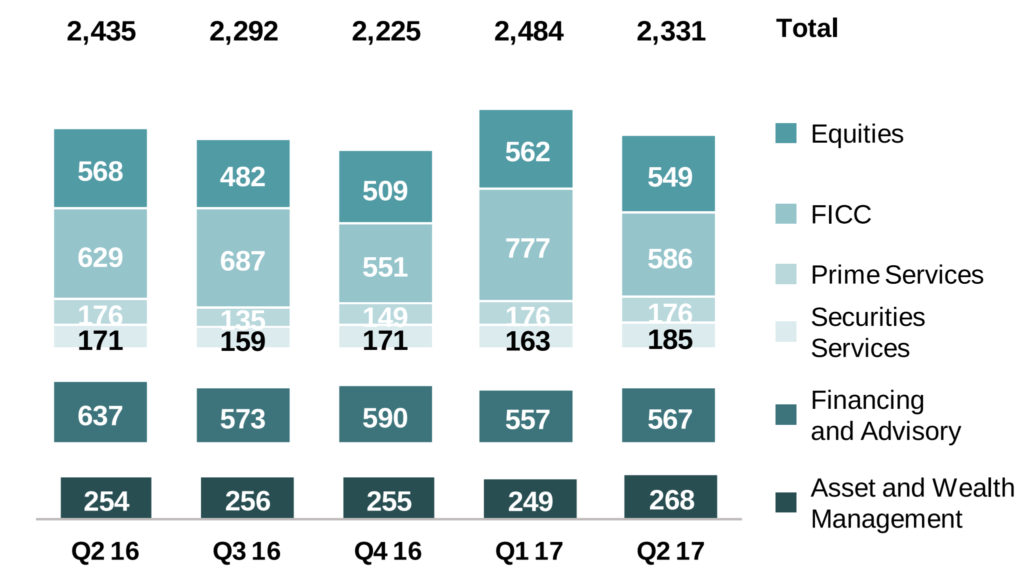
Capital Markets: robust securitisation and leveraged finance

**Asset and Wealth Management: NBI +5.5% vs. Q2 16**

Private Banking: Good commercial activity with positive net inflows in France

Lyxor: revenues up in line with higher ETF AuM base

**Net Banking Income** (in EUR m)




## Improvement in structural profitability

**Net Banking Income down -4.3% vs. Q2 16**

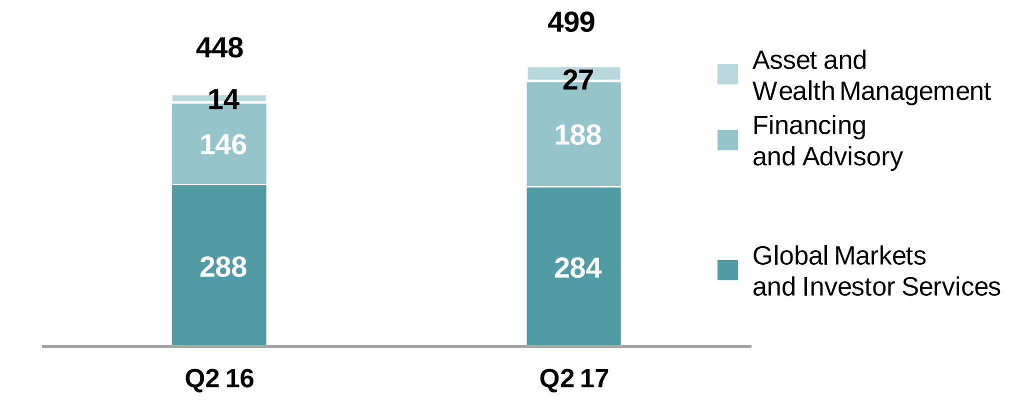
**Operating expenses down -3.1% vs. Q2 16**

**Very low cost of risk**

**Contribution to Group Net Income:**
**EUR 499m in Q2 17, EUR 882m in H1 17**
**RONE(1): 12.3% in Q2 17, 13.8% in H1 17**

(1) Adjusted for IFRIC 21 implementation and Euribor fine refund in Q1 16

**Contribution to Group Net Income** (in EUR m)



# 5

## CONCLUSION

# Q2 17: CONFIRMED CAPACITY TO DELIVER QUARTERLY PERFORMANCE

**SOLID OPERATING PERFORMANCE**
International Retail Banking and Financial Services, the main contributor

**TRANSFORMATION ON TRACK**
Ongoing transformation of French Retail Banking
Business model structurally changed in Global Banking and Investor Solutions

**FURTHER MODEL OPTIMISATION**
Disposal of Splitska Banka, ALD's IPO, Antarius acquisition

**STRONG CAPITAL POSITION**

**WELL POSITIONED TO EMBARK ON A NEW STRATEGIC PHASE**

# 6

## SUPPLEMENT

# CREDIT RATINGS OVERVIEW

**Key strengths reflected in Societe Generale's ratings are its solid franchises, sound capital and liquidity and improving profitability.**

## Strong franchise

**DBRS:** *"Solid and well diversified franchise"*

**FitchRatings:** *"SG's diversified franchise enables the bank to generate resilient and sustainable earnings"*

**Moody's:** *"Strong franchise and well-diversified universal banking business model provide stable and predictable earnings"*

**S&P:** *"Its main businesses have long-standing and solid foundations in its core markets. The group combines a stable and successful retail banking operation in France with sustainable and profitable franchises in corporate and investment banking. Societe Generale has leading positions in financial services to corporates, namely in equipment financing and operational car leasing."*

## Sound balance sheet metrics

**Moody's:** *"Good and improving regulatory capitalisation, underpinned by a strong earnings generation capacity" ; "Strong liquidity, well diversified funding sources and proven access to wholesale funding markets"*

**S&P:** *"The group's capitalization has been on an upward trend over the past two to three years, which benefits its financial profile."*

| | |
|---|---|
| **DBRS** | |
| Long-term/Short-term counterparty | AA/R-1(high) |
| Senior Long-term debt | A (high) (Stable) |
| Senior Short-term debt | R-1 (middle) (Stable) |
| Intrinsic Assessment | A (high) |
| **Fitch Ratings** | |
| Long-term counterparty | A |
| Senior Long-term debt | A (Stable) |
| Senior Short-term debt | F1 |
| Viability Rating | A |
| SNP rating | A |
| Tier 2 subordinated | A- |
| Additional Tier 1 | BB+ |
| **Moody's** | |
| Long-term/Short-term counterparty | A1(cr)/P-1(cr) |
| Senior Long-term debt | A2 (Stable) |
| Senior Short-term debt | Prime-1 |
| Baseline Credit Assessment | baa2 |
| SNP rating | Baa3 |
| Tier 2 subordinated | Baa3 |
| Additional Tier 1 | Ba2(hyb) |
| **Standard & Poor's** | |
| Senior Long-term debt | A (Stable) |
| Senior Short-term debt | A-1 |
| Stand Alone Credit Profile | A- |
| SNP rating | BBB+ |
| Tier 2 subordinated | BBB |
| Additional Tier 1 | BB+ |

NB: The above statements are extracts from the rating agencies reports on Societe Generale and should not be relied upon to reflect the agencies opinion. Please refer to full rating reports available on Societe Generale and the rating agencies' websites.

Source: DBRS, FitchRatings, Moody's and S&P as of 31st August 2017

# KEY FIGURES

| *In EUR m* | Q2 17 | Change Q2 vs. Q1 | Change Q2 vs. Q2 | H1 17 | Change H1 17 vs. H1 16 |
|---|---|---|---|---|---|
| Net banking income | 5,199 | *-19.7%* | *-25.6%* | 11,673 | *-11.3%* |
| Operating expenses | (4,169) | *-10.2%* | *+1.2%* | (8,813) | *+4.9%* |
| Net cost of risk | 259 | *n/s* | *n/s* | (368) | *n/s* |
| Reported Group net income | 1,058 | *+41.6%* | *-27.6%* | 1,805 | *-24.3%* |
| ROE (after tax) | 7.8% | | | 6.5% | |
| ROE* | 9.1% | | | 7.1% | |
| | | | | | |
| Earnings per Share* | | | | 2.12 | |
| Net Tangible Asset value per Share (EUR) | | | | 55.67 | |
| Net Asset value per Share (EUR) | | | | 61.94 | |
| | | | | | |
| Common Equity Tier 1 Ratio** | | | | 11.7% | |
| Tier 1 Ratio** | | | | 14.4% | |
| Total Capital Ratio** | | | | 17.7% | |

* Excluding revaluation of own financial liabilities and DVA (refer to p. 26)

** Fully loaded based on CRR/CRD4 rules, including Danish compromise for insurance. Refer to Methodology

# NON ECONOMIC AND EXCEPTIONAL ITEMS

The table below presents the transition from accounting data to underlying data. It includes non-economic items, exceptional items and the effect of the IFRIC 21 adjustment.

| *In EUR m* | Q2 17 | Q2 16 | Change | H1 17 | H1 16 | Change |
|---|---|---|---|---|---|---|
| **Net Banking Income** | **5,199** | **6,984** | **-25.6%** | **11,673** | **13,159** | **-11.3%** |
| *Reevaluation of own financial liabilities** | *(224)* | *(212)* | | *(199)* | *(67)* | |
| *DVA** | *(3)* | *1* | | *(6)* | *1* | |
| *Visa transaction*** | | *725* | | | *725* | |
| *LIA settlement*** | *(963)* | | | *(963)* | | |
| **Underlying Net Banking Income** | **6,389** | **6,470** | **-1.3%** | **12,841** | **12,500** | ***+2.7%*** |
| | | | | | | |
| **Operating expenses** | **(4,169)** | **(4,119)** | **+1.2%** | **(8,813)** | **(8,403)** | **+4.9%** |
| *IFRIC 21* | *(145)* | *(131)* | | *313* | *261* | |
| *Euribor fine refund*** | | | | | *218* | |
| **Underlying Operating expenses** | **(4,314)** | **(4,250)** | **+1.5%** | **(8,500)** | **(8,360)** | **+1.7%** |
| | | | | | | |
| **Net cost of risk** | **259** | **(664)** | ***n/s*** | **(368)** | **(1,188)** | ***n/s*** |
| *Provision for disputes*** | *(300)* | *(200)* | | *(300)* | *(200)* | |
| *LIA settlement*** | *750* | | | *400* | | |
| **Underlying Net Cost of Risk** | **(191)** | **(464)** | **-58.8%** | **(468)** | **(988)** | **-52.6%** |
| | | | | | | |
| **Net profit or losses from other assets** | **208** | **(16)** | ***n/s*** | **245** | **(12)** | ***n/s*** |
| *Change in consolidation method of Antarius*** | *203* | | | *203* | | |
| **Underlying Net profits or losses from other assets** | **5** | **(16)** | ***n/s*** | **42** | **(12)** | ***n/s*** |
| | | | | | | |
| **Group net income** | **1,058** | **1,461** | ***-27.6%*** | **1,805** | **2,385** | ***-24.3%*** |
| *Effect in Group net income of non economic and exceptionnal items and IFRIC 21* | *(107)* | *411* | | *(746)* | *461* | |
| **Underlying Group net income** | **1,165** | **1,050** | ***+11.0%*** | **2,551** | **1,924** | ***+32.6%*** |

