SOCIETE GENERALE

A French corporation with share capital of EUR 1,009,641,917.50
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FIRST UPDATE

TO THE

2017 REGISTRATION DOCUMENT

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AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The AMF has conducted no verification of the content of this document. Only the French version of the Registration Document ("Document de référence") has been controlled by the AMF.
This update to the Registration Document was filed with the AMF (French Financial Markets Authority) on 4 May 2017, under the number D.17-0139-A01, in accordance with Article 212-13 of its general regulation. It may be used to support a financial transaction if accompanied by a prospectus duly approved by the AMF. This document was produced by the issuer and is binding upon its signatory.

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1 - Chapter 2: Group management report

1.1 Recent press releases and events subsequent to the submission of the 2017 Registration Document

1.1.1 Press release dated 4 May, 2017: First quarter 2017 results – Update of the 2017 Registration Document, pages 30 - 43

Q1 17: GOOD COMMERCIAL AND FINANCIAL PERFORMANCE FROM CORE BUSINESSES

- Net banking income for the businesses of EUR 6,518m (+4.0% vs. Q1 16) driven by the growth in International Retail Banking & Financial Services and Global Banking & Investor Solutions.
- Book net banking income of EUR 6,474m, up +4.8% vs. Q1 16.

  Operating expenses reflecting the growth of the businesses and investments in the transformation of French Retail Banking, +2.6%(1) vs. Q1 16 (+1.4%*(1)).
- Commercial cost of risk(2) of 24bp in Q1 17 (46bp in Q1 16) reflecting the improvement in the Group's risk profile.
- Net cost of risk including an additional allocation to provision for disputes of EUR 350m. Announcement today of a settlement, after the Q1 Board review of the accounts, regarding the civil dispute opposing Societe Generale and the Libyan Investment Authority (LIA) relating to transactions dating back to 2007.
- Book Group net income of EUR 747m in Q1 17 (EUR 924m in Q1 16).
- Underlying Group net income(3) of EUR 1,392m in Q1 17 (EUR 928m in Q1 16, +50.0%).
- ROE(3) of 10.5% in Q1 17 (7.1% in Q1 16)

The Alternative Performance Measures, notably the notions of net banking income for the pillars, operating expenses, IFRIC 21 adjustment, (commercial) cost of risk in basis points, ROE, RONE, net assets, tangible net assets, EPS excluding non-economic items, and the amounts serving as a basis for the different restatements carried out (particularly non-economic items) are presented in the methodology notes, section 10 of this press release, as are the principles for the presentation of prudential ratios.

The footnotes * and ** in this document are specified below:

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

**   Excluding non-economic items.

(1) Adjusted for the impact of IFRIC 21, and the partial refund of the Euribor fine in Q1 16.

(2) Excluding disputes, in basis points for assets at the beginning of the period, including operating leases. Annualised calculation.

(3) Excluding non-economic items, impact of IFRIC 21, additional allocation to provision for disputes in Q1 17 and partial refund of the Euribor fine in Q1 16 (see methodology notes).

Societe Generale's Board of Directors, which met on May 3rd, 2017 under the chairmanship of Lorenzo Bini Smaghi, examined the results for Q1 2017.

The Societe Generale Group's businesses turned in a good commercial and financial performance in Q1 2017. Group net income was EUR 747 million (EUR 924 million in Q1 2016). This result includes an additional allocation to provision for disputes of EUR -350 million and, as for each first quarter, the effect of the implementation of the IFRIC 21 accounting standard. When corrected for these factors and non-economic items, **Group net income** totalled EUR 1,392 million, up +50.0% vs. Q1 2016 (excluding partial refund of the Euribor fine amounting to EUR 218 million) and the corresponding underlying **ROE** stood at 10.5% in Q1 2017 (vs. 7.1% in Q1 16).

The businesses' contribution to Group net income was up +31.4% in Q1 2017 excluding the Euribor refund in 2016, driven by the strong growth in International Retail Banking & Financial Services and Global Banking & Investor Solutions, whereas French Retail Banking's earnings were slightly lower against a backdrop of low interest rates and increased investments in the transformation of its business model.

Net banking income, excluding non-economic items, totalled EUR 6,452 million in Q1 2017, up +7.0% vs. Q1 2016, testifying to the businesses' good commercial performance. French Retail Banking's net banking income was slightly lower in an environment of still low interest rates (-1.3%), whereas the revenues of International Retail Banking & Financial Services and Global Banking & Investor Solutions were significantly higher (+8.4% and +5.4% respectively). Book net banking income totalled EUR 6,474 million in Q1 2017 (+4.8% vs. Q1 2016).

There was a controlled increase in **operating expenses**[(1)] of +2.6% (+1.4%*) in Q1 2017 vs. Q1 2016, reflecting the acceleration of investments in French Retail Banking, the increased activity in International Retail Banking & Financial Services, and the effects of Global Banking & Investor Solutions' cost savings plans.

The **net cost of risk** (excluding the above-mentioned additional allocation to provision for disputes) was at the low level of EUR -277 million in Q1 2017, a substantial decline vs. Q1 2016 (EUR -524 million). The **commercial cost of risk** stood at the very low level of 24 basis points in Q1 2017 (46 basis points in Q1 2016).

After the Q1 Board review of the accounts, Societe Generale has today announced that it has reached a **settlement** with the Libyan Investment Authority regarding the civil dispute opposing them and relating to transactions dating back to 2007 amounting to EUR -963 million. The parties will notify the UK court of the settlement this morning to enable the court to put an end to the proceedings.

Given notably the additional provision for disputes booked in Q1 17 for EUR 350 million, the impact of this settlement in full-year Group net income is fully covered as from Q1 2017. The detailed accounting will be recorded in Q2 with notably an impact in the Corporate Centre's net banking income corresponding to the amount of the settlement.

The **Common Equity Tier 1** (fully-loaded CET1) ratio was up +10 basis points vs. December 31st, 2016, at 11.6%.

Earnings Per Share, excluding non-economic items, amounts to EUR 0.76 at end-March 2017, vs. EUR 0.90 at end-March 2016.

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(1) Excluding partial refund of the Euribor fine in Q1 2016, adjusted for the impact of IFRIC 21

Commenting on the Group's results for Q1 2017, Frédéric Oudéa – Chief Executive Officer – stated:

"Once again, Societe Generale has demonstrated the quality of its diversified and integrated banking model, with a good performance in all its businesses. Group net income testifies to the substantial increase in the contribution of its businesses, underpinned by its revenue growth and its cost and risk control. The Group is also continuing with its transformation. It has initiated a process to simplify its organisational set-up which will enable it to even better serve its customers, increase its agility and innovative capacity, and continue to exploit synergies between its businesses. Finally, over the next few quarters, the Group will continue actively working to bring an end to past disputes and complete the Culture and Conduct projects in order to further enhance the quality of its services and the control of its risks."

1. GROUP CONSOLIDATED RESULTS

In EUR m	Q1 17	Q1 16	Change	
Net banking income	**6,474**	**6,175**	***+4.8%***	***+3.6%****
Net banking income(1)	*6,452*	*6,030*	*+7.0%*	*+5.7%**
Operating expenses	(4,644)	(4,284)	*+8.4%*	*+7.2%**
Gross operating income	**1,830**	**1,891**	***-3.2%***	***-4.7%****
Gross operating income(1)	*1,808*	*1,746*	*+3.6%*	*+1.9%**
Net cost of risk	(627)	(524)	*+19.7%*	*+14.8%**
Operating income	1,203	1,367	*-12.0%*	*-12.5%**
Operating income(1)	*1,181*	*1,222*	*-3.3%*	*-3.9%**
Net profits or losses from other assets	37	4	*x 9,2*	*x 8,5*
Income tax	(389)	(384)	*+1.3%*	*+0.4%**
Reported Group net income	747	924	*-19.2%*	*-19.6%**
Group net income(1)	**733**	**829**	***-11.6%***	***-12.1%****
ROE	**5.2%**	**7.1%**		
Adjusted ROE (2)	**10.5%**	**7.1%**		

(1) Adjusted for revaluation of own financial liabilities and DVA
(2) Corrected for the effect of the implementation of IFRIC 21 (excluding ¾ of the contributions recognised in their entirety in Q1), the provision for disputes in Q1 17 and the refund of the Euribor fine in Q1 16 for an amount of EUR 218 million

Net banking income

The Group's net banking income, excluding non-economic items, was EUR 6,452 million in Q1 17, up +7.0% vs. Q1 16, reflecting the good performance of the Group's businesses.

The businesses' net banking income was up +4.0% in Q1 17 vs. Q1 16.

- French Retail Banking's (RBDF) net banking income was slightly lower (-1.3%) in Q1 17 than in Q1 16 (-2.3% excluding PEL/CEL provision). In a low interest rate environment, French Retail Banking stepped up its commercial initiatives, continuing to develop synergies and fee-generating activities.

- International Retail Banking & Financial Services' (IBFS) net banking income rose +8.4% (+5.0%*) in Q1 17 vs. Q1 16. International Retail Banking's revenues rose +4.8% (+2.4%*) vs. Q1 16, driven by the healthy growth observed in Africa and the improved activity in Russia. Insurance activities continued to grow (+6.8% in Q1 17 vs. Q1 16), while Financial Services to Corporates provided further evidence of its dynamism (+20.5%, +13.0%* in Q1 17 vs. Q1 16).

- Global Banking & Investor Solutions (GBIS) generated net banking income up +5.4% in Q1 17 vs. Q1 16. Global Markets and Investor Services enjoyed a good start to the year (net banking income up +8.3% vs. Q1 16), particularly for Fixed Income, Currencies & Commodities. Financing & Advisory revenues were slightly lower (-2.6%) in Q1 2017 vs. the high level in Q1 2016. In Asset and Wealth Management, net banking income rose +5.5% due primarily to the integration of Kleinwort Benson in the United Kingdom.

The accounting impact of the revaluation of the Group's own financial liabilities was EUR +25 million in Q1 17 (EUR +145 million in Q1 16). The DVA impact was EUR -3 million in Q1 17 (0 in Q1 16). These two factors constitute the restated non-economic items in the analyses of the Group's results.

Book net banking income totalled EUR 6,474 million in Q1 17 (EUR 6,175 million in Q1 16).

Operating expenses

The Group's operating expenses amounted to EUR -4,644 million in Q1 17. They were 2.6% (1.4%*) higher than in Q1 16, adjusted for IFRIC 21 and the partial refund of the Euribor fine in Q1 16(2). The increase reflects the acceleration of investments in the transformation of French Retail Banking and efforts to support the growth of International Retail Banking & Financial Services, and testifies to the containment of operating expenses in Global Banking & Investor Solutions, due to the cost savings plans initiated in order to offset the rise in regulatory costs.

Gross operating income

The Group's book gross operating income totalled EUR 1,830 million in Q1 2017 vs. EUR 1,891 million in Q1 2016. Excluding non-economic items, gross operating income amounted to EUR 1,808 million in Q1 17, substantially higher than in Q1 16 (EUR 1,528 million, corrected for the partial refund of the Euribor fine, +18.3%).

Cost of risk

The Group's net cost of risk in Q1 17 includes an additional allocation to provision for disputes of EUR -350 million. Excluding this item, the net cost of risk was EUR -277 million in Q1 17, down -47.1% vs. Q1 16, confirming the structural reduction of the risk profile in the three business divisions.

The commercial cost of risk (expressed as a fraction of outstanding loans) continued to decline, to a very low level of 24 basis points in Q1 2017 (vs. 46 basis points in Q1 16). It was lower in all the businesses:

- In French Retail Banking, the commercial cost of risk was 31 basis points in Q1 17 vs. 35 basis points in Q1 16, stable for business customers and lower for individual customers.

- At 35 basis points in Q1 17 vs. 74 basis points in Q1 16, International Retail Banking & Financial Services' cost of risk was substantially lower, testifying to the effectiveness of the policies implemented to improve the quality of the loan portfolio and the recovery process. In Q1 17, the division benefited from the positive impact of receiving an insurance indemnity in Romania (amounting to 8 basis points).

- Global Banking & Investor Solutions' cost of risk was at a low level of 5 basis points in Q1 2017 (vs. 41 basis points in Q1 16).

The gross doubtful outstandings ratio declined to 4.8% at end-March 2017 (vs. 5.3% at end-March 2016). The Group's gross coverage ratio for doubtful outstandings stood at 65%, improving one point vs. end-March 2016.

Overall, the Group's commercial cost of risk is expected to be between 30 basis points and 35 basis points for 2017.