* Non economic items

** Exceptionnal items

# QUARTERLY INCOME STATEMENT BY CORE BUSINESS

| | French Retail Banking | | International Retail Banking and Financial Services | | Global Banking and Investor Solutions | | Corporate Centre | | Group | |
|---|---|---|---|---|---|---|---|---|---|---|
| In EUR m | Q2 17 | Q2 16 | Q2 17 | Q2 16 | Q2 17 | Q2 16 | Q2 17 | Q2 16 | Q2 17 | Q2 16 |
| Net banking income | **2,052** | 2,100 | **2,009** | 1,891 | **2,331** | 2,435 | **(1,193)** | 558 | **5,199** | 6,984 |
| Operating expenses | **(1,389)** | (1,340) | **(1,029)** | (1,038) | **(1,699)** | (1,753) | **(52)** | 12 | **(4,169)** | (4,119) |
| Gross operating income | **663** | 760 | **980** | 853 | **632** | 682 | **(1,245)** | 570 | **1,030** | 2,865 |
| Net cost of risk | **(130)** | (168) | **(59)** | (191) | **(3)** | (106) | **451** | (199) | **259** | (664) |
| Operating income | **533** | 592 | **921** | 662 | **629** | 576 | **(794)** | 371 | **1,289** | 2,201 |
| Net income from companies accounted for by the equity method | **4** | 12 | **6** | 13 | **(1)** | 5 | **4** | 3 | **13** | 33 |
| Net profits or losses from other assets | **0** | (1) | **(2)** | 13 | **0** | 1 | **210** | (29) | **208** | (16) |
| Impairment losses on goodwill | **0** | 0 | **0** | 0 | **0** | 0 | **0** | 0 | **0** | 0 |
| Income tax | **(178)** | (200) | **(247)** | (182) | **(122)** | (129) | **245** | (116) | **(302)** | (627) |
| O.w. non controlling Interests | **0** | 0 | **110** | 70 | **7** | 5 | **33** | 55 | **150** | 130 |
| Group net income | **359** | 403 | **568** | 436 | **499** | 448 | **(368)** | 174 | **1,058** | 1,461 |
| Average allocated capital | **10,937** | 10,275 | **11,320** | 10,493 | **14,526** | 15,164 | **11,002*** | 10,264* | **47,784** | 46,196 |
| Group ROE (after tax) | | | | | | | | | **7.8%** | 11.7% |

Net banking income, operating expenses, allocated capital, ROE: see Methodology

* Calculated as the difference between total Group capital and capital allocated to the core businesses

# HALF YEAR INCOME STATEMENT BY CORE BUSINESS

| | French Retail Banking | | International Retail Banking and Financial Services | | Global Banking and Investor Solutions | | Corporate Centre | | Group | |
|---|---|---|---|---|---|---|---|---|---|---|
| In EUR m | H1 17 | H1 16 | H1 17 | H1 16 | H1 17 | H1 16 | H1 17 | H1 16 | H1 17 | H1 16 |
| Net banking income | **4,108** | 4,184 | **3,987** | 3,716 | **4,815** | 4,792 | **(1,237)** | 467 | **11,673** | 13,159 |
| Operating expenses | **(2,850)** | (2,765) | **(2,234)** | (2,171) | **(3,649)** | (3,470) | **(80)** | 3 | **(8,813)** | (8,403) |
| Gross operating income | **1,258** | 1,419 | **1,753** | 1,545 | **1,166** | 1,322 | **(1,317)** | 470 | **2,860** | 4,756 |
| Net cost of risk | **(275)** | (348) | **(170)** | (403) | **(24)** | (246) | **101** | (191) | **(368)** | (1,188) |
| Operating income | **983** | 1,071 | **1,583** | 1,142 | **1,142** | 1,076 | **(1,216)** | 279 | **2,492** | 3,568 |
| Net income from companies accounted for by the equity method | **20** | 24 | **18** | 24 | **1** | 15 | **11** | 5 | **50** | 68 |
| Net profits or losses from other assets | **6** | (3) | **33** | 13 | **(1)** | (11) | **207** | (11) | **245** | (12) |
| Impairment losses on goodwill | **0** | 0 | **1** | 0 | **0** | 0 | **0** | 0 | **1** | 0 |
| Income tax | **(331)** | (361) | **(431)** | (312) | **(246)** | (169) | **317** | (169) | **(691)** | (1,011) |
| O.w. non controlling Interests | **0** | 0 | **203** | 131 | **14** | 9 | **75** | 88 | **292** | 228 |
| Group net income | **678** | 731 | **1,001** | 736 | **882** | 902 | **(756)** | 16 | **1,805** | 2,385 |
| Average allocated capital | **10,917** | 10,355 | **11,251** | 10,494 | **14,638** | 15,472 | **11,028*** | 9,713* | **47,834** | 46,033 |
| Group ROE (after tax) | | | | | | | | | **6.5%** | 9.4% |

Net banking income, operating expenses, allocated capital, ROE: see Methodology

* Calculated as the difference between total Group capital and capital allocated to the core businesses

# CRR/CRD4 PRUDENTIAL CAPITAL RATIOS

## Fully loaded common Equity Tier 1, Tier 1 and Total Capital

| *In EUR bn* | 30/06/2017 | 31/12/2016 |
|---|---|---|
| **Shareholder equity Group share** | **60.1** | **62.0** |
| Deeply subordinated notes* | **(9.3)** | (10.7) |
| Undated subordinated notes* | **(0.3)** | (0.3) |
| Dividend to be paid & interest on subordinated notes | **(1.0)** | (1.9) |
| Goodwill and intangible | **(6.4)** | (6.3) |
| Non controlling interests | **3.4** | 2.6 |
| Deductions and regulatory adjustments** | **(5.5)** | (4.4) |
| **Common Equity Tier 1 Capital** | **41.0** | **40.9** |
| Additional Tier 1 capital | **9.4** | 10.6 |
| **Tier 1 Capital** | **50.5** | **51.5** |
| Tier 2 capital | **11.6** | 12.0 |
| **Total capital (Tier 1 + Tier 2)** | **62.1** | **63.6** |
| **Total risk-weighted assets** | **351** | **355** |
| **Common Equity Tier 1 Ratio** | **11.7%** | **11.5%** |
| **Tier 1 Ratio** | **14.4%** | **14.5%** |
| **Total Capital Ratio** | **17.7%** | **17.9%** |

Ratios based on the CRR/CDR4 rules as published on 26th June 2013, including Danish compromise for insurance. See Methodology

* Excluding issue premiums on deeply subordinated notes and on undated subordinated notes

** Fully loaded deductions

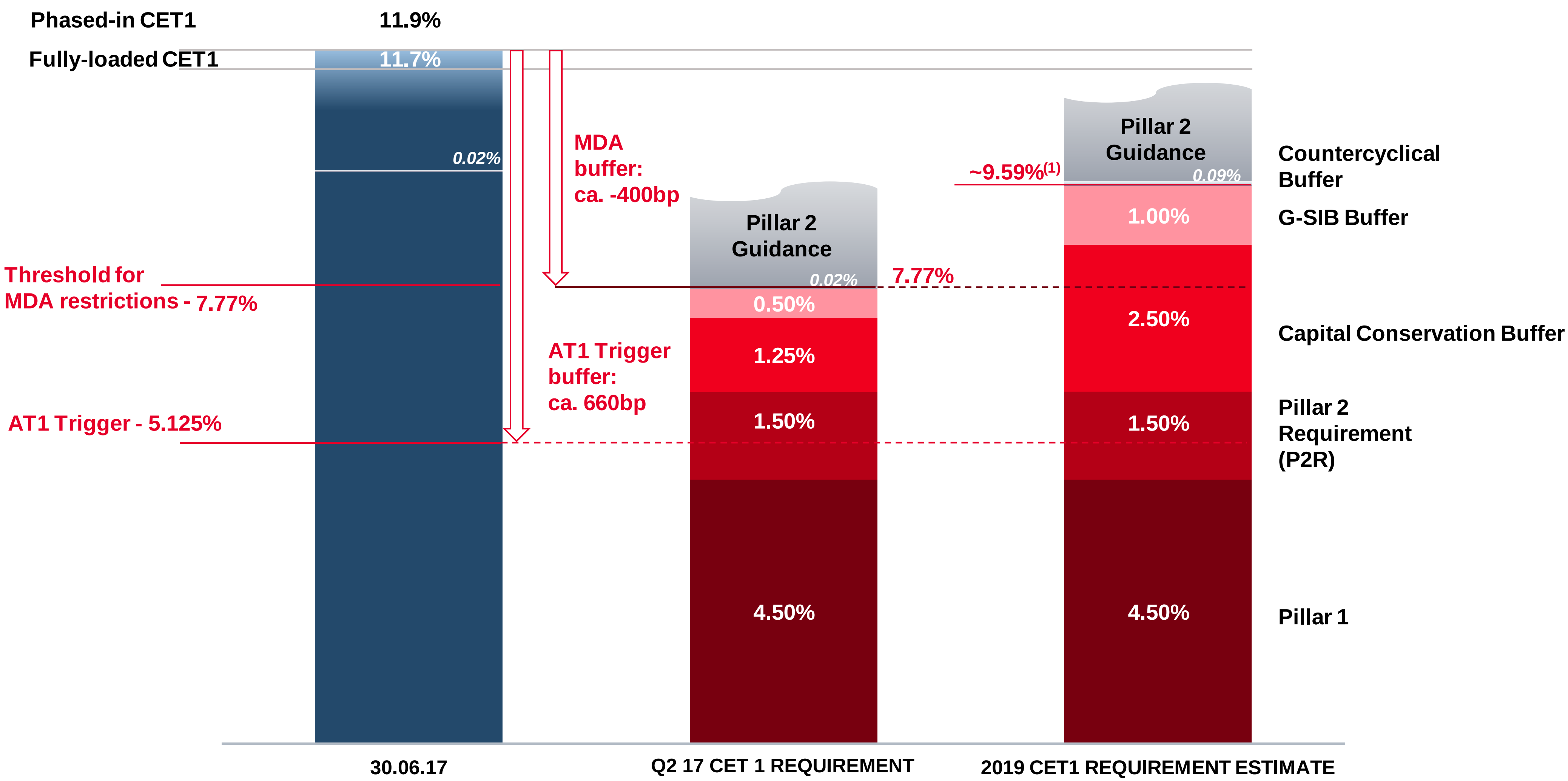
# CRR LEVERAGE RATIO

## CRR fully loaded leverage ratio(1)

| *In EUR bn* | 30/06/2017 | 31/12/2016 |
|---|---|---|
| **Tier 1 Capital** | **50.5** | **51.5** |
| Total prudential balance sheet (2) | **1,217** | 1,270 |
| Adjustement related to derivative exposures | **(88)** | (112) |
| Adjustement related to securities financing transactions* | **(21)** | (22) |
| Off-balance sheet (loan and guarantee commitments) | **96** | 91 |
| Technical and prudential ajustments (Tier 1 capital prudential deductions) | **(11)** | (10) |
| Leverage exposure | 1,193 | 1,217 |
| **CRR leverage ratio** | **4.2%** | **4.2%** |

(1) Fully loaded based on CRR rules taking into account the leverage ratio delegated act adopted in October 2014 by the European Commission. See Methodology
(2) The prudential balance sheet corresponds to the IFRS balance sheet less entities accounted for through the equity method (mainly insurance subsidiaries)
* Securities financing transactions : repos, reverse repos, securities lending and borrowing and other similar transactions

# PILLAR 2 LATEST DEVELOPMENT STRENGHTENING ALREADY LARGE CAPITAL BUFFERS




(1) Not based on the official ECB decision but on a pre-notification pending to be confirmed

# LONG TERM FUNDING PROGRAMME

## Q2 17 Landmark Issuance

**AUD 500M 10Y Bullet Tier 2 & AUD 150M TAP**

**Societe Generale**
10 Y Bullet Tier 2
**5.000% 19-May-27**
**AUD 650,000,000**

- Second AUD Tier 2 of the year
- Largest AUD subordinated transaction issued by a non-domestic issuer in recent years

**EUR 1bn 7Y FRN Senior Non-Preferred**

**Societe Generale**
7 Y FRN Senior Non-Preferred
**3mE+80bp 22-May-24**
**EUR 1,000,000,000**

- Longest FRN ever done in Senior Non-Preferred format
- High European investor diversification

**Dual tranche JPY 37.6bn 5Y & JPY 42.4bn 10Y Senior Non-Preferred**

**Societe Generale**
5 Y Senior Non-Preferred
**0.448% 26-May-22**
**JPY 37.6bn**

**Societe Generale**
10 Y Senior Non-Preferred
**0.847% 26-May-27**
**JPY 42.4bn**

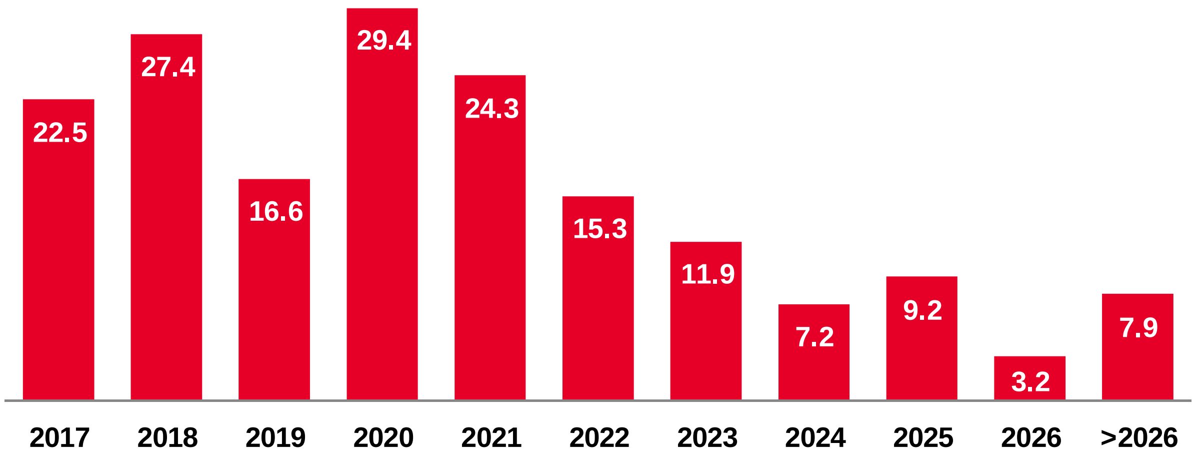
- High diversification of funding sources after several forays in EUR, USD, SEK and CHF in 2017
- Taking advantage from the strong appetite from Japanese investors following the French elections, in a risk-on environment

**EUR 750M 8Y Bullet Covered bond**

**SG SFH**
8Y Covered Bond
**0.500% 02-Jun-25**
**EUR 750,000,000**

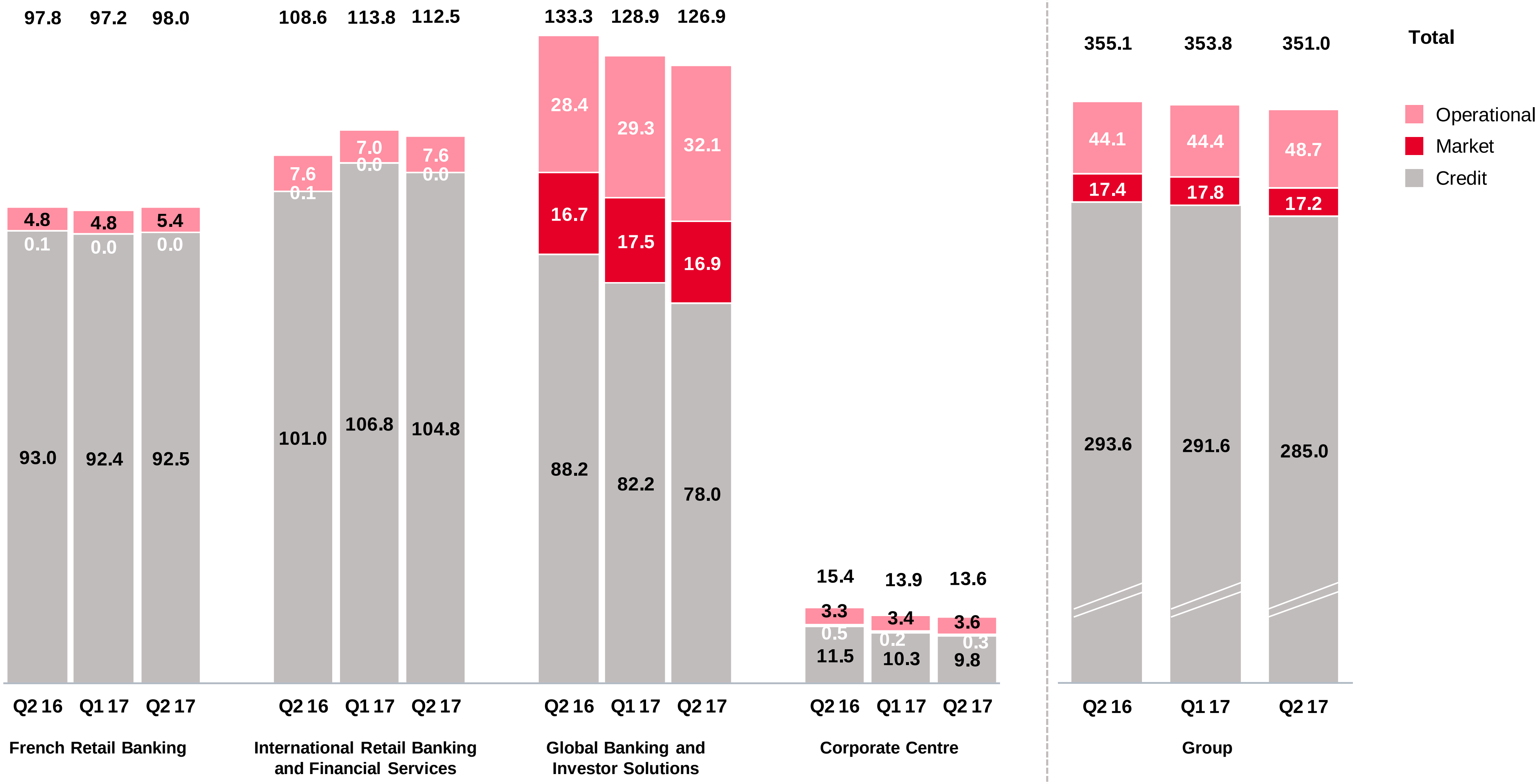
- Second covered bond of the year after the EUR 750M 7Y launched in January

## Balanced amortisation[1] schedule (at 30.06.2017, in EUR bn)



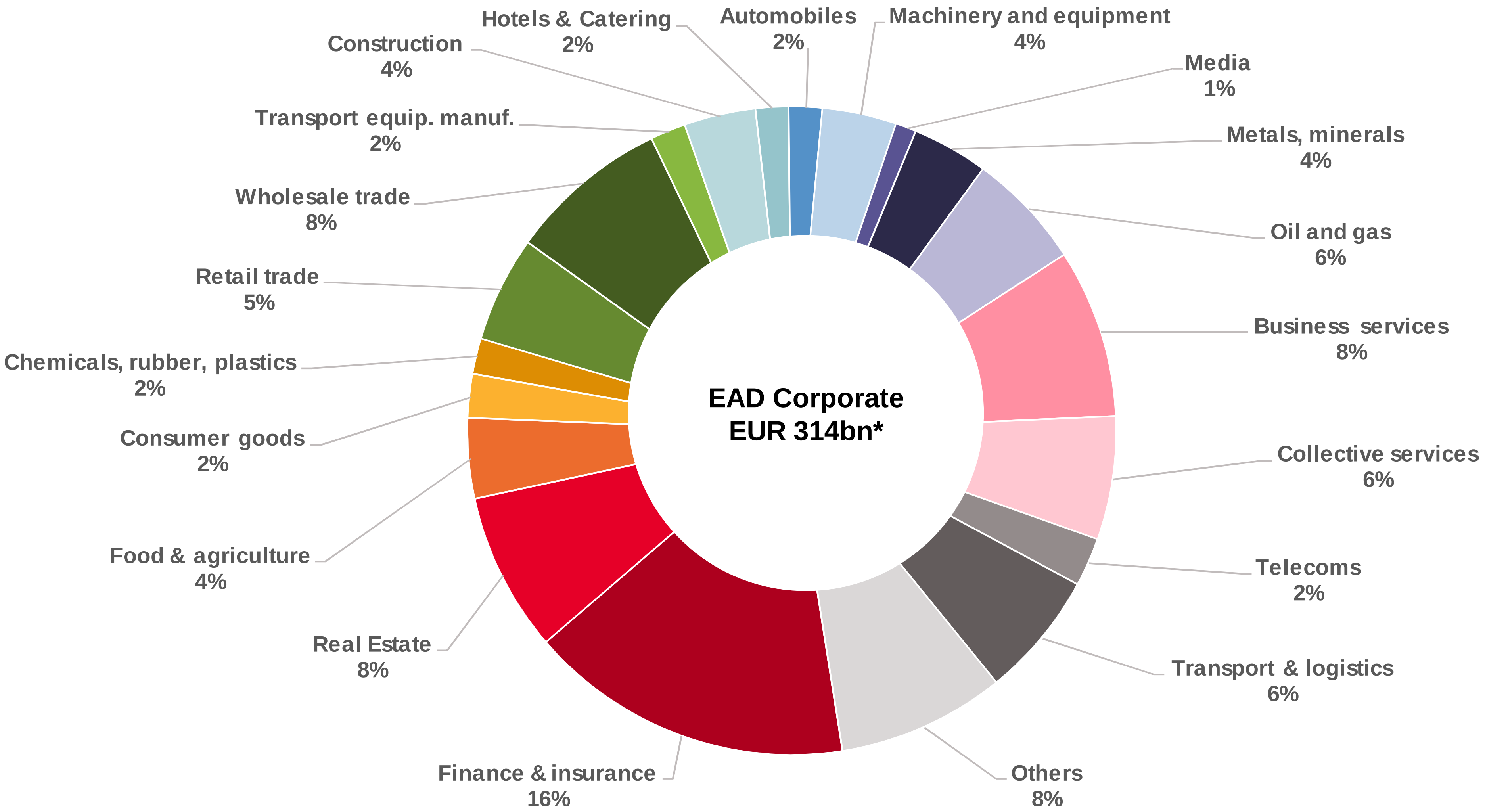

(1) Long Term wholesale funding (detailed on page 14). Modelled maturity for structured issues

# RISK-WEIGHTED ASSETS* (CRR/CRD 4, IN EUR BN)




* Includes the entities reported under IFRS 5 until disposal

# BREAKDOWN OF SG GROUP COMMITMENTS BY SECTOR AT 30.06. 2017

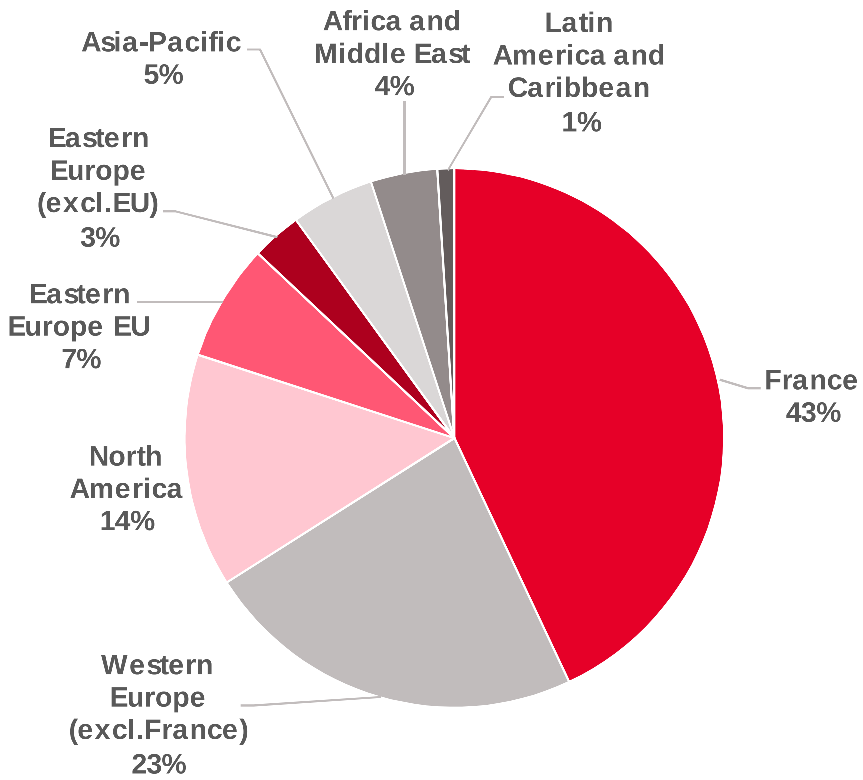



* EAD for the corporate portfolio as defined by the Basel regulations (large corporate including insurance companies, funds and hedge funds, SME, specialised financing, and factoring). Total credit risk (debtor, issuer and replacement risk)