Operating income

The Group's book operating income totalled EUR 1,203 million in Q1 17 vs. EUR 1,367 million in Q1 16. Excluding non-economic items and the additional allocation to provision for disputes, operating income amounted to EUR 1,531 million, vs. EUR 1,004 million in Q1 16 (excluding Euribor refund), up +52.5%.

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(2) +8.4% in absolute terms vs. Q1 16

Net income

Book Group net income totalled EUR 747 million in Q1 2017, vs. EUR 924 million for the same period in 2016.

When corrected for non-economic items and the additional allocation to provision for disputes, Group net income amounted to EUR 1,083 million in Q1 17 (vs. EUR 829 million in Q1 16, or EUR 611 million excluding the Euribor refund).

After correction for the effects of the implementation of the IFRIC 21 standard and adjustment for the partial refund of the Euribor fine in 2016, underlying Group net income was up +50.0% at EUR 1,392 million. As a result of this good performance, the corresponding ROE was 10.5% in Q1 2017 (5.2% in absolute terms) vs. 7.1% in Q1 16 (excluding non-economic items, Euribor refund and adjusted for IFRIC 21, identical level in absolute terms).

Earnings per share amounts to EUR 0.77 in Q1 2017 (vs. EUR 1.02 in Q1 2016), or EUR 0.76 excluding non-economic items in Q1 2017 (EUR 0.90 in Q1 16).

2. THE GROUP'S FINANCIAL STRUCTURE

Group **shareholders' equity** totalled EUR 62.2 billion at March 31st, 2017 (EUR 62.0 billion at December 31st, 2016). Net asset value per share was EUR 63.96, including EUR 1.39 of unrealised capital gains. Tangible net asset value per share was EUR 58.08.

The **consolidated balance sheet** totalled EUR 1,401 billion at March 31st, 2017 (EUR 1,382 billion at December 31st, 2016). The net amount of **customer loan outstandings**, including lease financing, was EUR 402 billion at March 31st, 2017 (EUR 403 billion at December 31st, 2016) – excluding assets and securities sold under repurchase agreements. At the same time, **customer deposits** amounted to EUR 391 billion, vs. EUR 397 billion at December 31st, 2016 (excluding assets and securities sold under repurchase agreements).

At March 31st, 2017, the Group had issued EUR 11 billion of medium/long-term debt with EUR 10 billion at parent company level (representing the achievement of 40% of the 2017 financing programme of EUR 25 billion), having an average maturity of 5.0 years and an average spread of 32 basis points (vs. the 6-month mid-swap, excluding subordinated debt). The subsidiaries had issued EUR 1 billion. The LCR (Liquidity Coverage Ratio) was well above regulatory requirements at 129% at end-March 2017 vs. 142% at end-December 2016.

The Group's **risk-weighted assets** (RWA) amounted to EUR 353.8 billion at March 31st, 2017 (vs. EUR 355.5 billion at end-December 2016) according to CRR/CRD4 rules. Risk-weighted assets in respect of credit risk represent 82% of the total, or EUR 291.6 billion, down -0.9% vs. December 31st, 2016.

At March 31st, 2017, the Group's **Common Equity Tier 1** ratio stood at 11.6%(3) (11.1% at end-March 2016 and 11.5% at end-December 2016), up 10 basis points in Q1 2017 vs. end-2016. The Tier 1 ratio stood at 14.4% (13.7% at end-March 2016 and 14.5% at end-December 2016) and the total capital ratio amounted to 17.8%, a decline of -11 basis points vs. end-December 2016 (17.9%) prior to the maturity of an additional Tier 1 capital issue.

With an estimate of 21.5% of RWA and 6.1% of leveraged exposure at end-March 2017, the Group's TLAC ratio is already above the FSB's requirements for 2019.

The **leverage ratio** stood at 4.1% at March 31st, 2017 (4.2% at end-December 2016 and 4.0% at end-March 2016), a decline of 15 basis points in Q1 17 vs. end-2016.

The Group is rated by the rating agencies DBRS (long-term rating: "A (high)" with a stable outlook; short-term rating: "R-1 (middle)"), FitchRatings (long-term rating: "A" with a stable outlook; short-term rating: "F1"), Moody's (deposit and senior unsecured long-term ratings: "A2" with a stable outlook; short-term rating: "P-1" and long-term Counterparty Risk Assessment of "A1" and short-term Counterparty Risk Assessment of "P-1"), Standard & Poor's (long-term rating: "A" with a stable outlook; short-term rating: "A-1") and R&I (long-term rating: "A" with a stable outlook).

(3) *The phased-in ratio, including the earnings of the current financial year, stood at 11.7% at-end March 2017, vs. 11.5% at end-March 2016 and 11.8% at end-December 2016. The phased-in ratio, excluding the earnings of the current financial year, stood at 11.6% at end-March 2017 vs. 11.4% at end-March 2016.*

3. FRENCH RETAIL BANKING

In EUR m	Q1 17	Q1 16	Change
Net banking income	**2,056**	**2,084**	***-1.3%***
Net banking income excl. PEL/CEL	*2,058*	*2,107*	*-2.3%*
Operating expenses	(1,461)	(1,425)	***+2.5%***
Gross operating income	**595**	**659**	***-9.7%***
Gross operating income excl. PEL/CEL	*597*	*682*	*-12.5%*
Net cost of risk	(145)	(180)	*-19.4%*
Operating income	450	479	*-6.1%*
Reported Group net income	**319**	**328**	*-2.7%*
RONE	11.7%	12.6%	
Adjusted RONE (1)	**13.5%**	**14.8%**	

(1) Adjusted for IFRIC 21 implementation and the PEL/CEL provision

French Retail Banking has delivered a good commercial performance since the beginning of the year and generated resilient earnings in Q1 2017 in a low interest rate environment.

Activity and net banking income

French Retail Banking's three brands (Societe Generale, Credit du Nord and Boursorama) continued with their commercial expansion. The traditional banking networks saw a 2% rise in new individual customers and Boursorama set a new acquisition record with 80,500 new customers in Q1 17 (+32%), thereby strengthening its position as the leading online bank in France, with more than one million customers at end-March 2017. In the business segment, the Societe Generale and Credit du Nord networks also experienced an increase, with nearly 1,300 new relationships in Q1 17 (+7.7% vs. Q1 16).

French Retail Banking's loan production was very dynamic in Q1 17 and reflects the assistance provided to businesses and individuals for the financing of their projects. At EUR 5.9 billion in Q1 17, housing loan production climbed +63% vs. Q1 16, which is only partially reflected in the growth in home loan outstandings (+1.8% in Q1 17) due primarily to the pace of prepayments in a low interest rate environment. Corporate investment loan production was also buoyant: it grew +28% vs. Q1 16 to EUR 2.8 billion, leading to a 1.2% rise in average outstandings. Overall, average outstanding loans rose +1% vs. Q1 16 to EUR 184.2 billion.

Average outstanding balance sheet deposits came to EUR 191.8 billion at end-March 2017. They were up +8.8%, underpinned by the growth of sight deposits (+17.0%). The average loan/deposit ratio therefore amounted to 96% at end-March 2017 (vs. 100% on average in 2016).

French Retail Banking's growth drivers are very healthy with, notably, high net inflow for Private Banking in France of EUR +0.8 billion in Q1 17 and gross life insurance inflow of EUR 2.4 billion marked by a strong attraction for unit-linked contracts (30% of inflow in Q1 17 vs. 18% in Q1 16).

This good commercial momentum helped partially offset the negative effects of the low interest rate environment and mortgage renegotiations. After neutralising the impact of PEL/CEL provisions, net banking income came to EUR 2,058 million in Q1 17, down -2.3% vs. Q1 16. The interest margin contracted (-7.2% vs. Q1 16) due to mortgage renegotiations and prepayments despite the production of higher margin loans and robust deposit inflow for French Retail Banking. Commissions rose +4.8% in Q1 17, confirming the recovery under way since Q4 16. There was a strong increase in financial commissions, up +10% vs. Q1 16, due to the good level of brokerage commissions and the healthy momentum of life insurance, particularly for unit-linked contracts. Service commissions were up +3.4% vs. Q1 16, as a result of the gradual increase in the number of products subscribed by new customers and the commercial efforts aimed at professional and corporate customers. The erosion of net banking income is expected to be between -3% and -3.5% in 2017 (excluding the impact of PEL/CEL provisions).

Operating expenses

French Retail Banking's operating expenses came to EUR 1,461 million, up +2.5% vs. Q1 16 (and +1.7% restated for the increase in the SRF). This increase reflects the Group's ongoing investment in the digital transformation process and fast-growing activities. Operating expenses are expected to rise between +3% and +3.5% in 2017. As part of its transformation plan, the Group has notably closed 21 branches in France since the beginning of the year.

Operating income

Operating income totalled EUR 450 million in Q1 17 (EUR 479 million in Q1 16), underpinned by the sharp decline in the net cost of risk (-19%) which reflects the quality of French Retail Banking's portfolio.

Contribution to Group net income

French Retail Banking's contribution to Group net income amounted to EUR 319 million in Q1 17, down -2.7% vs. Q1 16, testifying to the division's resilient profitability in a low interest rate environment. RONE adjusted for the IFRIC 21 charge stood at 13.5% (vs. 14.8% in Q1 16).

4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

The division's net banking income totalled EUR 1,978 million in Q1 17, up +8.4% vs. Q1 16, driven by the good commercial momentum in all regions and businesses. Operating expenses remained under control and amounted to EUR 1,205 million over the same period, leading to a one point improvement in the cost to income ratio. As a result, gross operating income totalled EUR 773 million in Q1 17 (+11.7% vs. Q1 16). The net cost of risk improved significantly, amounting to EUR 111 million (-47.6% vs. Q1 16) due to good risk management and the receipt of an insurance indemnity in Romania. The division's contribution to Group net income totalled EUR 433 million in Q1 17, substantially higher than in Q1 16 (+44.3%). This includes a number of non-recurring items, whose total contribution was EUR 49 million. Excluding these non-recurring items, the contribution to Group net income was up EUR 84 million, representing an increase of +28% vs. Q1 16.

In EUR m	Q1 17	Q1 16	Change	
Net banking income	**1,978**	**1,825**	***+8.4%***	***+5.0%****
Operating expenses	(1,205)	(1,133)	*+6.4%*	*+2.1%**
Gross operating income	**773**	**692**	***+11.7%***	***+9.6%****
Net cost of risk	(111)	(212)	*-47.6%*	*-51.9%**
Operating income	662	480	*+37.9%*	*+39.8%**
Reported Group net income	**433**	**300**	***+44.3%***	***+46.4%****
RONE	15.5%	11.4%		
Adjusted RONE (1)	**17.8%**	**13.6%**		

(1) Adjusted for IFRIC 21 implementation

International Retail Banking

At end-March 2017, International Retail Banking's outstanding loans totalled EUR 85.5 billion. This represented an increase of +9.7% (+7.9%*) vs. Q1 16, confirming the dynamic activity in Europe, particularly in the individual customer segment, as well as the buoyant activity in numerous African operations. Deposit inflow was also robust: outstanding deposits rose +9.6% (+8.3%*) vs. Q1 16, to EUR 77.9 billion.

International Retail Banking's financial performance continued to improve. Revenues were up +4.8% (+2.4%*) vs. Q1 16 at EUR 1,277 million, underpinned by volume growth, while the increase in operating expenses of +2.2%* when adjusted for changes in Group structure and at constant exchange rates vs. Q1 16 (+6.0% in absolute terms) reflects investments in fast-growing activities. Gross operating income came to EUR 425 million, up +2.7% vs. Q1 16. International Retail Banking's contribution to Group net income amounted to EUR 194 million in Q1 17 (+59.0% vs. Q1 16), due primarily to the sharp decline in the net cost of risk (-47.3% vs. Q1 16).

In Western Europe, outstanding loans were up +12.7% vs. Q1 16 at EUR 16.5 billion. Car financing remained particularly dynamic in the region. Revenues totalled EUR 181 million and gross operating income EUR 85 million in Q1 17. The contribution to Group net income came to EUR 43 million, up +38.7% vs. Q1 16.

In the Czech Republic, the Group delivered a solid commercial performance in Q1 17. Outstanding loans rose +9.4% (+9.3%*) vs. Q1 16 to EUR 21.9 billion, driven by dynamic housing loan and consumer loan production. Outstanding deposits climbed +10.6% (+10.5%*) year-on-year to EUR 28.2 billion. Despite this positive volume effect, revenues were stable (-0.8%, -0.9%*) in Q1 17 at EUR 255 million, given the persistent low interest rate environment. Over the same period, operating expenses remained under control at EUR 163 million, with the increase of +6.5% attributable primarily to a non-recurring impairment. The contribution to Group net income, which amounted to EUR 64 million (+60.0% vs. Q1 16), benefited from provision write-backs as well as a capital gain on a property disposal, following the sale of the historical headquarters in Q1 17. The contribution to Group net income of non-recurring items was EUR 14 million in Q1 17.