# GEOGRAPHIC BREAKDOWN OF SG GROUP COMMITMENTS AT 30.06.2017

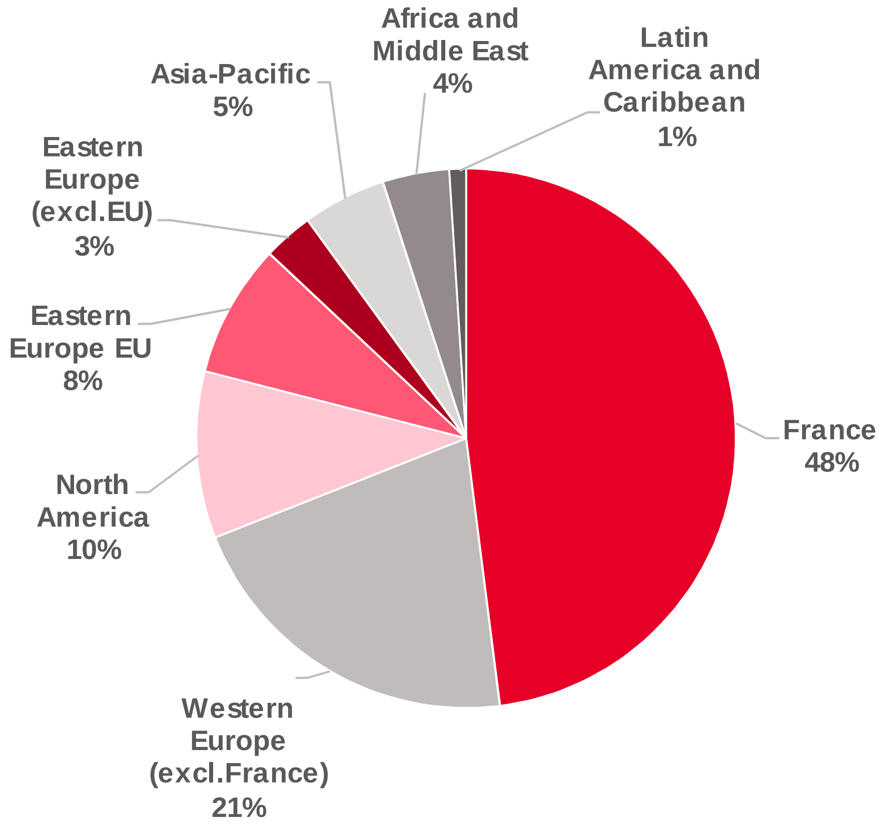
## On-and off-balance sheet EAD*

All customers included: EUR 858bn




## On-balance sheet EAD*

All customers included: EUR 642bn




* Total credit risk (debtor, issuer and replacement risk for all portfolios)

# CHANGE IN GROSS BOOK OUTSTANDINGS*

*End of period in EUR bn*


| | Q2 15 | Q3 15 | Q4 15 | Q1 16 | Q2 16 | Q3 16 | Q4 16 | Q1 17 | Q2 17 |
|---|---|---|---|---|---|---|---|---|---|
| Total | 462.3 | 461.2 | 461.4 | 467.4 | 486.4 | 477.6 | 479.1 | 483.1 | 475.5 |
| Global Banking and Investor Solutions | 142.6 | 141.7 | 138.0 | 143.9 | 156.9 | 154.1 | 152.2 | 155.8 | 137.9 |
| International Retail Banking and Financial Services | 123.1 | 123.2 | 123.8 | 123.8 | 127.7 | 130.0 | 129.3 | 132.2 | 133.5 |
| French Retail Banking | 183.8 | 185.1 | 188.2 | 187.3 | 189.2 | 187.5 | 190.4 | 187.6 | 195.2 |
| Corporate Centre | 12.8 | 11.2 | 11.4 | 12.4 | 12.6 | 6.0 | 7.2 | 7.5 | 8.9 |

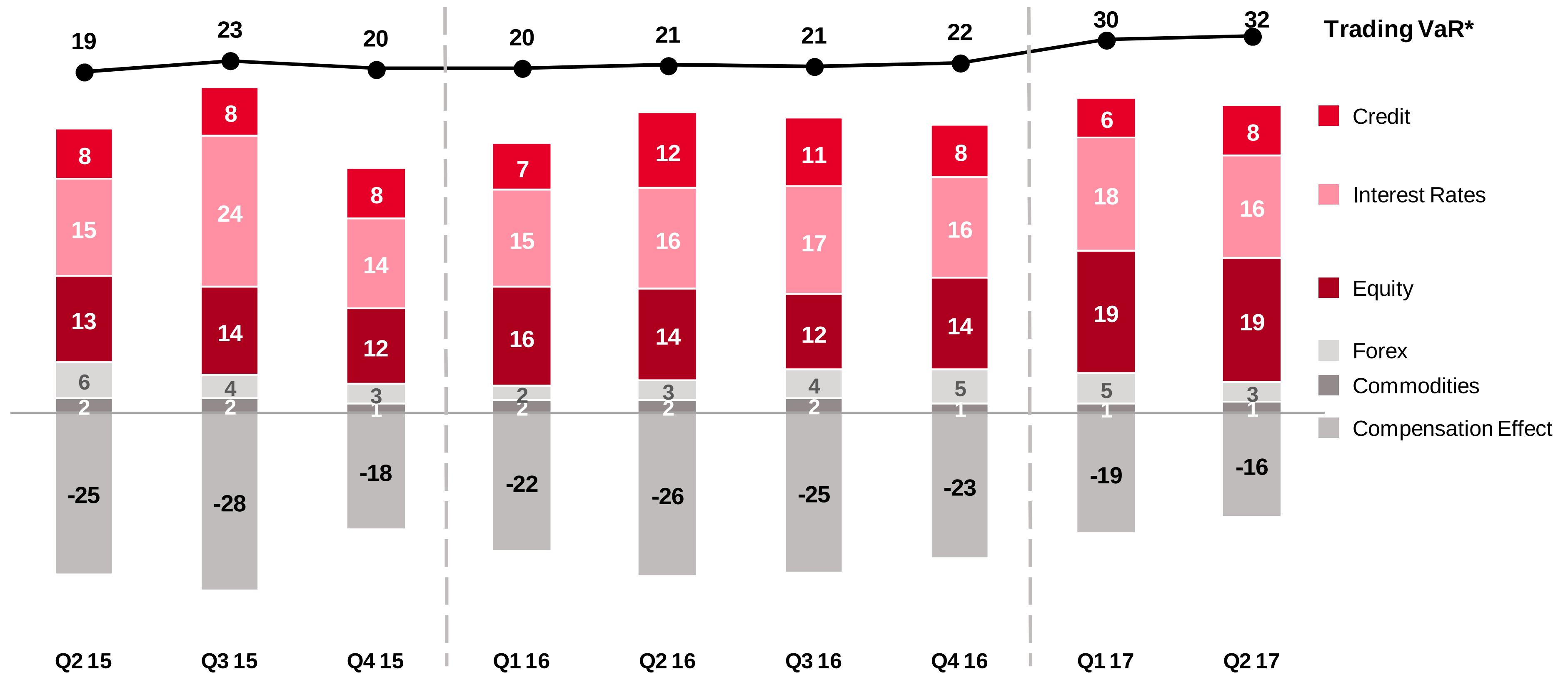
* Customer loans; deposits and loans due from banks, leasing and lease assets. Excluding repurchase agreements
Excluding entities reported under IFRS 5

# NON PERFORMING LOANS

| **In EUR bn** | **30/06/2017** | **31/03/2017** | **30/06/2016** |
|---|---|---|---|
| Gross book outstandings* | 475.6 | 483.1 | 486.5 |
| Doubtful loans* | 22.0 | 23.3 | 24.7 |
| ***Group Gross non performing loans ratio**** | ***4.6%*** | ***4.8%*** | ***5.1%*** |
| Specific provisions* | 12.1 | 13.5 | 14.3 |
| Portfolio-based provisions* | 1.4 | 1.5 | 1.5 |
| ***Group Gross doubtful loans coverage ratio* (Overall provisions / Doubtful loans)*** | ***62%*** | ***65%*** | ***64%*** |

* Customer loans, deposits at banks and loans due from banks, leasing and lease assets
See : Methodology

# CHANGE IN TRADING VAR* AND STRESSED VAR

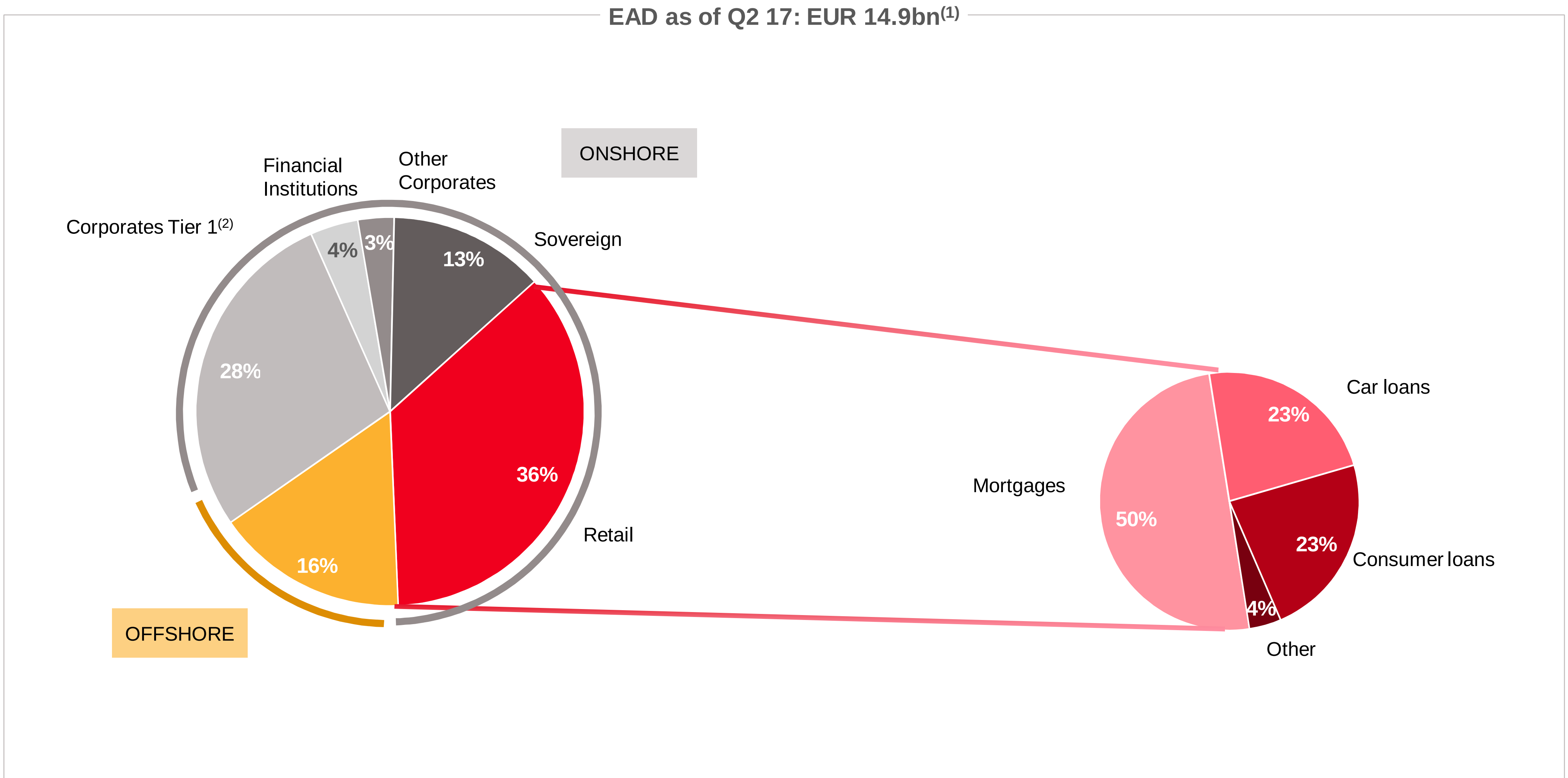



| Stressed VAR** (1 day, 99%, in EUR m) | Q2 16 | Q3 16 | Q4 16 | Q1 17 | Q2 17 |
|---|---|---|---|---|---|
| Minimum | 30 | 26 | 30 | 27 | 21 |
| Maximum | 52 | 53 | 68 | 68 | 52 |
| Average | 43 | 39 | 46 | 47 | 36 |

* Trading VaR: measurement over one year (i.e. 260 scenario) of the greatest risk obtained after elimination of 1% of the most unfavourable occurrences

** Stressed VaR : Identical approach to VaR (historical simulation with 1-day shocks and a 99% confidence interval), but over a fixed one-year historical window corresponding to a period of significant financial tension instead of a one-year rolling period

# DIVERSIFIED EXPOSURE TO RUSSIA

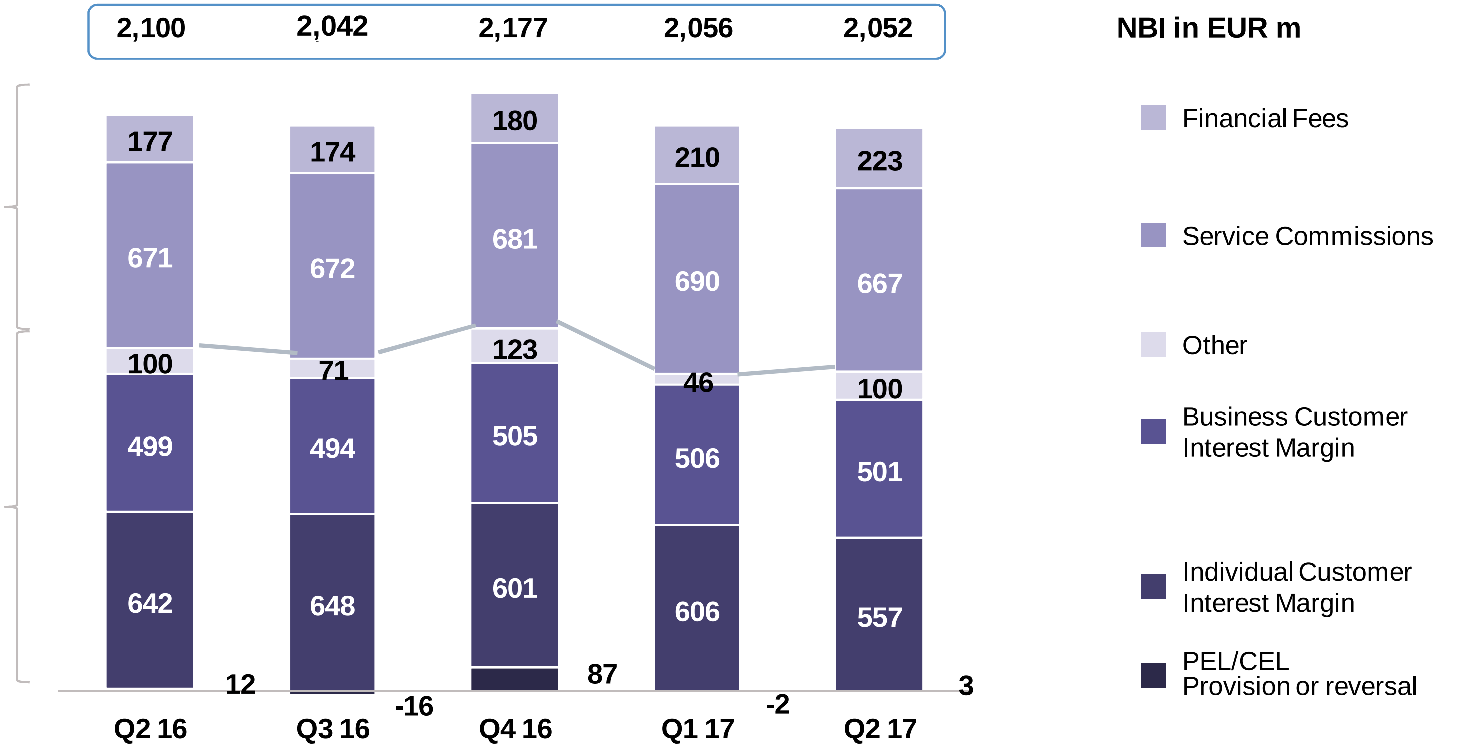



(1) EAD net of provisions
(2) Top 500 Russian corporates and multinational corporates

# CHANGE IN NET BANKING INCOME

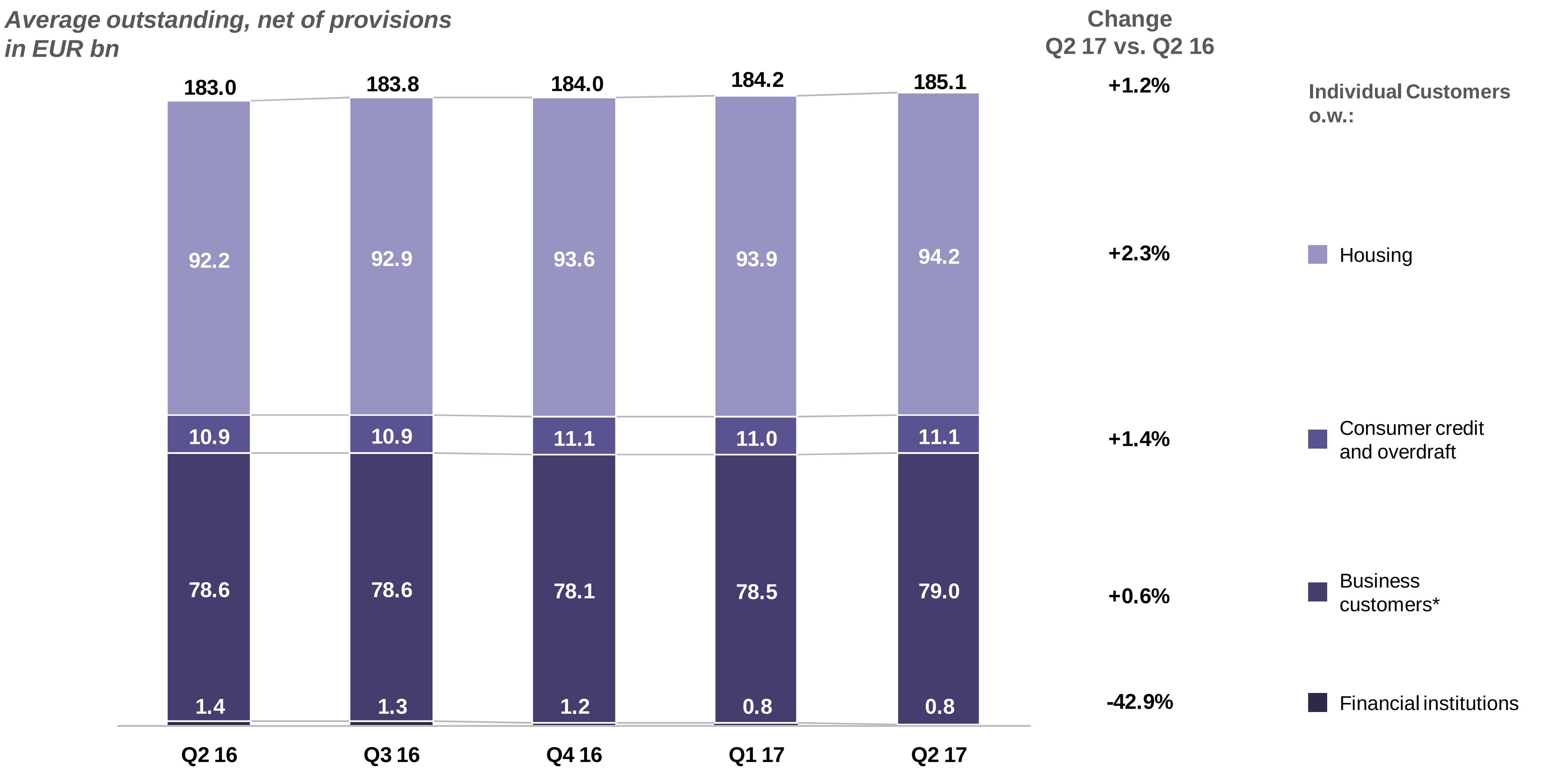
**Commissions:**
+5.0% vs. Q2 16

**Interest margin(1):**
-6.6% vs. Q2 16




(1) Excluding PEL/CEL

# LOANS OUTSTANDING




* SMEs, self-employed professionals, local authorities, corporates, NPOs, including foreign currency loans

# INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES – HALF YEAR RESULTS

| | International Retail Banking | | | Insurance | | | Financial Services to Corporates | | | Other | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In EUR m | H1 17 | H1 16 | Change | H1 17 | H1 16 | Change | H1 17 | H1 16 | Change | H1 17 | H1 16 | H1 17 | H1 16 | Change |
| Net banking income | 2,584 | 2,461 | +4.8%* | 484 | 441 | +5.6%* | 908 | 803 | +7.1%* | 11 | 11 | 3,987 | 3,716 | +5.3%* |
| Operating expenses | (1,613) | (1,530) | +3.9%* | (197) | (183) | +5.7%* | (445) | (409) | +1.6%* | 21 | (49) | (2,234) | (2,171) | +0.6%* |
| Gross operating income | 971 | 931 | +6.3%* | 287 | 258 | +5.5%* | 463 | 394 | +12.8%* | 32 | (38) | 1,753 | 1,545 | +11.9%* |
| Net cost of risk | (148) | (353) | -66.3%* | 0 | 0 | n/s | (22) | (25) | -15.7%* | 0 | (25) | (170) | (403) | -65.4%* |
| Operating income | 823 | 578 | +55.2%* | 287 | 258 | +5.5%* | 441 | 369 | +14.7%* | 32 | (63) | 1,583 | 1,142 | +40.7%* |
| Net profits or losses from other assets | 35 | 1 | x 35,0 | 0 | 0 | n/s | 0 | 0 | n/s | (2) | 12 | 33 | 13 | x 2,1 |
| Impairment losses on goodwill | 1 | 0 | n/s | 0 | 0 | n/s | 0 | 0 | n/s | 0 | 0 | 1 | 0 | n/s |
| Income tax | (206) | (139) | +61.2%* | (97) | (82) | +12.2%* | (119) | (108) | +5.8%* | (9) | 17 | (431) | (312) | +39.7%* |
| Group net income | 471 | 317 | +67.5%* | 189 | 175 | +2.5%* | 329 | 276 | +16.3%* | 12 | (32) | 1,001 | 736 | +38.7%* |
| C/I ratio | 62% | 62% | | 41% | 41% | | 49% | 51% | | | | 56% | 58% | |
| Average allocated capital | 6,707 | 6,246 | | 1,740 | 1,709 | | 2,675 | 2,410 | | 129 | 130 | 11,251 | 10,494 | |