In Romania, the economic environment remains favourable. In Q1 17, outstanding loans rose +3.6% (+5.4%*) year-on-year to EUR 6.3 billion, primarily due to growth in the individual customer and large corporate segments. Outstanding deposits were 5.4% (7.3%*) higher year-on-year, at EUR 9.1 billion. In this context, net banking income was stable (-0.8%, -0.2%*) at EUR 127 million in Q1 17, with the 6.5%* increase in net interest income vs. Q1 16 offsetting the decline in commissions resulting from the regulatory capping of certain banking fees since June 30th, 2016. Rigorous cost control resulted in operating expenses declining -4.1% (-3.5%*) to EUR 94 million. Concerning the net cost of risk, Q1 17 was marked by provision write-backs, due primarily to insurance indemnities received over the period, whose contribution to Group net income was EUR 12 million. As a result, the BRD group's contribution to Group net income was EUR 28 million; it was EUR 2 million in Q1 16.

In other European countries, outstanding loans were up +4.3% (+8.3%*) vs. Q1 16, at EUR 11.9 billion, principally in the individual customer segment, and with a healthy level of growth in virtually all the operations. Deposit inflow was buoyant, with outstandings up +8.5% (+10.8%*) year-on-year at EUR 11.8 billion, also driven by the individual customer segment. In Q1 17, revenues rose +4.2%*, when adjusted for changes in Group structure and at constant exchange rates, to EUR 175 million (-2.2% in absolute terms), in conjunction with the growth in volumes, while operating expenses were down -6.7% (-3.1%*) at EUR 125 million. The contribution to Group net income came to EUR 2 million, after EUR 24 million in Q1 16, due to a net cost of risk of EUR 44 million (vs. EUR 12 million in Q1 16), related to the provisioning of a commitment. These results include the contribution of the Croatian subsidiary, Splitska Banka, whose disposal was concluded on May 2nd, 2017, with a positive effect on the Group's Common Equity Tier 1 ratio of more than 8 basis points expected in Q2 17.

In Russia, the economic environment continues to stabilise, reflected in the appreciation of the rouble (RUB/EUR at 60.3 at end-March 2017 vs. 76.3 at end-March 2016) and the decline in inflation (+4.3% in March 2017). Corporate activity continued to hold up well, while the recovery in loan production for individual customers accelerated, with car loan activity particularly buoyant. When adjusted for changes in Group structure and at constant exchange rates, outstanding loans were up +0.7%* vs. Q1 16 at EUR 9.7 billion (+23.2% in absolute terms, given the rouble's appreciation against the euro over the period). Outstanding deposits were stable* (+18.0% in absolute terms) vs. Q1 16, at EUR 7.8 billion. Net banking income for SG Russia[(4)] totalled EUR 195 million in Q1 17, up +23.4% (-6.2%* when adjusted for changes in Group structure and at constant exchange rates) in conjunction with the rouble's sharp appreciation against the euro. Operating expenses remained under control at EUR 162 million, +0.8%* vs. Q1 16, when adjusted for changes in Group structure and at constant exchange rates, (+32.9% vs. Q1 16 in absolute terms). Overall, SG Russia made a positive contribution to Group net income of EUR 9 million in Q1 17. SG Russia made a loss of EUR -18 million in Q1 16.

In Africa and other regions where the Group operates, outstanding loans rose +7.4% (+6.8%* vs. Q1 16) to EUR 19.1 billion, with a healthy commercial momentum in numerous African operations (outstanding loans in Africa up +8.4% or +7.6%* when adjusted for changes in Group structure and at constant exchange rates), in conjunction with the dynamic economic growth in the region. Outstanding deposits were up +8.2% (+7.7%*). Net banking income came to EUR 366 million in Q1 17, an increase vs. Q1 16 (+4.9%, +5.9%*). Over the same period, operating expenses rose +5.2% (+6.2%*) in parallel with the Group's commercial development. The contribution to Group net income came to EUR 57 million in Q1 17, up +9.6% vs. Q1 16.

[(1)] *SG Russia encompasses the entities Rosbank, Delta Credit Bank, Rusfinance Bank, Societe Generale Insurance, ALD Automotive and their consolidated subsidiaries.*

Insurance

The life insurance savings business saw a +4% increase in outstandings in Q1 17 vs. Q1 16 as well as a stronger trend towards unit-linked products, with the share of unit-linked products in outstandings up +3 points vs. Q1 16.

There was further growth in Personal Protection insurance (premiums up +8% vs. Q1 16). Likewise, Property/Casualty insurance continued to grow (premiums up +8% vs. Q1 16), with substantial growth internationally and higher premiums in the car and home insurance segments.

The Insurance business turned in a good financial performance in Q1 2017, with net banking income up +6.8% vs. Q1 16 at EUR 235 million (+6.3%*), and a still low cost to income ratio (46.8% in Q1 17). The business' contribution to Group net income increased +5.1% vs. Q1 16 to EUR 82 million.

As from Q2 2017, the Group's Insurance business will be strengthened by the finalisation of the acquisition of Aviva France's 50% stake in Antarius, an insurance company dedicated to the Credit du Nord networks, which occurred on April 1st, 2017.

Financial Services to Corporates

Financial Services to Corporates maintained its commercial dynamism in Q1 2017.

Operational Vehicle Leasing and Fleet Management experienced a substantial increase in its vehicle fleet (+14.3% vs. the end of Q1 16). The increase can be attributed on the one hand to the integration of the Parcours Group, and on the other to the fleet's high organic growth, driven by Western Europe and SME customers.

Societe Generale confirms the good progress in the preparation of the stock market flotation of its ALD subsidiary, scheduled for 2017, subject to market conditions, through the disposal of a 20% to 25% stake. This strategic operation will enable ALD to accelerate its growth and become a leader in the mobility sector.

Equipment Finance's outstanding loans were up +6.7% (+5.9%*) vs. Q1 16, at EUR 16.5 billion (excluding factoring), driven by several major transactions in the technology sector. New business margins held up well despite an intense competitive environment.

Financial Services to Corporates' net banking income rose +20.5% in Q1 17 to EUR 464 million (+13.0%* when adjusted for changes in Group structure and at constant exchange rates, excluding notably the acquisition of the Parcours Group, vs. Q1 16). Operating expenses were higher over the period at EUR 226 million (+11.9% vs. Q1 16), in conjunction with the business' strong growth and the integration of Parcours (+1.5%*). Operating income came to EUR 225 million, up +30.1% vs. Q1 16 (+26.3%*) and the contribution to Group net income was EUR 172 million, up +34.4% vs. Q1 16.

5. GLOBAL BANKING & INVESTOR SOLUTIONS

In EUR m	Q1 17	Q1 16	Change	
Net banking income	**2,484**	**2,357**	***+5.4%***	***+5.2%****
Operating expenses	(1,950)	(1,717)	*+13.6%*	*+13.6%**
Gross operating income	**534**	**640**	***-16.6%***	***-17.0%****
Net cost of risk	(21)	(140)	*-85.0%*	*-85.4%**
Operating income	513	500	*+2.6%*	*+2.8%**
Reported Group net income	**383**	**454**	***-15.6%***	***-15.4%****
RONE	**10.4%**	**11.5%**		
Adjusted RONE (1)	**15.3%**	**10.1%**		

(1) Adjusted for IFRIC 21 implementation

Global Banking & Investor Solutions enjoyed a good start to the year, with revenues of EUR 2,484 million in Q1 17, up +5.4% vs. Q1 16 (EUR 2,357 million). This result reflects primarily the good quarter in Global Markets but also the good performance of Asset and Wealth Management, offsetting a slight decline in Financing & Advisory.

Global Markets & Investor Services

Global Markets & Investor Services' net banking income totalled EUR 1,678 million in Q1 17, up +8.3% vs. Q1 16. Following on from Q4 16, investors were active at the beginning of the quarter, in conjunction notably with the rise in interest rates and the improvement in the global economic outlook. After this more buoyant period of activity, the resurgence of political uncertainty around the elections in Europe and the direction of US policy led to a certain "wait-and-see" attitude in the markets.

- **Equities'** revenues rose +4.1% in Q1 17 vs. Q1 16, to EUR 562 million. Investor appetite for structured products increased, with strong demand in Asia and Europe. As a result, the business' revenues were up for the seventh consecutive quarter in this segment. In contrast, despite rising markets, investors were less active in flow products, in conjunction with very low volatility, leading to a drop in volumes, notably in cash activities, where the Group retains a leadership position.

- **Fixed Income, Currencies & Commodities** continued to grow, with revenues up +12.8% vs. Q1 16 at EUR 777 million, thus enjoying its best quarter since 2012. This increase reflects the good commercial momentum, both for flow and structured products. The environment was buoyant in Q1, both for Credit, which benefited from healthy activity in the primary market, and for Rates, with increased volatility.

- **Prime Services'** revenues totalled EUR 176 million in Q1 17, up +9.3% vs. Q1 16 and at their highest level since the integration of Newedge. This result reflects the healthy commercial momentum, particularly in Execution and Financing activities. The business actively pursued its commercial expansion and increased its market share by +1.9 points vs. Q1 16, to 14.8%.

- **Securities Services** saw its assets under custody reach EUR 3,979 billion, up +0.6% vs. end-2016. Over the same period, assets under administration were up +4.2% at EUR 627 billion. Securities Services' revenues were up +2.5% in Q1 17 vs. Q1 16 at EUR 163 million. The healthy commercial momentum enabled commissions to increase, offsetting the decline in interest margins in a low interest rate environment.

Financing and Advisory

Financing and Advisory posted revenues of EUR 557 million, down -2.6% vs. the high level in Q1 16. Weaker asset financing activity in a highly competitive market was partially offset by the good performance of natural resources financing. The capital raising activity maintained the healthy momentum of previous quarters, bolstered in particular by the good performance of the securitisation, acquisition and leveraged finance businesses.

Asset and Wealth Management

The revenues of the **Asset and Wealth Management** business line totalled EUR 249 million in Q1 17, up +5.5% vs. Q1 16, including a structure effect related to the integration of Kleinwort Benson.

Private Banking's assets under management amounted to EUR 119 billion at end-March 2017. Thanks to a healthy net inflow and positive market effects, assets under management rose +2.8% vs. end-2016. Net banking income was up +1.0% vs. Q1 16, at EUR 198 million, reflecting the transformation under way in our geographical franchises, despite a pre-election "wait-and-see" attitude in France. The erosion of the margin in Q1 (which nevertheless remained at a satisfactory level of 101 basis points vs. 106 basis points in Q1 16) was related to the" wait-and-see" attitude, partially offset by a rebound in the brokerage business.

Lyxor's assets under management came to EUR 107 billion (+0.9% vs. Q4 16) thanks to a record EUR 7 billion inflow. In the ETF segment, Lyxor moved up one place in the rankings to No. 2 in Europe with a market share of 10.2% (source ETFGI). Lyxor's revenues amounted to EUR 46 million in Q1 17 (EUR 32 million in Q1 16), due primarily to an increase in commissions received.

Operating expenses

Global Banking & Investor Solutions' operating expenses were up +13.6% in Q1 17 vs. Q1 16, which included the partial refund of the Euribor fine(5). When restated for this effect and the increase in the contribution to the European Single Resolution Fund(6), operating expenses were down -2% vs. Q1 16, due to the effect of the transformation plans implemented in 2015 and 2016.

Operating income

Gross operating income came to EUR 534 million, down -16.6% vs. Q1 16, primarily due to the effect of the partial refund of the Euribor fine(1) recorded in Q1 16.

The net cost of risk was substantially lower, in conjunction with the improved environment in the oil sector, at EUR 21 million in Q1 17 vs. EUR 140 million in Q1 16, reflecting the division's good risk management.

Global Banking & Investor Solutions' operating income totalled EUR 513 million in Q1 17, up +2.6% vs. Q1 16. When restated for the partial refund of the Euribor fine(1) in Q1 16, operating income was up 81.9% between Q1 16 and Q1 17.

Net income

The division's contribution to Group net income came to EUR 383 million in Q1 17 (-15.6% and +62.3% excluding the effect of the Euribor fine refund in Q1 2016). When restated for the effect of the IFRIC 21 standard, the division's ROE amounted to 15.3% (10.4% in absolute terms).