* When adjusted for changes in Group structure and at constant exchange rates
Net banking income, operating expenses, Cost to income ratio, allocated capital : see Methodology

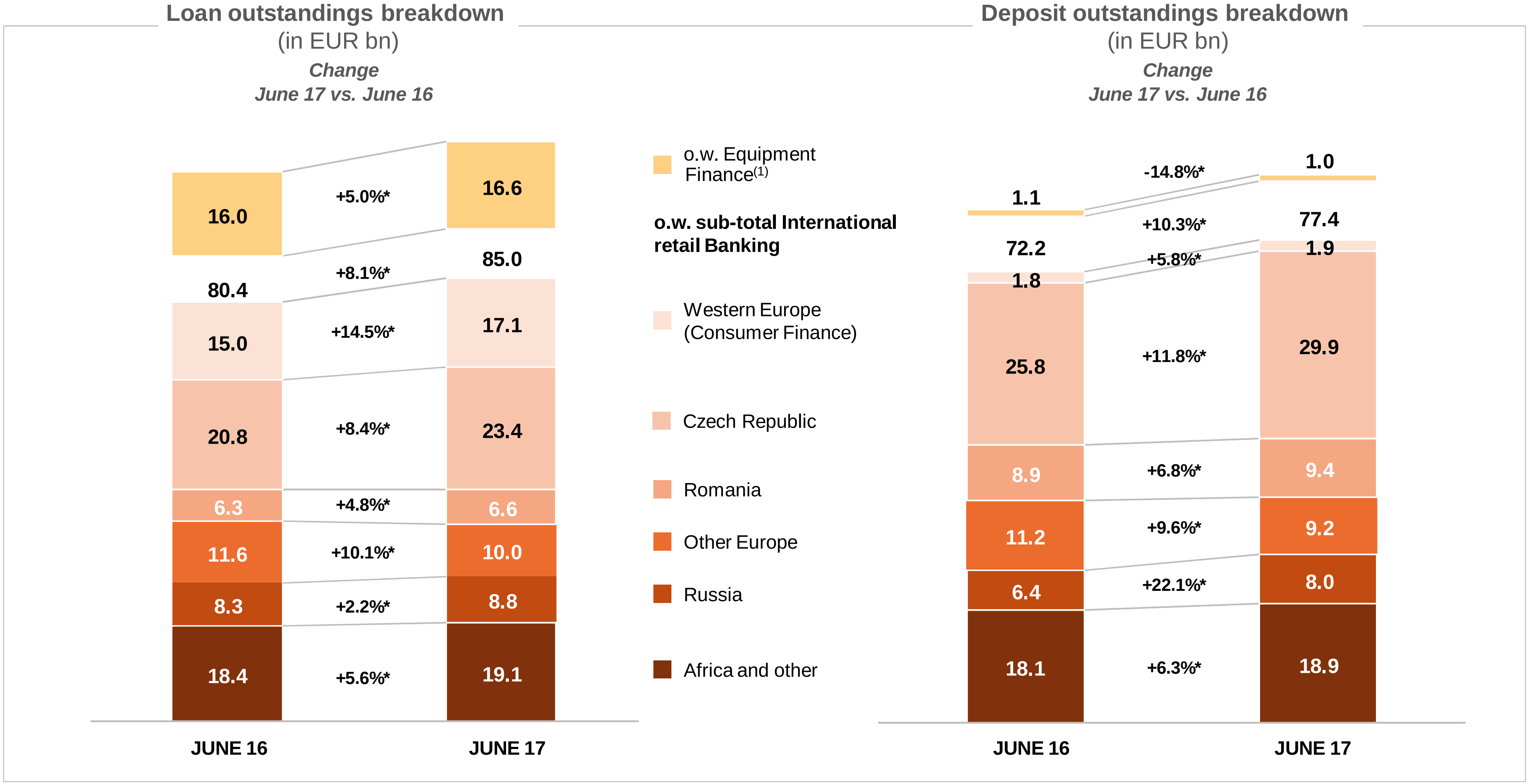
# HALF YEAR RESULTS OF INTERNATIONAL RETAIL BANKING: BREAKDOWN BY REGION

| | Western Europe | | Czech Republic | | Romania | | Other Europe | | Russia (1) | | Africa and others | | Total International retail Banking | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **In M EUR** | **H1 17** | **H1 16** | **H1 17** | **H1 16** | **H1 17** | **H1 16** | **H1 17** | **H1 16** | **H1 17** | **H1 16** | **H1 17** | **H1 16** | **H1 17** | **H1 16** |
| **Net banking income** | **370** | 338 | **514** | 516 | **265** | 264 | **325** | 365 | **359** | 283 | **751** | 695 | **2,584** | 2,461 |
| Change * | **+9.5%*** | | **-1.3%*** | | **+1.3%*** | | **+6.5%*** | | **+1.5%*** | | **+9.5%*** | | **+4.8%*** | |
| **Operating expenses** | **(186)** | (183) | **(296)** | (283) | **(175)** | (172) | **(214)** | (243) | **(300)** | (236) | **(442)** | (413) | **(1,613)** | (1,530) |
| Change * | **+1.6%*** | | **+3.6%*** | | **+2.6%*** | | **+1.5%*** | | **+1.7%*** | | **+8.5%*** | | **+3.9%*** | |
| **Gross operating income** | **184** | **155** | **218** | **233** | **90** | **92** | **111** | **122** | **59** | **47** | **309** | **282** | **971** | **931** |
| Change * | **+18.7%*** | | **-7.3%*** | | **-1.2%*** | | **+17.2%*** | | **+0.5%*** | | **+11.0%*** | | **+6.3%*** | |
| **Net cost of risk** | **(57)** | (48) | **2** | (35) | **72** | (43) | **(56)** | (34) | **(30)** | (114) | **(79)** | (79) | **(148)** | (353) |
| Change * | **+18.8%*** | | **n/s** | | **n/s** | | **+74.4%*** | | **-79.1%*** | | **+1.5%*** | | **-66.3%*** | |
| **Operating income** | **127** | **107** | **220** | **198** | **162** | **49** | **55** | **88** | **29** | **(67)** | **230** | **203** | **823** | **578** |
| Change * | **+18.7%*** | | **+10.1%*** | | **x 3,3** | | **+2.7%*** | | **n/s** | | **+14.7%*** | | **+55.2%*** | |
| **Net profits or losses from other assets** | **0** | 0 | **37** | 0 | **0** | 0 | **0** | 0 | **(1)** | 1 | **(1)** | 0 | **35** | 1 |
| **Impairment losses on goodwill** | **0** | 0 | **1** | 0 | **0** | 0 | **0** | 0 | **0** | 0 | **0** | 0 | **1** | 0 |
| **Income tax** | **(31)** | (25) | **(61)** | (48) | **(39)** | (12) | **(14)** | (21) | **(7)** | 15 | **(54)** | (48) | **(206)** | (139) |
| **Group net income** | **94** | **76** | **121** | **92** | **74** | **23** | **40** | **64** | **21** | **(50)** | **121** | **112** | **471** | **317** |
| Change * | **+23.7%*** | | **+29.4%*** | | **x 3,3** | | **+5.0%*** | | **n/s** | | **+9.9%*** | | **+67.5%*** | |
| **C/I ratio** | **50%** | 54% | **58%** | 55% | **66%** | 65% | **66%** | 67% | **84%** | 83% | **59%** | 59% | **62%** | 62% |
| **Average allocated capital** | **1,262** | 1,141 | **941** | 887 | **410** | 419 | **1,193** | 1,177 | **1,252** | 1,089 | **1,650** | 1,534 | **6,707** | 6,246 |

* When adjusted for changes in Group structure and at constant exchange rates
Net banking income, operating expenses, cost to income ratio, allocated capital : see Methodology

(1) Russia structure includes Rosbank, Delta Credit, Rusfinance and their consolidated subsidiaries in International Retail Banking

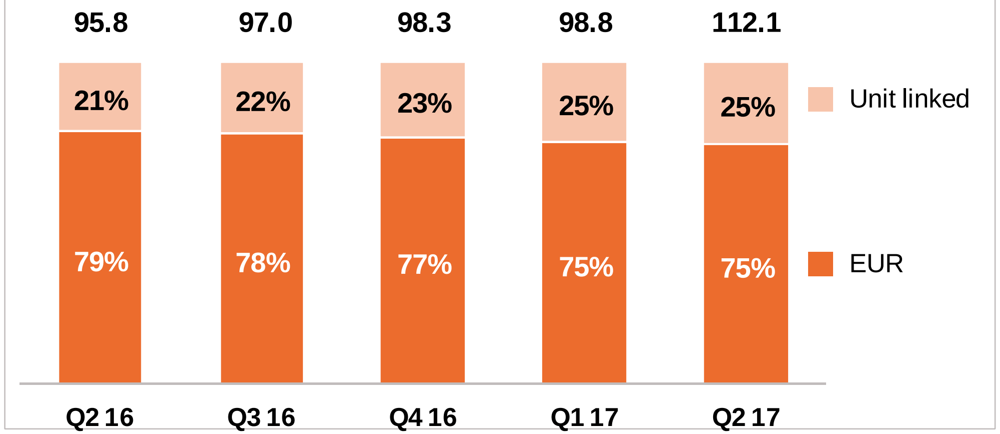
# LOAN AND DEPOSIT OUTSTANDINGS BREAKDOWN



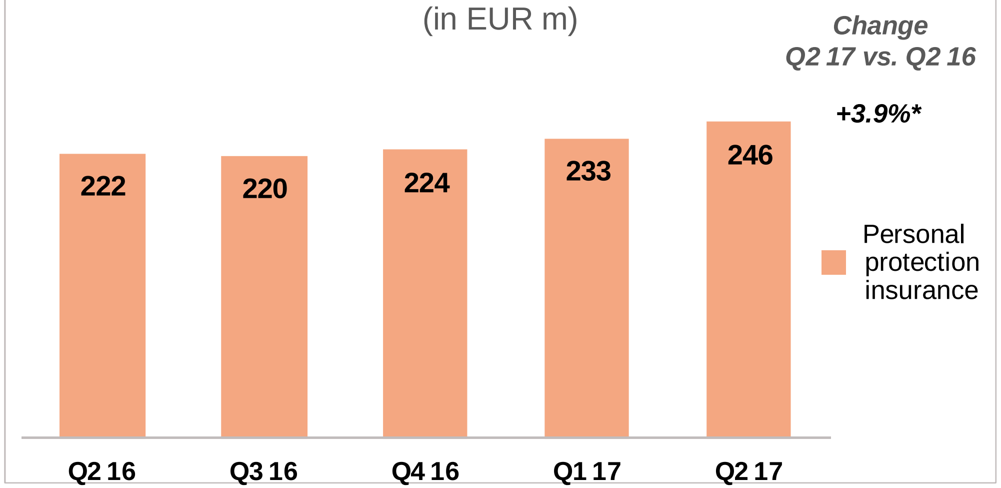

* When adjusted for changes in Group structure and at constant exchange rates
(1) Excluding factoring

# INSURANCE KEY FIGURES

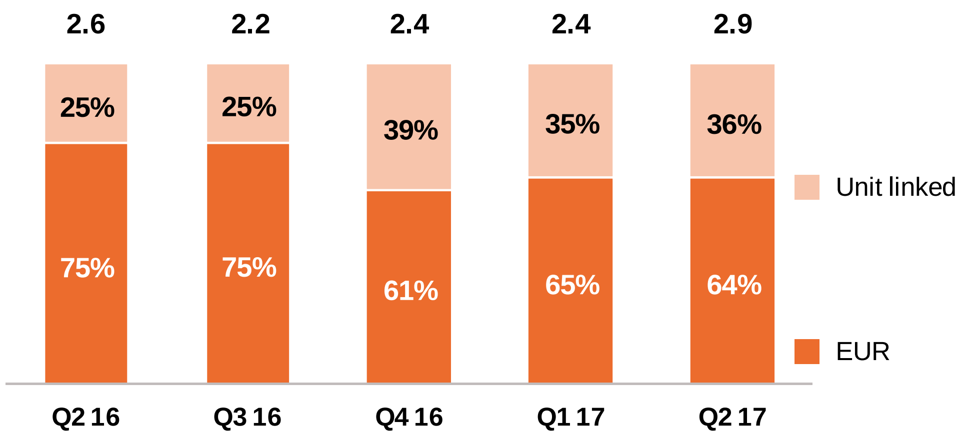
## Life insurance outstandings and unit linked breakdown (in EUR bn)



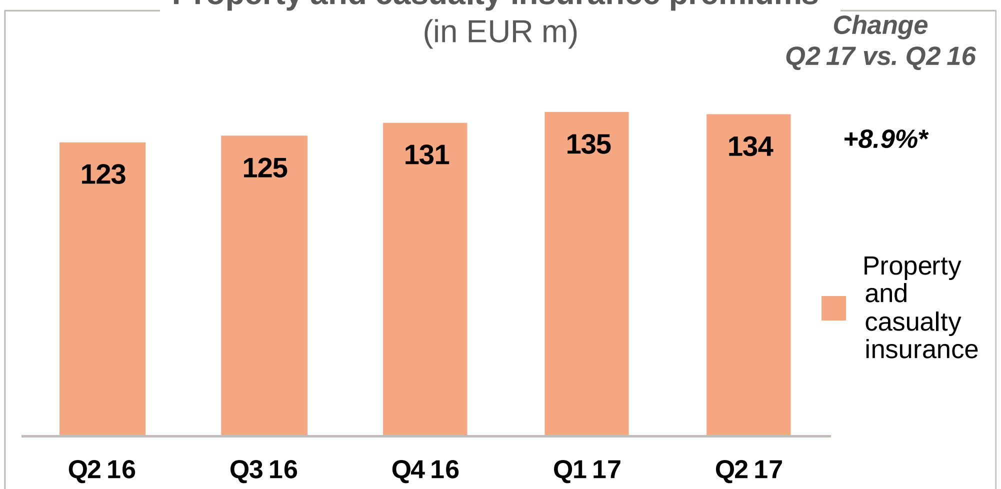

## Personal protection insurance premiums (in EUR m)




## Life insurance gross inflows (in EUR bn)




## Property and casualty insurance premiums (in EUR m)




* When adjusted for changes in Group structure and at constant exchange rates

# SG RUSSIA(1)

## SG Russia results

| In EUR m | Q2 17 | Q2 16 | Change | H1 17 | H1 16 | Change |
|---|---|---|---|---|---|---|
| **Net banking income** | **209** | **169** | **+4.7%*** | **403** | **326** | **-1.0%*** |
| Operating expenses | (156) | (128) | +3.3%* | (318) | (250) | +1.9%* |
| **Gross operating income** | **52** | **41** | **+9.0%*** | **85** | **76** | **-10.5%*** |
| Net cost of risk | (9) | (56) | -86.3%* | (30) | (114) | -79.1%* |
| **Operating income** | **43** | **(15)** | **n/a** | **55** | **(38)** | **n/a** |
| **Group net income** | **31** | **(12)** | **n/a** | **40** | **(30)** | **n/a** |
| C/I ratio | 75% | 76% | | 79% | 77% | |

## SG commitments to Russia

| In EUR bn | Q2 17 | Q4 16 | Q4 15 | Q4 14 |
|---|---|---|---|---|
| Book value | 2.7 | 2.7 | 2.4 | 2.7 |
| Intragroup Funding | | | | |
| - *Sub. Loan* | 0.5 | 0.6 | 0.7 | 0.7 |
| - *Senior* | 0.0 | 0.0 | 0.0 | 0.7 |

* When adjusted for changes in Group structure and at constant exchange rates

(1) Contribution of Rosbank, Delta Credit Bank, Rusfinance Bank, Societe Generale Insurance, ALD Automotive, and their consolidated subsidiaries to Group businesses results
Net banking income, operating expenses, cost to income ratio: see Methodology

# PRESENCE IN CENTRAL AND EASTERN EUROPE

| Clients | NBI | Net income | C/I | RWA |
|---|---|---|---|---|
| 7.3m | EUR 1.1bn | EUR 235m | 62.1% | EUR 31.2bn |

| H1 17 | NBI (In EUR m) | RWA (In EUR m) | Credits (In EUR m) | Deposits (In EUR m) | L/D ratio | Ranking |
|---|---|---|---|---|---|---|
| Czech Republic | 514 | 14,476 | 23,357 | 29,913 | 78% | 3rd(1) |
| Romania | 264 | 7,004 | 6,581 | 9,448 | 70% | 3rd(1) |
| Poland | 79 | 1,878 | 2,754 | 1,637 | 168% | |
| Slovenia | 52 | 1,851 | 2,291 | 2,178 | 105% | 2nd(2) |
| Bulgaria | 63 | 2,318 | 2,130 | 2,548 | 84% | 6th(3) |
| Serbia | 45 | 1,740 | 1,518 | 1,280 | 119% | 4th(2) |
| Montenegro | 12 | 408 | 343 | 332 | 103% | 1st(2) |
| FYR Macedonia | 13 | 505 | 400 | 377 | 106% | 4th(3) |
| Albania | 13 | 521 | 364 | 512 | 71% | 4th(2) |
| Moldavia | 15 | 406 | 199 | 342 | 58% | 4th(1) |
| Other | 33 | 64 | 0 | 0 | - | |



(1) Ranking based on balance sheet
(2) Ranking based on loan outstandings
(3) Ranking based on deposit outstandings

# PRESENCE IN AFRICA

| Clients | NBI | Net income | C/I | RWA |
|---|---|---|---|---|
| 4m | EUR 0.6bn | EUR 104m | 56.9% | EUR 19.1bn |

| H1 17 | NBI (In EUR m) | RWA (In EUR m) | Credits (In EUR m) | Deposits (In EUR m) | L/D ratio | Ranking |
|---|---|---|---|---|---|---|
| Morocco | 204 | 6,289 | 6,769 | 5,660 | 120% | 4th(2) |
| Algeria | 77 | 2,322 | 1,779 | 2,053 | 87% | |
| Tunisia | 53 | 1,505 | 1,543 | 1,330 | 116% | 7th(2) |
| Côte d'Ivoire | 80 | 1,913 | 1,353 | 1,830 | 74% | 1st(2) |
| Senegal | 42 | 1,365 | 762 | 969 | 79% | 2nd(2) |
| Cameroun | 43 | 1,262 | 882 | 987 | 89% | 2nd(2) |
| Ghana | 41 | 685 | 251 | 370 | 68% | 14th(2) |
| Madagascar | 25 | 384 | 225 | 429 | 52% | |
| Burkina Faso | 23 | 1,030 | 590 | 537 | 110% | 4th(2) |
| Guinea Equatorial | 18 | 418 | 271 | 347 | 78% | 2nd(2) |
| Guinea | 18 | 258 | 166 | 269 | 62% | 1st(2) |
| Chad | 11 | 257 | 158 | 153 | 103% | 3rd(3) |
| Benin | 11 | 559 | 360 | 307 | 117% | 3rd(2) |



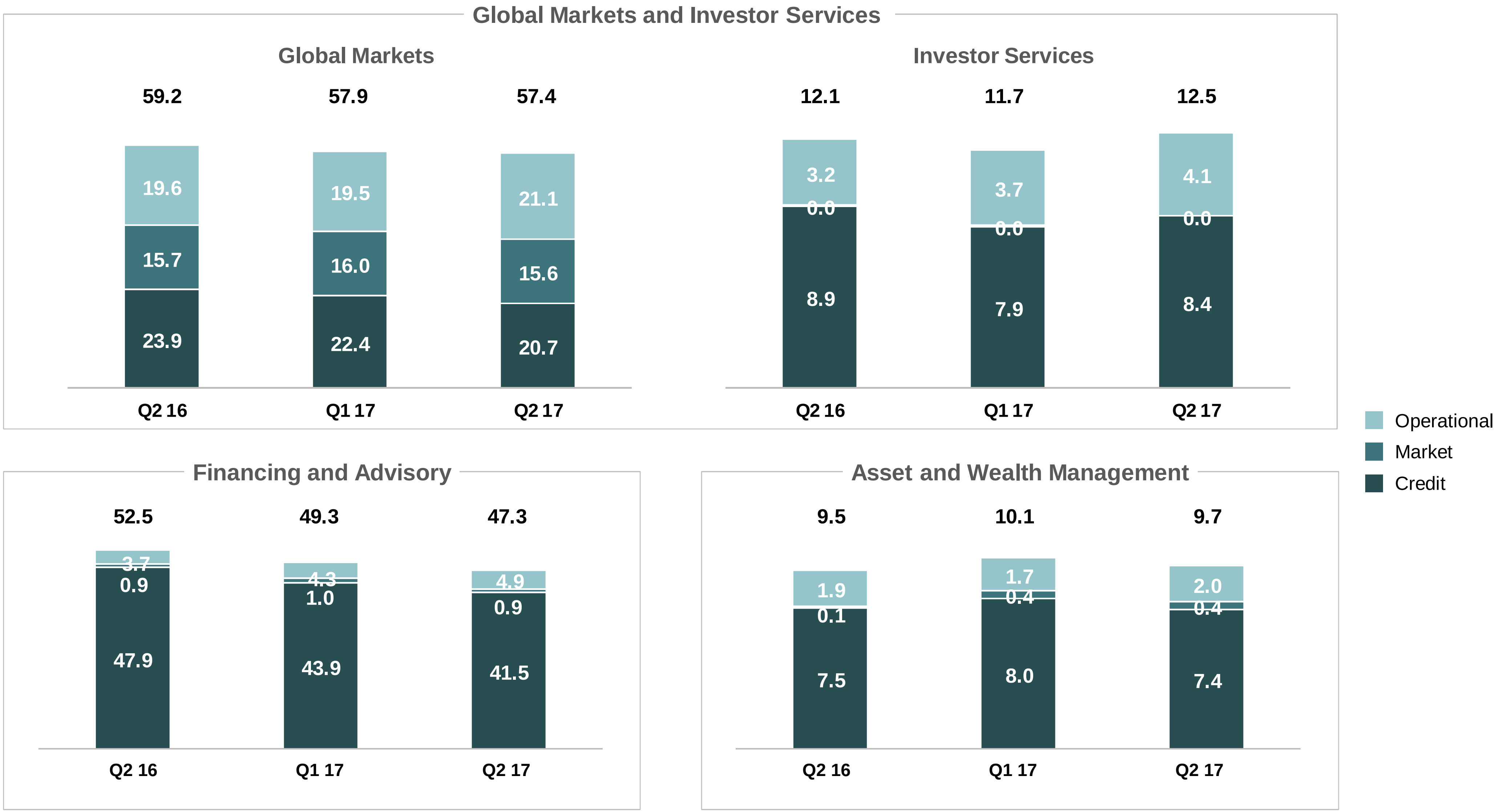
(1) Ranking based on balance sheet
(2) Ranking based on loan outstandings
(3) Ranking based on deposit outstandings