(5) Partial refund of the Euribor fine of EUR 218m in Q1 16

(6) Contribution to the SRF of EUR 197 million in Q1 17 vs. EUR 252 million in Q1 16

6. CORPORATE CENTRE

In EUR m	Q1 17	Q1 16
Net banking income	**(44)**	**(91)**
Net banking income (1)	*(69)*	*(236)*
Operating expenses	(28)	(9)
Gross operating income	(72)	(100)
Gross operating income (1)	*(97)*	*(245)*
Net cost of risk	(350)	8
Net profits or losses from other assets	(3)	18
Reported Group net income	**(388)**	**(158)**
Group net income (1)	*(405)*	*(253)*

(1) Adjusted for revaluation of own financial liabilities

The Corporate Centre includes:

- the property management of the Group's head office,
- the Group's equity portfolio,
- the Treasury function for the Group,
- certain costs related to cross-functional projects and certain costs incurred by the Group and not re-invoiced to the businesses.

The Corporate Centre's net banking income totalled EUR -44 million in Q1 17 (EUR -91 million in Q1 16), and EUR -69 million excluding the revaluation of the Group's own financial liabilities (EUR -236 million in Q1 16).

The Corporate Centre's gross operating income was EUR -72 million in Q1 17 vs. EUR -100 million in Q1 16. When restated for the revaluation of own financial liabilities, gross operating income came to EUR -97 million in Q1 17 (vs. EUR -245 million in Q1 16).

For full-year 2017, the Corporate Centre's gross operating income, excluding non-economic and non-recurring items, is expected to be around EUR -500 million.

The net cost of risk includes a EUR 350 million charge corresponding to an additional allocation to provision for disputes in Q1 17. A settlement has been reached, after the Board review of the Q1 17 results, with the Libyan Investment Authority (LIA) to put a final end to the dispute opposing Societe Generale and LIA before the UK civil courts. Given the additional provision for disputes recorded in Q1 17 for EUR 350 million, the impact of this settlement on the Group net income for the full year is fully covered as from Q1 17.

The Corporate Centre's contribution to Group net income was EUR -388 million in Q1 17, vs. EUR -158 million in Q1 16. When restated for the impact of the revaluation of own financial liabilities (EUR +17 million in Q1 17 and EUR +95 million in Q1 16), and the additional allocation to provision for disputes (EUR 350 million in Q1 17), the Corporate Centre's contribution to Group net income was EUR -55 million in Q1 17 vs. EUR -158 million in Q1 16.

7. CONCLUSION

Societe Generale’s results for Q1 2017 include non-economic items and an allocation to provision for disputes. When book income is adjusted for these factors, underlying Group net income amounted to more than EUR 1 billion, substantially higher in Q1 2017 compared to Q1 2016.

Societe Generale has once again demonstrated the quality of its diversified and integrated banking model, based on the excellence of its relationship model, its cost and risk control, and the commitment of its employees. The Group is continuing with the investments in its transformation and the rollout of its Culture and Conduct programme.

To this end, the Bank has initiated a process to simplify its organisational set-up which will enable it to even better serve its customers, increase its agility and continue to exploit synergies between its businesses based on the quality of its risk control. The Group will present its strategic plan on 28th November 2017.

8. 2017-2018 FINANCIAL CALENDAR

2017-2018 financial communication calendar

May 23rd, 2017	General Meeting of Shareholders
May 31st, 2017	Detachment of the dividend
June 2nd, 2017	Payment of the dividend
August 2nd, 2017	Second quarter and first half 2017 results
November 3rd, 2017	Third quarter and nine months 2017 results
November 28th, 2017	Presentation of the strategic plan – Investor Day
February 8th, 2018	Fourth quarter and FY 2017 results

This document contains forward-looking statements relating to the targets and strategies of the Societe Generale Group.

These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to:

- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences;

- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

Therefore, although Societe Generale believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in Societe Generale's markets in particular, regulatory and prudential changes, and the success of Societe Generale's strategic, operating and financial initiatives.

More detailed information on the potential risks that could affect Societe Generale's financial results can be found in the Registration Document filed with the French Autorité des Marchés Financiers.

Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, Societe Generale does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal.

9. APPENDIX 1: FINANCIAL DATA

Consolidated Income Statement

In M EUR	Q1 17	Q1 16	Change	
Net banking income	6,474	6,175	+4.8%	+3.6%*
Operating expenses	(4,644)	(4,284)	+8.4%	+7.2%*
Gross operating income	**1,830**	**1,891**	**-3.2%**	**-4.7%***
Net cost of risk	(627)	(524)	+19.7%	+14.8%*
Operating income	**1,203**	**1,367**	**-12.0%**	**-12.5%***
Net profits or losses from other assets	37	4	x 9,2	x 8,5
Net income from companies accounted for by the equity method	37	35	+5.7%	+6.1%*
Impairment losses on goodwill	1		n/s	n/s
Income tax	(389)	(384)	+1.3%	+0.4%*
Net income	**889**	**1,022**	**-13.0%**	**-13.4%***
O.w. non-controlling interests	142	98	+44.9%	+45.0%*
Group net income	**747**	**924**	**-19.2%**	**-19.6%***
Tier 1 ratio at the end of period	14.4%	13.7%		

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

Group Net Income After Tax By Core Business

In M EUR	Q1 17	Q1 16
French Retail Banking	319	328
International Retail Banking and Financial Services	433	300
Global Banking and Investor Solutions	383	454
Core Businesses	1,135	1,082
Corporate Centre	(388)	(158)
Group	747	924

Consolidated Balance Sheet

Assets - in EUR bn	31.03.2017	31.12.2016
Cash, due from central banks	108.9	96.2
Financial assets measured at fair value through profit and loss	514.9	514.7
Hedging derivatives	16.2	18.1
Available-for-sale financial assets	136.8	139.4
Due from banks	65.3	59.5
Customer loans	433.9	426.5
Revaluation differences on portfolios hedged against interest rate risk	1.0	1.1
Held-to-maturity financial assets	3.9	3.9
Tax assets	6.5	6.4
Other assets	81.4	84.8
Non-current assets held for sale	4.3	4.3
Investments in subsidiaries and affiliates accounted for by equity method	1.2	1.1
Tangible and intangible fixed assets	22.3	21.8
Goodwill	4.5	4.5
Total	**1,401.2**	**1,382.2**

Liabilities - in EUR bn	31.03.2017	31.12.2016
Due to central banks	10.0	5.2
Financial liabilities measured at fair value through profit and loss	463.4	455.6
Hedging derivatives	8.6	9.6
Due to banks	95.4	82.6
Customer deposits	415.7	421.0
Securitised debt payables	103.8	102.2
Revaluation differences on portfolios hedged against interest rate risk	7.6	8.5
Tax liabilities	1.5	1.4
Other liabilities	92.5	94.2
Non-current liabilities held for sale	3.6	3.6
Underwriting reserves of insurance companies	112.8	112.8
Provisions	6.0	5.7
Subordinated debt	14.1	14.1
Shareholders' equity	62.2	62.0
Non controlling Interests	3.8	3.8
Total	**1,401.2**	**1,382.2**

NB. Customer loans include lease financing.

10. APPENDIX 2: METHODOLOGY

1 – The Group's consolidated results as at March 31st, 2017 were examined by the Board of Directors on May 3rd, 2017.

The financial information presented in respect of the first quarter ending March 31st, 2017 has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date, and has not been audited.

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 notes 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.

The corrections made in this respect to operating expenses for the different business divisions and the Group for Q1 17 are reiterated below:

	French Retail Banking		International Retail Banking and Financial Services		Global Banking and Investor Solutions		Corporate Centre		Group	
In EUR m	**Q1 17**	**Q1 16**	**Q1 17**	**Q1 16**	**Q1 17**	**Q1 16**	**Q1 17**	**Q1 16**	**Q1 17**	**Q1 16**
Total IFRIC 21 Impact - costs	**(97)**	**(89)**	**(135)**	**(135)**	**(332)**	**(299)**	**(51)**	**(46)**	**(615)**	**(569)**
o/w Resolution Funds	*(50)*	*(38)*	*(40)*	*(40)*	*(252)*	*(197)*	*(2)*	*(2)*	*(343)*	*(277)*

5 – Restatements and other significant items for the period

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, are provided below, given that, in the tables below, the items marked with one asterisk (*) are the non-economic items and the items marked with two asterisks (**) are given for information only.

In EUR m

Q1 17	Net Banking Income	Operating Expenses	Others	Cost of Risk	Group Net Income	
Revaluation of own financial liabilities*	25				17	Corporate Centre
Accounting impact of DVA*	(3)				(2)	Group
Provision for disputes				(350)	(350)	Corporate Centre
Provision PEL/CEL	(2)				(1)	French Retail Banking

In EUR m

Q1 16	Net Banking Income	Operating Expenses	Others	Cost of Risk	Group Net Income	
Revaluation of own financial liabilities*	145	0			95	Corporate Centre
Accounting impact of DVA*	0				0	Group
Euribor fine refund		218			218	Global Banking and Investor Solutions Investisseurs
Provision PEL/CEL	(23)				(15)	French Retail Banking

* *Non-economic items*

** *For information purposes. This data is not included in adjustments taken into account at Group level, notably to calculate underlying ROE*

6 – Cost of risk in basis points, coverage ratio for doubtful outstandings

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.

	(In EUR M)	Q1 17	Q1 16
French Retail Banking	Net Cost of Risk	149	167
	Gross loan outstandings	190,360	188,236
	Cost of Risk in bp	31	35
International Retail Banking	Net Cost of Risk	110	215
	Gross loan outstandings	124,703	116,408
	Cost of Risk in bp	35	74
Global Banking and Investor Solutions	Net Cost of Risk	21	140
	Gross loan outstandings	152,244	138,015
	Cost of Risk in bp	5	41
Societe Generale Group	Net Cost of Risk	280	517
	Gross loan outstandings	474,553	454,087
	Cost of Risk in bp	24	46

The **gross coverage ratio for doubtful outstandings** 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 ("doubtful").

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 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.

Calculation of the Group's ROE (*Return on Equity*)

Details of the corrections made to book equity in order to calculate ROE for the period are given in the table below:

End of period	**Q1 17**	**2016**	**2015**
Shareholders' equity Group share	**62,222**	**61,953**	**59,037**
Deeply subordinated notes	(10,556)	(10,663)	(9,552)
Undated subordinated notes	(294)	(297)	(366)
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	(327)	(171)	(146)
Unrealised gains/losses booked under shareholders' equity, excluding conversion reserves	(1,112)	(1,273)	(1,582)
Dividend provision	(2,062)	(1,759)	(1,593)
ROE equity	**47,871**	**47,790**	**45,798**
Average ROE equity	**47,831**	**46,531**	**44,889**

Symmetrically, Group net income used for the ratio numerator is book Group net income adjusted for "interest, net of tax payable to holders of deeply subordinated notes and undated subordinated notes, interest paid to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisations" and "unrealised gains/losses booked under shareholders' equity, excluding conversion reserves" (see methodology note No. 9).

RONE calculation: Average capital allocated to Core Businesses (in EURm)

	Q1 17	Q1 16
French Retail Banking	**10,897**	10,435
International Retail Banking and Financial Services	**11,182**	10,494
Global Banking and Investor Solutions	**14,752**	15,780

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.

End of period	Q1 17	2016	2015
Shareholders' equity Group share	**62,222**	**61,953**	**59,037**
Deeply subordinated notes	(10,556)	(10,663)	(9,552)
Undated subordinated notes	(294)	(297)	(366)
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	(327)	(171)	(146)
Bookvalue of own shares in trading portfolio	169	75	125
Net Asset Value	**51,214**	**50,897**	**49,098**
Goodwill	4,709	4,709	4,533
Net Tangible Asset Value	**46,505**	**46,188**	**44,565**
Number of shares used to calculate NAPS**	**800,755**	**799,462**	**796,726**
NAPS (in EUR)**	**64.0**	**63.7**	**61.6**
Net Tangible Asset Value (EUR)	**58.1**	**57.8**	**55.9**

** The number of shares considered is the number of ordinary shares outstanding at the end of the period, 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.

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 48 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.

The number of shares used for the calculation is as follows:

Average number of shares (thousands)	Q1 17	2016	2015
Existing shares	**807,714**	**807,293**	**805,950**
Deductions			
Shares allocated to cover stock option plans and free shares awarded to staff	4,357	4,294	3,896
Other ownshares and treasury shares	3,249	4,232	9,551
Number of shares used to calculate EPS	**800,108**	**798,768**	**792,503**
Group net income	**747**	**3,874**	**4,001**
Interest, net of tax on deeply subordinated notes and undated subordinated notes	(127)	(472)	(442)
Capital gain net of tax on partial buybacks	0	0	0
Adjusted Group net income	**620**	**3,402**	**3,559**
EPS (in EUR)	**0.77**	**4.26**	**4.49**
EPS* (in EUR)	**0.76**	**4.55**	**3.94**

** Adjusted for revaluation of own financial liabilities and DVA*

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.

11 – The summary of adjustments making it possible to reconcile published results with underlying data is set out below.

Group

In EUR m	**Q1 17**	**Q1 16**	**Change**
Net Banking Income	**6,474**	**6,175**	**+4,8%**
Revaluation of own financial liabilities	*25*	*145*	*-82,8%*
Accounting impact of DVA	*(3)*		
Net Banking Income excluding non economic items	6,452	6,030	+7,0%
Operating expenses	**(4,644)**	**(4,284)**	**+8,4%**
IFRIC 21 impact (100%)	(615)	(569)	
75% of IFRIC 21	(461)	(427)	
Euribor fine refund		218	
Operating expenses excluding Euribor fine refund and adjusted for 75% of IFRIC 21	(4,183)	(4,075)	+2,6%
Net Cost of Risk	**(627)**	**(524)**	**+19,7%**
Additional allocation to provision for disputes	(350)		
Net Cost of Risk excluding allocation to provision for disputes	(277)	(524)	
Group Net Income	**747**	**924**	**-19,2%**
Underlying Group Net Income (excluding non economic items, IFRIC 21 implementation impact, Euribor fine refund and additional allocation to provision for disputes)	1,392	928	+50,0%
o.w. impact of 75% of IFRIC 21	*(309)*	*(317)*	
o.w. impact of revaluation of own financial liabilities	*17*	*95*	
o.w. impact of Group DVA	*(2)*		
o.w. impact of additional allocation to provision for disputes	*(350)*		
o.w. Euribor fine refund		*218*	

The following table represents the effect of the adjustment for 75% of the IFRIC 21 charge on the different lines concerned of the income statement for the business divisions and the Group.

Q1 17	Per Accounts					3/4 IFRIC21				
	Group	RBDF	IBFS	GBIS	CP	Group	RBDF	IBFS	GBIS	CP
Operating expenses	(4,644)	(1,461)	(1,205)	(1,950)	(28)	(461)	(73)	(101)	(249)	(38)
Gross Operating Income	**1,830**	**595**	**773**	**534**	**(72)**	**(461)**	**(73)**	**(101)**	**(249)**	**(38)**
Operating Income	**1,203**	**450**	**662**	**513**	**(422)**	**(461)**	**(73)**	**(101)**	**(249)**	**(38)**
Income Tax	(389)	(153)	(184)	(124)	72	145	25	28	70	22
Net Income	**889**	**319**	**526**	**390**	**(346)**	**(316)**	**(48)**	**(73)**	**(179)**	**(17)**
Non-controlling interests	142	0	93	7	42	(7)		(7)		
Group Net Income	**747**	**319**	**433**	**383**	**(388)**	**(309)**	**(48)**	**(65)**	**(179)**	**(17)**

Q1 17	Adjusted for IFRIC 21				
	Group	RBDF	IBFS	GBIS	CP
Operating expenses	(4,183)	(1,388)	(1,104)	(1,701)	10
Gross Operating Income	**2,291**	**668**	**874**	**783**	**(34)**
Operating Income	**1,664**	**523**	**763**	**762**	**(384)**
Income Tax	(534)	(178)	(212)	(194)	50
Net Income	**1,205**	**367**	**599**	**569**	**(329)**
Non-controlling interests	149	0	100	7	42
Group Net Income	**1,056**	**367**	**498**	**562**	**(371)**

Q1 16	Per Accounts					3/4 IFRIC21				
	Group	RBDF	IBFS	GBIS	CP	Group	RBDF	IBFS	GBIS	CP
Operating expenses	(4,284)	(1,425)	(1,133)	(1,717)	(9)	(427)	(67)	(102)	(224)	(35)
Gross Operating Income	**1,891**	**659**	**692**	**640**	**(100)**	**(427)**	**(67)**	**(102)**	**(224)**	**(35)**
Operating Income	**1,367**	**479**	**480**	**500**	**(92)**	**(427)**	**(67)**	**(102)**	**(224)**	**(35)**
Income Tax	(384)	(161)	(130)	(40)	(53)	93	23	27	63	(19)
Net Income	**1,022**	**328**	**361**	**458**	**(125)**	**(334)**	**(44)**	**(75)**	**(161)**	**(54)**
Non-controlling interests	98	0	61	4	33	(17)		(17)		
Group Net Income	**924**	**328**	**300**	**454**	**(158)**	**(317)**	**(44)**	**(58)**	**(161)**	**(54)**

Q1 16	Adjusted for IFRIC 21				
	Group	RBDF	IBFS	GBIS	CP
Operating expenses	(3,857)	(1,358)	(1,031)	(1,493)	26
Gross Operating Income	**2,318**	**726**	**794**	**864**	**(65)**
Operating Income	**1,794**	**546**	**582**	**724**	**(57)**
Income Tax	(477)	(184)	(157)	(103)	(34)
Net Income	**1,356**	**372**	**436**	**619**	**(71)**
Non-controlling interests	115	0	78	4	33
Group Net Income	**1,241**	**372**	**358**	**615**	**(104)**

1.2 Pending acquisitions and major contracts – Update of the 2017 Registration Document, page 63

Financing of the main ongoing investments

The investments currently underway will be financed using the Group's usual sources of funding

Pending acquisitions

On 27th February 2015, Societe Generale announced that it was to unwind the life insurance partnership between Aviva France and Credit du Nord, managed through Antarius, and thus exercise its option to purchase Aviva France's 50% stake in Antarius. Implementation of the acquisition took place on 1st April 2017.

Ongoing disposals

On 21st December 2016, the Group announced that it had entered into a definitive agreement with the group OTP Bank to sell Splitska Banka (SGSB), its fully-owned subsidiary in Croatia. The transaction is subject to the approval of all relevant authorities. Implementation of the transaction took place on 2nd May 2017.

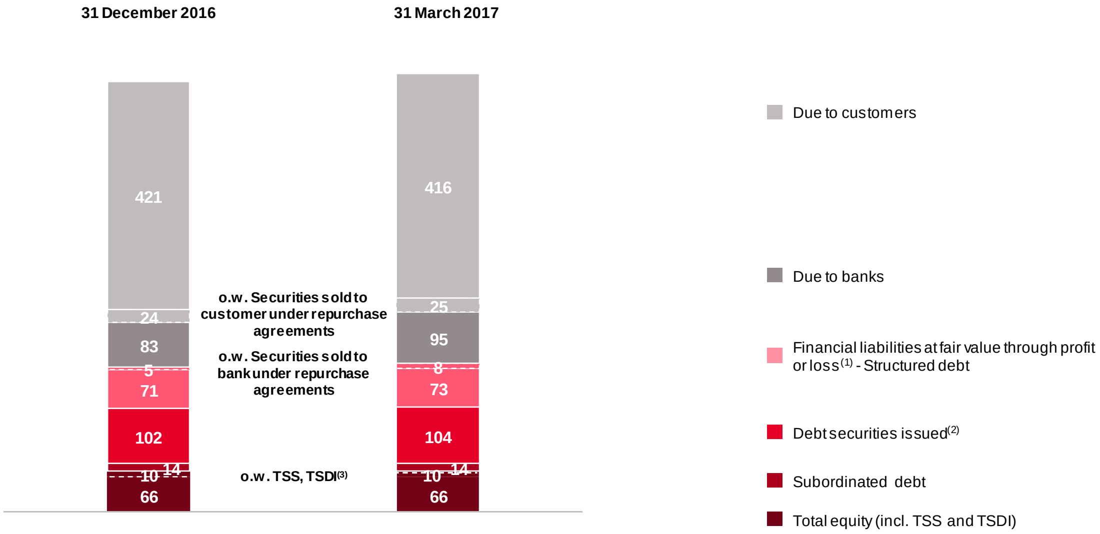
On 9th December 2016, the Group announced that, through Boursorama, it had agreed to sell the entire stake of Boursorama in Onvista AG, its German subsidiary, to Comdirect Bank AG. Implementation of the sale took place on 3rd April 2017, following completion of the necessary regulatory authorisations.

On 9th February 2017, the Group announced its intention to float its ALD subsidiary on the stock market in 2017, subject to market conditions, through the disposal of a limited stake.

1.3 Financial policy

1.3.1 Group debt policy – update of the 2017 Registration Document, page 60

GROUP FUNDING STRUCTURE

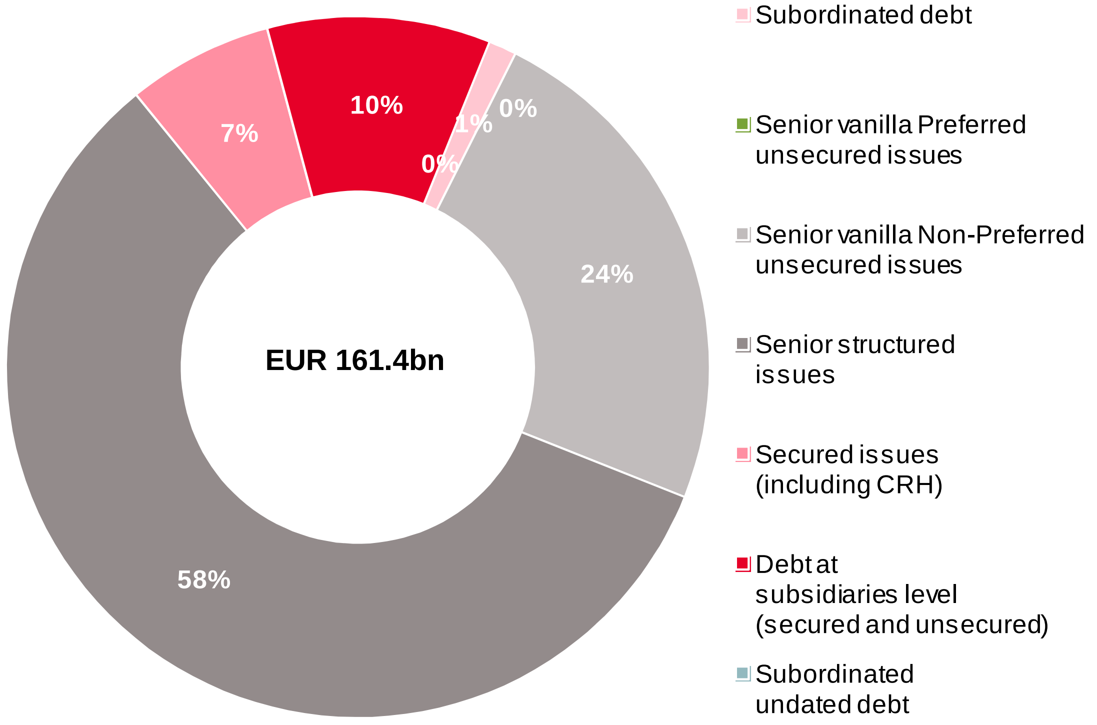


(1) o.w. debt securities issued reported in the trading book and debt securities issued measured using fair value option through P&L. Outstanding unsecured debt securities with maturity exceeding one year EUR 39.9bn at end-Q1 17 and 41.7bn at end-Q4 16

(2) o.w. SGSCF: (EUR 7.3bn), SGSFH: (EUR 10.1bn), CRH: (EUR 6.6bn), securitisation and other secured issuances: (EUR 4.8bn), conduits: (EUR 10.0bn) at end-Q1 17 (and SGSCF: EUR 7.6bn, SGSFH: EUR 9.3bn, CRH: EUR 6.6bn, securitisation and other secured issuances: EUR 4.9bn, conduits: EUR 10.1bn at end- December 2016). Outstanding amounts with maturity exceeding one year (unsecured): EUR 27.2bn at end-Q1 17 and EUR 27.0bn at end-Q4 16

(3) TSDI: deeply subordinated notes, perpetual subordinated notes. Notional amount excluding notably fx differences, original issue premiums/discounts, and accrued interest

GROUP OUTSTANDING LONG-TERM SECURITIES IN Q1 17[1]



(1) Short term securities outstanding at 31 March 2017 : EUR 40.4bn, o.w. EUR 10.0bn of conduits

2.1 Board of Directors and General Management

Renewals are proposed to the Ordinary General Meeting dated 23 May 2017 for the two Directors whose mandates are set to expire:

- Mrs. Alexandra Schaapveld, Independent Director since 2013, Chairman of the Audit and Internal Control Committee and member of the Risk Committee;

- Mr. Jean-Bernard Levy, Independent Director since 2009, Chairman of the Compensation Committee and member of the Nomination and Corporate Governance Committee.