# GLOBAL BANKING AND INVESTOR SOLUTIONS – HALF YEAR RESULTS

| In M EUR | Global Markets and Investor Services H1 17 | Global Markets and Investor Services H1 16 | Global Markets and Investor Services Change | Financing and Advisory H1 17 | Financing and Advisory H1 16 | Financing and Advisory Change | Asset and Wealth Management H1 17 | Asset and Wealth Management H1 16 | Asset and Wealth Management Change | Total Global Banking and Investor Solutions H1 17 | Total Global Banking and Investor Solutions H1 16 | Total Global Banking and Investor Solutions Change | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net banking income | **3,174** | 3,093 | +2.8%* | **1,124** | 1,209 | -6.5%* | **517** | 490 | +5.2%* | **4,815** | 4,792 | +0.5% | +0.7%* |
| Operating expenses | **(2,394)** | (2,230) | +7.6%* | **(798)** | (779) | +3.3%* | **(457)** | (461) | -3.6%* | **(3,649)** | (3,470) | +5.2% | +5.3%* |
| Gross operating income | **780** | 863 | -9.6%* | **326** | 430 | -24.1%* | **60** | 29 | x 2,4 | **1,166** | 1,322 | -11.8% | -11.2%* |
| Net cost of risk | **(39)** | (8) | x 4,8 | **19** | (236) | n/s | **(4)** | (2) | +100.0%* | **(24)** | (246) | -90.2% | -90.4%* |
| Operating income | **741** | 855 | -13.3%* | **345** | 194 | +83.0%* | **56** | 27 | x 2,5 | **1,142** | 1,076 | +6.1% | +7.4%* |
| Net profits or losses from other assets | **0** | 0 | | **(1)** | (12) | | **0** | 1 | | **(1)** | (11) | | |
| Net income from companies accounted for by the equity method | **2** | 2 | | **(2)** | 0 | | **1** | 13 | | **1** | 15 | | |
| Impairment losses on goodwill | **0** | 0 | | **0** | 0 | | **0** | 0 | | **0** | 0 | | |
| Income tax | **(201)** | (154) | | **(29)** | (8) | | **(16)** | (7) | | **(246)** | (169) | | |
| Net income | **542** | 703 | | **313** | 174 | | **41** | 34 | | **896** | 911 | | |
| O.w. non controlling Interests | **11** | 7 | | **2** | 1 | | **1** | 1 | | **14** | 9 | | |
| Group net income | **531** | 696 | -23.7%* | **311** | 173 | +84.5%* | **40** | 33 | +41.6%* | **882** | 902 | -2.2% | -1.1%* |
| Average allocated capital | **8,345** | 8,791 | | **5,207** | 5,727 | | **1,086** | 954 | | **14,638** | 15,472 | | |
| C/I ratio | **75%** | 72% | | **71%** | 64% | | **88%** | 94% | | **76%** | 72% | | |

* When adjusted for changes in Group structure and at constant exchange rates
Net banking income, operating expenses, Cost to income ratio, allocated capital : see Methodology

# RISK-WEIGHTED ASSETS IN EUR BN



# ASSET AND WEALTH MANAGEMENT

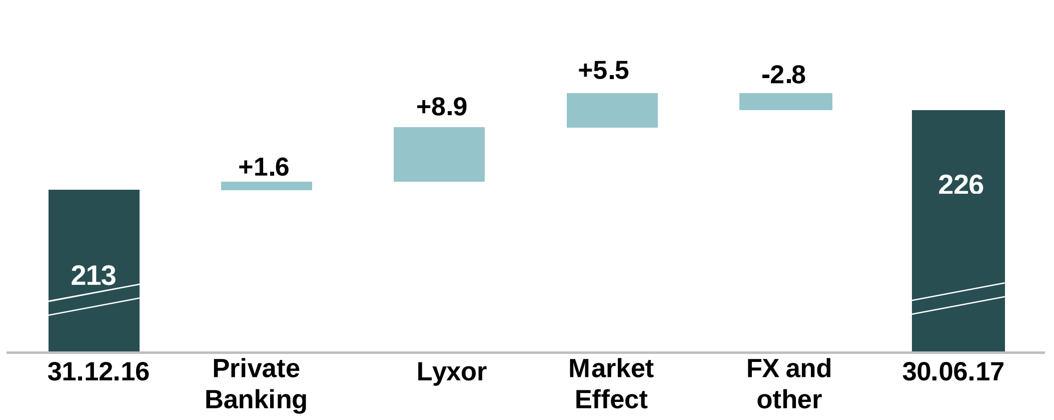
**Private Banking:**

Good commercial activity with positive net inflows in France

**Lyxor:**

Revenues up in line with higher ETF AuM base

**Assets under Management**[1] (in EUR bn)




(1) Excl. SG Fortune

# NET ASSET VALUE, TANGIBLE NET ASSET VALUE

| *End of period* | H1 17 | Q1 17 | 2016 | H1 16 |
|---|---|---|---|---|
| **Shareholders' equity Group share** | **60,111** | **62,222** | **61,953** | **58,475** |
| Deeply subordinated notes | (10,059) | (10,556) | (10,663) | (8,944) |
| Undated subordinated notes | (279) | (294) | (297) | (373) |
| Interest net of tax payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations | (201) | (221) | (171) | (185) |
| Bookvalue of own shares in trading portfolio | 35 | 169 | 75 | 103 |
| **Net Asset Value** | **49,608** | **51,320** | **50,897** | **49,076** |
| Goodwill | 5,027 | 4,709 | 4,709 | 4,820 |
| **Net Tangible Asset Value** | **44,580** | **46,611** | **46,188** | **44,256** |
| **Number of shares used to calculate NAPS**** | **800,848** | **800,755** | **799,462** | **799,217** |
| **NAPS** (in EUR)** | **61.9** | **64.1** | **63.7** | **61.4** |
| **Net Tangible Asset Value (EUR)** | **55.7** | **58.2** | **57.8** | **55.4** |

** The number of shares considered is the number of ordinary shares outstanding as of 30th June 2017, excluding treasury shares and buybacks, but including the trading shares held by the Group. In accordance with IAS 33, historical data per share prior to the date of detachment of a preferential subscription right are restated by the adjustment coefficient for the transaction. See Methodology Note: Q1 17 figures adjusted, Interest net of tax payable to holders of deeply subordinated notes and undated subordinated notes previously at EUR (327m); Net Asset Value at EUR 51,214m; Net Tangible Asset Value at EUR 46,505m; NAPS at EUR 64.0; Net Tangible Asset Value at EUR 58.1

# METHODOLOGY (1/3)

**1 – The Group's consolidated results as at June 30th, 2017 were approved by the Board of Directors on November 2nd, 2017.** The limited examination procedures carried out by the Statutory Auditors are in progress on the summarised interim consolidated financial statements as at September 30th, 2017.

**2 – Net banking income**

The pillars' net banking income is defined on page 44 of Societe Generale's 2017 Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

**3 – Operating expenses**

**Operating expenses** correspond to the "Operating Expenses" as presented in note 5 and 8.2 to the Group's consolidated financial statements as at December 31st, 2016 (pages 381 et seq. and page 401 of Societe Generale's 2017 Registration Document). The term "costs" is also used to refer to Operating Expenses.

The **Cost/Income Ratio** is defined on page 44 of Societe Generale's 2017 Registration Document.

**4 – IFRIC 21 adjustment**

**The IFRIC 21 adjustment** corrects the result of the charges recognised in the accounts in their entirety when they are due (generating event) so as to recognise only the portion relating to the current quarter, i.e. a quarter of the total. It consists in smoothing the charge recognised accordingly over the financial year in order to provide a more economic idea of the costs actually attributable to the activity over the period analysed.

**5 – Non-economic and exceptional items – transition from accounting data to underlying data**

**Non-economic items** correspond to the revaluation of the Group's own financial liabilities and the debt value adjustment on derivative instruments (DVA). These two factors constitute the restated non-economic items in the analyses of the Group's results. They lead to the recognition of self-generated earnings reflecting the market's evaluation of the counterparty risk related to the Group. They are also restated in respect of the Group's earnings for prudential ratio calculations.

Moreover, the Group restates the revenues and earnings of the French Retail Banking pillar for PEL/CEL provision allocations or write-backs. This adjustment makes it easier to identify the revenues and earnings relating to the pillar's activity, by excluding the volatile component related to commitments specific to regulated savings.

Details of these items, as well as the other items that are the subject of a one-off or recurring restatement (**exceptional items**) are given in the appendix (page 26).

**6 – Cost of risk in basis points, coverage ratio for non performing loans**

The cost of risk or commercial cost of risk is defined on pages 46 and 528 of Societe Generale's 2017 Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases. The **gross coverage ratio for Non performing loans** is calculated as the ratio of provisions recognised in respect of the credit risk to gross outstandings identified as in default within the meaning of the regulations, without taking account of any guarantees provided. This coverage ratio measures the maximum residual risk associated with outstandings in default ("non performing").

# METHODOLOGY (2/3)

| | (In EUR M) | Q2 17 | Q2 16 | H1 17 | H1 16 |
|---|---|---|---|---|---|
| **French Retail Banking** | Net Cost of Risk | 136 | 157 | 285 | 323 |
| | Gross loan outstandings | 187,580 | 187,263 | 188,970 | 187,750 |
| | **Cost of Risk in bp** | 29 | 33 | 30 | 34 |
| **International Retail Banking** | Net Cost of Risk | 43 | 185 | 153 | 401 |
| | Gross loan outstandings | 125,160 | 116,393 | 124,931 | 116,310 |
| | **Cost of Risk in bp** | 14 | 64 | 24 | 69 |
| **Global Banking and Investor Solutions** | Net Cost of Risk | 3 | 103 | 23 | 244 |
| | Gross loan outstandings | 155,799 | 143,925 | 154,022 | 140,970 |
| | **Cost of Risk in bp** | 1 | 29 | 3 | 35 |
| **Societe Generale Group** | Net Cost of Risk | 181 | 442 | 461 | 958 |
| | Gross loan outstandings | 476,037 | 456,994 | 475,295 | 456,950 |
| | **Cost of Risk in bp** | 15 | 39 | 19 | 42 |

**7 – ROE, RONE**

The notion of ROE, as well as the methodology for calculating it, are specified on page 47 of Societe Generale's 2017 Registration Document. This measure makes it possible to assess Societe Generale's return on equity.

RONE (*Return on Normative Equity*) determines the return on average normative equity allocated to the Group's businesses, according to the principles presented on page 47 of Societe Generale's 2017 Registration Document. Data relating to the 2015 financial year have been adjusted to take account of the allocation principle in force since January 1st, 2016, based on 11% of the businesses' risk-weighted assets.

**8 – Net assets and tangible net assets** are defined in the methodology, page 49 of the Group's 2017 Registration Document ("Net Assets"). The items used to calculate them are presented below.

**9 – Calculation of Earnings Per Share (EPS)**

The EPS published by Societe Generale is calculated according to the rules defined by the IAS 33 standard (see page 48 of Societe Generale's 2017 Registration Document). The corrections made to Group net income in order to calculate EPS correspond to the restatements carried out for the calculation of ROE. As specified on page 47 of Societe Generale's 2017 Registration Document, the Group also publishes EPS adjusted for the impact of non-economic items presented in methodology note No. 5.

**10 –** The Societe Generale Group's **Common Equity Tier 1 capital** is calculated in accordance with applicable CRR/CRD4 rules. The fully-loaded **solvency ratios** are presented pro forma for current earnings, net of dividends, for the current financial year, unless specified otherwise. When there is reference to phased-in ratios, these do not include the earnings for the current financial year, unless specified otherwise. The leverage ratio is calculated according to applicable CRR/CRD4 rules including the provisions of the delegated act of October 2014.

# METHODOLOGY (3/3)

**11 -** The **liquid asset buffer** or liquidity reserve includes 1/ central bank cash and deposits recognised for the calculation of the liquidity buffer for the LCR ratio, 2/ liquid assets rapidly tradable in the market (High Quality Liquid Assets or HQLA), unencumbered net of haircuts, as included in the liquidity buffer for the LCR ratio and 3/ central bank eligible assets, unencumbered net of haircuts.

**12** - The **"Long Term Funding" outstanding** is based on the Group financial statements and on the following adjustments allowing for a more economic reading. It then Includes interbank liabilities and debt securities issued with a maturity above one year at inception. SG Euro CT outstanding (initially within repurchase agreements) and issues placed in the Group's Retail Banking networks (recorded in medium/long-term financing) are removed from the total of debt securities issued.

(1) The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding rules.
(2) All the information on the results for the period (notably: press release, downloadable data, presentation slides and supplement) is available on Societe Generale's website www.societegenerale.com in the "Investor" section.

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