Furthermore, nominations are proposed for:

- Mr. William Connelly, Independent Director;

- Ms. Lubomira Rochet, Independent Director.

These proposed nominations follow the resignation on 1st December 2016 of Mr. Emmanuel Roman, who has been appointed Chief Executive Officer of PIMCO, and of Ms. Barbara Dalibard, appointed Chief Executive Officer of SITA, to take effect on 23 May 2017.

A search for candidates was launched in July 2016 with the help of a consulting firm on the basis of criteria established by the Nomination and Corporate Governance Committee and the Board of Directors, including:

- banking and financial market expertise;

- digital and IT expertise.

The Board ensured that the selected candidates fulfilled these conditions and had the available time necessary to carry out their functions.

It also ensured the continued balance in the composition of the Board in terms of gender parity, skills and experience.

If these resolutions are adopted, the Board of Directors will be composed of fourteen members including 2 Directors elected by staff members in March 2015 for a three-year term. Its composition will include 5 women elected at the General Meeting, or 41.6% of its members elected by shareholders, and 5 members of Non-French nationality. Its composition will be balanced in terms of skills. The proportion of Independent Directors will be above 91.6% (11/12) according to the method of calculation defined in the AFEP-MEDEF Code, which does not account for staff members. The composition of the Committees will remain unchanged.

2.2 Remuneration policies and practices

SUMMARY

The objective of the remuneration policy implemented by the Group is to attract, motivate and retain employees in the long term, while ensuring an appropriate management of risks and compliance, and promoting the Group's values. With respect to the Chief Executive Officers, it is furthermore aimed at rewarding the implementation of the Group's long-term strategy in the interests of its shareholders, its clients and its employees.

CORPORATE GOVERNANCE OF REMUNERATION POLICY

The governance applied by the Group ensures an exhaustive and independent review of the remuneration policy, through:

> An annual review of remuneration, which is coordinated by the Human Resources Division and involves the Bank's control functions, in successive stages of validation up to the level of General Management;
> A ultimate validation of this policy, including principles, budgets and individual allocations of the highest remunerations, for all the Core Businesses and Central Divisions, by the Board of Directors after review by the Compensation Committee.

This remuneration policy has been established in compliance with relevant regulations, in particular the European Directive 2013/36/UE, published on 26 June 2013 (hereinafter - "CRD IV") and its transposition in France via Order n°2014-158 of 20 February 2014, for the staff members exerting a significant impact on the Group's risk profile (hereinafter "regulated population"). It is subject to regular review:

> Externally by the various supervisory bodies;
> Internally through an independent review by the Internal Audit Division.

In addition, with respect to the Chief Executive Officers, it respects the recommendations of the AFEP-MEDEF Corporate Governance Code.

GROUP'S POLICY AND PRINCIPLES WITH REGARD TO REMUNERATION

In addition to the constraints imposed by CRD III, the CRD IV, which applies since 2014, includes provisions for:

> A definition of the regulated population, based on regulatory technical standards developed by the European Banking Authority (EBA) in the Delegated Regulation (EU) No 604/2014;
> A cap on the variable component of remuneration of this regulated population, which cannot exceed the fixed component, with the possibility for the Annual General Shareholders' Meeting to approve a higher maximum ratio of up to 2:1 between variable and fixed components.

In 2014, the Group completed the implementation of the CRD IV requirements through:

> The definition of the regulated population in line with the Delegated Regulation (EU) No 604/2014;
> Obtaining an approval from the Annual General Meeting of 20 May 2014 for a maximum ratio of 2:1 between variable and fixed components of remuneration for the regulated population and ensuring that all beneficiaries comply with this maximum ratio.

The 2016 regulated population was defined, as in 2015, on the basis of the identification criteria specified in the EBA regulatory technical standards (level of responsibility, impact in terms of risk exposure and level of total remuneration). On the basis of these criteria, **the regulated population for 2015 included 754 staff (excluding the Chairman of the Board and the Chief Executive Officers)**, compared with 676 in 2015.This increase is mainly due to the Group's decision not to notify exemptions of some employees identified only by their level of total remuneration.

° **The approach in terms of the determination and structure of variable remuneration for the regulated population is in continuity with that applied in previous years and remains compliant with the CRD IV requirements**. The key principles are as follows:

- **The variable remuneration pools are determined by business line on the basis of:**
  - **the financial results** after taking into account the risks, the Finance Division ensuring that the total amount of variable remuneration does not undermine the Group's capacity to meet its objectives in terms of capital requirements;
  - **qualitative factors** such as market practices, conditions under which activities are carried out and risk management, through an independent appraisal process performed by the Risk and Compliance Divisions, essentially for the Global Banking and Investor Solutions, for International Banking and Financial Services and for the activities of Retail Banking in France.

- **The allocation of individual variable takes into account annual individual appraisal based on the achievement of quantitative and qualitative objectives known to the employee**, further complemented by an evaluation on risk management and compliance[1] carried out by the Risk and Compliance Divisions.

- **A variable remuneration structure is compliant with regulations, including:**
  - a non vested component subject to continued employment, minimum financial performance conditions and appropriate management of risks and compliance, which vests over three years on a pro-rata basis, with a deferral rate **of at least 40% and up to 70% for the highest variable remunerations**;
  - the award of **at least 50% in the form of Societe Generale shares or share equivalents** (representing 50% of the vested component and two thirds of the non vested component).

  As a result**, the part of variable remuneration that is immediately paid out in cash is capped at 30% and can go down to 15% for the highest variable remunerations**. The share equivalents, in addition, are subject to a retention period of at least six months.

  Starting from 2014, the variable compensation arrangements for the Group Executive Committee and the Management Committee impose more stringent rules as compared to those applicable to other regulated staff, and are aligned with the scheme applied to the Chief Executive Officers (cf. below). The non-vested component of their variable remuneration is deferred over five years, including a part deferred in one third over three years as described above, and a part in the form of long-term incentive vesting after five years, attributed in the form of Societe Generale shares or share equivalents and subject to performance conditions depending on the relative performance of Societe Generale share (cf 2.3.3).

In compliance with regulation, **Societe Generale's General Annual Meeting which took place on 20 May 2014 approved the increase of the ratio between variable and fixed components of remuneration to 200% for all the Group regulated population**. This decision will remain in force until reconsidered by the General Meeting.

° **The variable remuneration pool awarded to the regulated population with respect to 2016 was 240.1 M€ and total variable and fixed remuneration amounted to 491.1 M€**. The resulting average remuneration is down as compared to 2015, by -12% in terms of the variable component and by -8%, in terms of total fixed and variable remuneration[2], at constant exchange rate:

2016	Group Total
Regulated population	754
Total Remuneration	491.1
of which Fixed remuneration	251.0
of which Variable remuneration	240.1
% of instruments	53%
% of deferred	44%
average ratio of variable / fixed	97%

Data excluding Executive Officers

1 All reference in this report to compliance includes the notion of reputational risk.

2 Excluding severance pay

PREAMBLE

This document was drafted in application of Articles L511-71 to L511-88 of the French Monetary and Financial Code, as amended by Ordinance n°2014-158 of 20 February 2014 which modified the regulatory requirements concerning the remuneration of staff whose activities are likely to have a significant impact on the risk profile of credit institutions and investment firms. Ordinance n°2014-158 of 20 February 2014 (complemented by Decree n°2014-1315 and the Order relative to internal control, both dated 3 November 2014) transposed into the French law the remuneration provisions of the European Directive 2013/36/EU of 26 June 2013 (hereinafter - “CRD IV”).

PART 1. CORPORATE GOVERNANCE OF REMUNERATION POLICY

The Group’s remuneration policy is reviewed every year. It is defined by General Management, on a proposal of the Group Human Resources Division. The Board of Directors approves this policy, after examining the Compensation Committee’s recommendation.

The Group’s remuneration policy, in particular with regard to the categories of staff whose activities have a significant impact on the Group’s risk profile (hereinafter “regulated staff”), is applied to Societe Generale as well as the entities it controls, in France and throughout the world. The policy applied to the regulated staff is adapted outside France in order to comply with local regulations. The Group’s rules are prevalent, except when local regulations are more stringent.

The definition of this policy draws on analysis of the market context and compensation surveys carried out by external consultants (e.g. Aon-Hewitt/MacLagan, Towers Watson, Mercer, PricewaterhouseCoopers).

1.1 The composition and the role of the Compensation Committee

As of 31 December 2016, the Compensation Committee is composed of four members, including three independent directors. Lorenzo Bini Smaghi, Chairman of the Board of Directors, participated in all the sessions of the Compensation Committee, starting from the date of his appointment. The link with the Risk Committee has been reinforced via the nomination of an Independent Director who is both member of the Risk Committee and the Compensation Committee.

The Compensation Committee includes the following directors:

Jean-Bernard LEVY, Chairman and Chief Executive Officer of EDF: Independent Director, President of the Compensation Committee, Member of the Nomination and Corporate Governance Committee.

Gérard MESTRALLET, Chairman of the Board of ENGIE: Independent Director, President of the Nomination and Corporate Governance Committee, Member of the Compensation Committee.

Juan Maria NIN GENOVA, Company Director: Independent Director, Member of the Risk Committee, Member of the Compensation Committee.

France HOUSSAYE, Product and partnership Coordinator at the Rouen branch: Director elected by employees, Member of the Compensation Committee.

The main missions of the Compensation Committee are defined in Section 3 on corporate governance of the 2016 Registration Document.

The Compensation Committee reports its findings to the Board of Directors. It carries out the same tasks for the Group companies supervised by the French Prudential Supervisory Authority (hereinafter "ACPR") on a consolidated or sub-consolidated basis.

More specifically, the Compensation Committee met seven times during the remuneration review process spanning the period 2016 - 2017. During these meetings, the Committee prepared the Board's decisions with respect to the following issues:

Chief Executive Officers	- Status and remuneration of Chief Executive Officers; - Appraisal of qualitative and quantitative performance with respect to 2016 of Chief Executive Officers and discussion with the other Directors of the Group - Review of annual objectives set with respect to 2017 for Chief Executive Officers proposed to the Board	April 2016 December 2016 January 2017 February 2017 March 2017
Regulation	- Verification that Group remuneration policies comply with regulations, in particular those covering the regulated population (payment structure and terms) - Review of changes in regulations with regard to remuneration and regulators' requirements	April 2016 July 2016 December 2016 January 2017 February 2017
Group remuneration policy	- Verification that remuneration policy is in line with the Company's risk management policy and the objectives set in terms of capital requirements - Review of the extent to which risks and compliance are taken into account in the variable remuneration policy - Proposal put to the Board with respect to performance share plans - Review of the fulfilment of the performance conditions applicable to deferred remuneration and long term incentives of the Group	October 2016 December 2016 February 2017 March 2017

The Compensation Committee specifically ensured during the last period that the remuneration policy takes into account the risks generated by the businesses, and that employees comply with the risk-management policies and professional norms, and consulted with the Risks Committee on the issue.

1.2 Internal governance of remuneration within the Group

The annual process conducted to review individual situations (fixed salary and, when relevant, variable remuneration and/or performance shares) is coordinated by the Group Human Resources Division following various validation stages at the level of subsidiaries/business lines, Core Businesses and Central Divisions, the Group Human Resources Division and General Management and finally the Supervisory Board upon the recommendation from the Compensation Committee. The final validation covers policy and budgets for the whole Group, as well as individual allocations for the key positions and the highest levels of remuneration, with the Group Human Resources Division ensuring the consistency of the overall process and documenting the final validation stage at Group level. Legal and regulatory obligations in force in entities in France and in entities and countries outside France are taken into account in this process.

Moreover, General Management has defined, in addition to the annual process conducted to review individual situations, a system for the governance and delegation of remuneration decisions which applies to the entire Group. Above certain thresholds and under certain conditions, decisions relating to remuneration, which can be taken in various situations of human resources management (recruitment, functional or geographical mobility, promotion, departure,…) require validation by the Group Human Resources Division or General Management. These delegation rules are notified to Core Businesses and Central Divisions that subsequently apply them at their level..

1.3 The role of control functions

In compliance with the rules concerning bank remuneration policies and practices defined within the framework of the European CRD IV Directive and transposed into French law via notably Ordinance n°2014-1158 of 20 February 2014, **the control functions, including in particular the Risk Division, the Compliance Department and the Finance Division, are involved in the process of reviewing the Group's variable remunerations and, more specifically, those of the CRD IV regulated population.**

Control functions intervene in particular at the following key stages:

- The Group Human Resources Division identifies the regulated population, both in terms of the covered perimeter of activities as well as covered positions, in cooperation with the Human Resources Division of each Core Business, the Risk Division and the Compliance Department (cf. 2.2 below);
- The Finance Division validates the methodology used for setting variable remuneration pools, notably for Global Banking and Investor Solutions, ensuring that the various kinds of risk have been taken into consideration, and furthermore checking that the total amount of variable remuneration does not hinder the Group's capacity to build up its capital base (cf. 2.3.1.1 below). The Finance Division takes part in the process of defining deferred remuneration schemes (structure, performance conditions and malus clauses) (cf. 2.3.2 and 2.3.3).
- The Risk Division and the Compliance Department assess risk and compliance management essentially for the sub-business lines of Global Banking and Investor Solutions, of International Banking and Financial Services and French Retail Banking (cf. 2.3.1.1 below), and give their opinion about the manner in which regulated staff take these aspects into account (cf. 2.3.1.2), leading to an adjustment of variable remuneration pools and individual awards in consideration of these assessments.

The independence of these control functions is guaranteed by hierarchical reporting to the Group's General Management. Moreover, as with all Group support functions, these functions are compensated through variable remuneration pools determined according to the Group's overall performance, independently of the results of the activities they control. The allocation of these variable remuneration pools is based on the extent to which objectives specific to their function are met.

This governance system ensures that remuneration decisions are made independently and objectively. The process is annually reviewed *ex post* by the Internal Audit Division.

PART 2. GROUP REMUNERATION POLICIES AND PRINCIPLES

The aim of the Group's remuneration policy is to enhance the efficiency of remuneration as a tool for attracting and retaining employees who contribute to the long term success of the company while ensuring that employees manage risks in an appropriate manner and comply with regulations. This policy is based on principles common to the whole Group, which are then implemented by each business line and geographic area in which the Group operates, taking into account the market practices.

Remuneration includes a fixed component that rewards the capacity to hold a position in a satisfactory manner through the employee's displaying the required skills and, when relevant, a variable component that aims to reward collective and individual performance, depending on objectives defined at the beginning of the year and conditional on results, the context and also the behaviour displayed to meet said objectives, according to standards shared by the entire Group.

Employees whose variable remuneration award is below a certain level may also benefit from a long term incentive award in the form of performance shares. The corresponding pools of LTI are mainly dedicated to employees who have been identified as strategic talents, key resources and top performers.

The Group's remuneration policy is defined in a manner that avoids providing incentives that may result in situations of a conflict of interests between employees and clients. The governance principles and rules governing remuneration are set out in the Group's normative documentation concerning the management of conflicts of interest.

2.1 Conformance of the Group remuneration policy with regulatory requirements

In defining its remuneration policy, Societe Generale Group undertakes to comply with all the applicable regulations, notably:

- Directive 2013/36/UE of the European Parliament and of the Council of 26 June 2013, transposed in the Monetary and Financial Code by Ordinance n° 2014-158 of 20 February 2014 (hereinafter - "CRD IV");
- Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011, transposed in the Monetary and Financial Code by Ordinance n° 2013-676, and Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, transposed in the Monetary and Financial Code by Ordinance n°2016-312 of 17 March 2016 (hereinafter - "Directives AIFMD and UCITS V");
- Law n° 2013-672 of 26 July 2013 on separation and regulation of banking activities (hereinafter - "French Banking Law");
- The rule enacted by Section 13 of the Bank Holding Company Act, implementing Section 619 of Dodd–Frank Wall Street Reform and Consumer Protection Act (hereinafter - "Volcker Rule");
- Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, transposed in the Monetary and Financial Code by Ordinance n° 2007-544 of 12 April 2007 (hereinafter - "MIFID");
- Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009, transposed in the Insurance Code by Ordinance n° 2015-378 of 2 April 2015 (hereinafter - "Solvency II").

The main provisions of the regulations above regarding remunerations are as follows:

- The CRD IV, targeting credit institutions' and investment firms' worldwide activities, imposes constraints on the variable remuneration structure of employees considered as assuming significant risks (hereinafter - "CRD IV regulated staff"), including notably deferral of a part of the variable compensation and payment of a part of the variable compensation in the form of financial instruments indexed on the long-term interests of the bank, as well as a cap on the variable compensation as a multiple of fixed compensation;
- Directives AIFMD and UCITS V, applicable to asset management firms' worldwide activities, impose constraints on the variable remuneration structure of employees identified as assuming significant risks (hereinafter - "AIFMD and UCITS V regulated staff"), including notably a requirement to defer a part of the variable compensation and to pay a part of the variable compensation in the form of financial instruments which reflect the performance of the funds under management;
- The French Banking Law, targeting worldwide market and treasury operations, requires the Group to isolate in a separate subsidiary proprietary trading operations not linked to client activities and to ensure determination of the remuneration of the market operators in consistency with the organizational rules and internal functioning of activities, so that the remuneration does not encourage risk-taking without link to the pre-defined objectives;

- The Volcker Rule, applicable to the worldwide scope of market operators, prohibits certain proprietary activities and requires that the compensation arrangements do not incentivize the activities prohibited by the Rule nor excessive or impudent risk-taking;
- MIFID, implemented with the objective to protect the clients, and concerning employees providing investment and related services to clients in the EU / EEA, requires that the compensation arrangements encourage responsible professional behavior towards clients and help avoid conflict of interest;
- Solvency II, applicable to insurance and reinsurance companies of the EU / EEA, requires setting remuneration policy compliant with the company strategy and with risk-management objectives, incorporating measures aimed at avoiding conflict of interest, promoting sound and efficient risk management, and not encouraging risk-taking exceeding the risk tolerance limit of the entity. The Directive recommends a balance between the fixed and variable remuneration components and requires that a substantial part of the variable of the employees having significant impact on the risk profile of the entity be deferred over time.

The remuneration policy of Société Générale Group incorporates the different constraints listed above in the following manner:

- Ex-ante, taking into account risks while defining variable envelopes and individual allocations (cf. 2.3.1):
  - for the entire Group, applying quantitative financial indicators factoring in risks and also qualitative indicators in the definition of variable envelopes and including criteria related to risks and compliance management and to taking into account client interests and client satisfaction;
  - in addition, within Global Banking and Investor Solutions (GBIS), International Banking and Financial Services (IBFS) and French Retail Banking (RBDF), conducting independent annual evaluations by Risks and Compliance divisions regarding risks and compliance management by entities / activities which have a major impact on the Group's risks profile and by employees regulated in the sense of the CRD IV, AIFMD, UCITS V operating in these entities / activities.

Via the mechanisms described above, absence of direct link between commercial performance and variable remuneration is ensured.

- Ex-post, taking into account risks in the deferred variable compensation schemes (cf. 2.3.2 and 2.3.3):
  - CRD IV regulated staff are subject to the following constraints: deferral of 40% minimum of the attributed variable over three to five years vesting on pro-rata temporis basis, starting from a certain amount of variable; attribution of 50% minimum of the variable in the form of financial instruments; non-vested part subject to presence and performance conditions, as well as to appropriate management of risks and compliance;
  - staff regulated under AIFMD and UCITS V are subject to similar constraints as imposed by the CRD IV in terms of deferral rate and period, payment of variable in instruments and conditions applicable to the non-vested part;
  - beyond the scope of staff regulated under CRD IV, AIFMD and UCITS V, the employees of Global Banking and Investor Solutions and those of the Central Divisions are subject to the following remuneration provisions: above a certain threshold, variable deferred on progressive rate over three years vesting on pro-rata temporis basis and paid in the form of financial instruments; non-vested part subject to the same vesting conditions as for CRD IV regulated staff.

Assessments carried out internally and externally demonstrate that the Group's remuneration policy complies with regulatory requirements.

Internally, the Group's remuneration policy is reviewed regularly and independently by the Internal Audit Division since 2010.
The latest review carried out in 2016 covered the remuneration policy applied for 2015 to the regulated population. The Internal Audit Division concluded that the risk of non-compliance of the Group's remuneration policy was managed in a satisfactory manner, both from the point of view of governance of the overall process and of the respect of the quantitative and qualitative rules applied to the variable remunerations awarded for the performance year 2015.

In addition, the Group's remuneration policy is regularly reviewed by external supervisory bodies (ACPR, ECB, EBA, Federal Reserve,...).

2.2 Perimeter of the regulated population in 2016

In continuity with the previous financial years and in line with regulations, the regulated staff scope covers all employees whose professional activities have a material impact on the Bank's risk profile, including employees exercising control functions.

In 2015, the methodology of determination of the Group regulated staff, based on the Regulation (EU) 604/2014, led to the identification of 676 staff members (excluding Chief Executive Officers).

In 2016, the scope of the regulated staff was updated on the basis of the same regulatory technical standards which include:

- Qualitative criteria linked to the function held and the level of responsibility;
- Criteria linked to impact in terms of risk exposure based on limits of authority for credit risk and market risk, above the thresholds fixed by the EBA;
- A level of total fixed and variable remuneration, including long term incentive awards (LTI).

On this basis, the perimeter of the 2016 regulated staff includes:

- The Group's three **Chief Executive Officers** – Frédéric Oudéa, Séverin Cabannes and Bernardo Sanchez Incera - <u>3 persons</u>;
- **The Chairman and members of the Board of Directors** - <u>13 persons</u>;
- **The members of the Group Executive Committee and Management Committee**, which includes the Heads of the main business lines and subsidiaries of the Group, as well as the Heads of control and support functions for the Group (risks, compliance, internal audit, finance, legal and taxation, human resources, information technology) - <u>56 persons</u>;
- **Key staff members in charge of control functions or support functions** at Group level and who are not members of the aforementioned bodies - <u>17 persons</u>
- **Within the "material business units"[3], the main operational managers** (members of the executive committees of activities or subsidiaries) **and managers responsible for control functions**, who are not already identified by the above criteria - <u>216 persons</u>;
- **Staff having credit authorisations and/or responsible for market risk limits exceeding materiality thresholds** at Group level, as defined by the EBA, and who are not already identified by the above criteria - <u>119 persons</u>;
- **Staff members whose total remuneration for 2015 exceeds the 500 K€ threshold defined by the EBA** and who are not already identified by the above criteria, which concerns a limited number of profiles within financing and investment banking who have essential skills for the development of certain Group activities and some key employees who achieved exceptional performance during the last financial year - <u>334 persons.</u>

In fine, the 2016 Group regulated staff comprised 758 staff members (including the Chairman of the Board and the three Chief Executive Officers).

The increase of the number of regulated staff between 2015 and 2016 is explained essentially by the fact that the Group decided to forego the possibility to notify the exemption of some employees identified solely by their total remuneration but not exerting a significant impact on risks.

The perimeter of the population will more generally be reviewed every year to take into account changes in terms of internal organisation and remuneration levels. The employees identified as regulated are notified of their status.

In addition, 286 staff members (including 35 already identified at the Group level) **have been identified as regulated within ten subsidiaries of the Group** located within the European Economic Area. These entities must apply **on individual basis** the CRD IV Directive as they are considered significant entities in their respective countries:

- 60 in Crédit du Nord in France;
- 18 in Societe Generale Bank and Trust (SGBT) in Luxemburg;
- 23 in Societe Generale Securities Services (SGSS) Spa in Italy;
- 7 in SG Private Banking in Belgium;
- 73 in Komercni Banka in Czech Republic;
- 34 in Banque Roumaine de Développement (BRD) in Romania;
- 23 in Eurobank in Poland;
- 20 in SGEB in Bukgaria;
- 21 in Splitska Banka in Croatia;
- 15 in SKB in Slovenia.

[3] The « material business units » as defined by the EBA regulatory standards are the activities (subsidiaries, businesses) within the Group which represent at least 2% of the Group's internal capital.

In addition to the staff members identified as material risk takers under CRD IV, as some activities of Societe Generale Group are subject to other regulations, other populations are identified and subject to specific constraints, in particular asset management firms under AIFMD and UCITS and insurance companies under Solvency II.

In compliance with articles 198 and 199 of the Order of 3 November 2014, asset management firms and insurance companies have been excluded from the scope of identification of the CRD IV regulated population on a consolidated basis. However, as indicated above, these companies are subject to other specific regulations - with principles similar to CRD IV – and specific regulated populations have been identified in these companies.

2.3 2016 Group variable remuneration policy

Allocation of variable remuneration depends on both individual and collective performance and takes into account previously defined quantitative and qualitative criteria, integrating risks. It also takes into consideration the economic, social, and competitive context. In order to avoid any conflicts of interest, variable remuneration is not directly or solely linked to the amount of revenues generated.

In addition, for several categories of employees (staff regulated under CRD IV, AIFMD, UCITS V; all employees within Global Banking and Investor Solutions and Central Divisions beyond a certain threshold), **a significant portion of variable remuneration is deferred over three years and subject to presence and performance conditions of the business line and/or activity concerned.** As such, when performance conditions are not met, the deferred component of variable remuneration is partially or fully forfeited. **Furthermore, any excessive risk taking or any behaviour deemed unacceptable by General Management may result in a reduction or total forfeiture of this deferred component.** Finally, the variable remuneration of the CRD IV regulated staff is capped at two times the fixed remuneration.

2.3.1 Link between variable remuneration and performance and alignment of variable remuneration with risk within the Group (*ex ante*)

2.3.1.1 Determination of variable remuneration pools

The variable remuneration pool of Global Banking and Investor Solutions (GBIS) is defined on the basis of performance indicators which take into account all costs and risks inherent to the activities (liquidity; counterparty; market; operational; legal; non compliance; capital - cf. detail in the table below)

Variable remuneration pools are set by business line, at a global and regional level, in order to ensure financial solidarity between the various activities and avoid conflicts of interest. Part of the variable remuneration pool of each business line is allocated to a transversal pool that is used to finance variable remuneration for activities still in their development stage and support functions (operations, information technology,…).

The methodology used for the determination of the GBIS variable remuneration pool has been defined by an ad hoc committee with the participation of General management, Finance Division, Risk Division, Human Resources Department and GBIS management. It complies with the relevant regulatory requirements. The GBIS variable remuneration pool was validated on this basis by the Board of Directors after review by the Compensation Committee.

Within Retail Banking in France and International Banking and Financial Services, the variable remuneration pools are determined notably on the basis of the evolution of the operating income, which includes the different costs and risks inherent to the activities of these Core Businesses, as well as on the Return on Normative Equity (RONE)[4].

For Central Divisions, the evolution of variable remuneration pools is based on the evolution of Group results, in particular on the net income Group share and on the ROE. This is notably the case for control functions which are integrated to the Central Divisions and for which variable remuneration pools are determined independently of the results of the business activities they control.

For all Core Businesses and Central Divisions, the setting of the pools, as well as their allocation to businesses/entities, depends on the aforementioned quantitative factors but also on several qualitative factors, which include:

- Market practices in terms of remuneration;
- General conditions in the markets in which the results were generated;
- Elements which may have impacted temporarily the business performance;
- The stage of maturity of the activity;

[4] Return on Normative Equity = Return on Equity of a Core business or activity, based on normative capital

In addition, the Risk Division and the Compliance Department carry out an independent assessment of businesses/entities having a significant impact on the Group's risk profile, essentially within Global Banking and Investor Solutions, International Banking and Financial Services and French Retail Banking.
Each business/entity is assessed by the Risk Division with respect to the way it manages counterparty risks, market risks and operational risks and by the Compliance Department with respect to managing non-compliance risk. Thus, the assessment made by the Risk and Compliance experts on the collective management of risks has a weighting effect on the manner in which variable remuneration pools are allocated between businesses/entities.

For the Group's senior managers (Chief Executive Officers, Group Executive Committee and Management Committee), variable remuneration is not based on a collective pool but is determined individually on the basis of the Group's financial results, the results of the business activity they supervise, the extent to which they have met their specific qualitative and quantitative objectives and taking into account market practices as reported by remuneration surveys.

Moreover, the Finance Division includes the proposed global variable remuneration pool at Group level in the budget forecasts that are used as a basis to project regulatory capital ratios. In this respect, variable remuneration is taken into account alongside other factors in capital planning and in terms of its adequacy with the objectives set by the Bank. The MDA[5] mechanism can restrict the distribution of earnings (including in particular variable remuneration) if the bank's capital ratios fall below certain thresholds.

Therefore, this policy fully preserves capital and liquidity, by encouraging to respect financial targets linked to capital and liquidity, and via the conditions for the award and vesting of the deferred part of the variable remuneration. Moreover, this remuneration policy is completely integrated in the capital planning and does not prevent the respect of the fully-loaded capital ratios, in compliance with the BCE recommendations.

The determination of the variable remuneration pools, which takes into account the risk appetite financial targets, remains in fine at the discretion of the General management. Notably, **the General Management reserves the right to re-calibrate variable remuneration pools if they limit the Bank's capacity to maintain the level of capital required to meet the target prudential ratios.**

2.3.1.2 Individual allocation of variable remuneration

The individual allocations of variable remuneration components take into account, for the entire Group, an annual individual performance appraisal based on the achievement of quantitative and qualitative objectives.

By consequence, there is no direct or automatic link between the commercial and financial results of an individual employee and his/her level of variable remuneration insofar as employees are assessed on their results, those of their activity and the way in which said results were achieved.

The recommended methodology for the objective setting is the SMART method (the objectives are Specific, Measurable, Accessible, Realistic and fixed within a Timeframe) in order to define objectives that are clearly identified and can be assessed by indicators that are known to the employee.

The qualitative objectives are tailored to the individual employee, in relation to the employee's professional activity and adapted to the position held. These objectives include the quality of risk management, the means used and behaviours displayed to achieve results such as cooperation, teamwork and human resources management, as well as the management of clients' interests and satisfaction. Such qualitative objectives are listed in a common reference document that is used throughout the Group.

In addition to the individual appraisal carried out by line managers, the Risk Division and the Compliance Department independently assess categories of staff regulated under the CRD IV, AIFMD and UCITS V, essentially within Global Banking and Investor Solutions, International Banking and Financial Services and Retail banking in France. They review in particular:

- Risk awareness, technical expertise and risk management, as well as respect of policies and procedures related to risk management;
- Compliance with regulations and internal procedures, as well as the extent to which they are transparent *vis-à-vis* the clients with respect to products and associated risks;
- The quality of the interactions between the employees concerned and the Risk Division and the Compliance Department (transparency, pro-activity, completeness of information,…).

[5] Maximum Distributable Amount

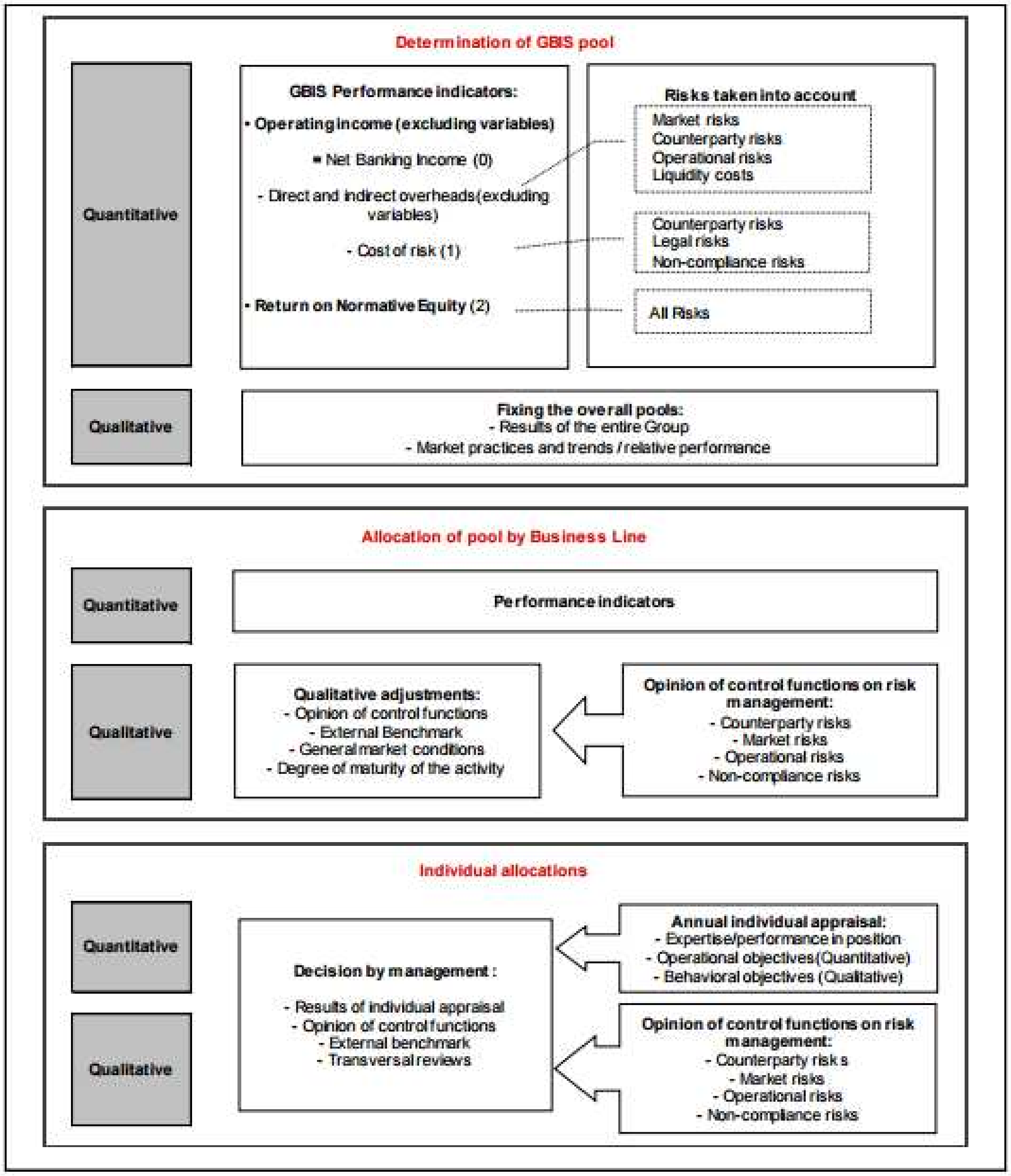
In 2016, the Risk Division and the Compliance Department assessed, within the framework of the same exercise, the employees in charge of trading desks under Volcker Rule and the French Banking Law[6] desks (including those who are also regulated in the sense of CRD IV).

In addition to the above, the Risk Division and the Compliance Department may extend the scope of evaluated employees beyond staff regulated under the CRD IV, AIFMD and UCITS V and Volcker Rule/French Banking Law Desk Heads, if considered appropriate.

The senior management of the relevant Core Businesses, General Management and the Group Human Resources Division take the conclusions from the Risk Division and the Compliance Department into consideration when approving the overall variable remuneration pools and the way in which they are allocated at an individual level. The proposed variable awards are adjusted downwards in the event of a negative appraisal by the Risk Division and/or the Compliance Department. The conclusions and negative impacts are communicated to the Compensation Committee.

[6] Essentially within MARK and GLFI business lines for 2016

Taking into account performance and risks ex ante within Global Banking and Investor Solutions



(0) ° The market risks and market losses are included at the level of the NBI through the trading results.
° The counterparty risks linked to market operations are also taken into account in the NBI, through the Credit Value Adjustment (CVA) and the Debt Value Adjustment (DVA).
° The operational risks and losses are also included at the NBI level.

(1) : The net cost of risk includes counterparty risks in the following manner:
° For financing activities : losses expected over a one-year period on the portfolio + 10% of the accounting provisions for risks for the reporting year
° For private banking, asset management and investor services: accounting provisions for risks for the reporting year

(2) RONE: Return on normative equity calculated as [(11% * average Risk Weighed Assets/RWA) + complementary own funds]. The RWA take into account counterparty, market and operational risks. The Net result taken into account for the calculation is based on the Net Cost of Risk as defined in (1).

2.3.2 Structure of variable remuneration

2.3.2.1 CRD IV regulated staff

The structure of the variable remuneration awarded to CRD IV regulated staff for the 2016 performance year includes, in compliance with regulation, above a threshold of 100 K€:

- **A non-vested component** subject to presence and performance conditions, as well as appropriate management of risks and compliance, **vested over a period of three years on a pro-rata basis, with a deferral rate of at least 40% and which may go up to 70% for the highest variable remuneration levels;**
- **A payment of more than 50% in shares or share equivalents Societe Generale**[7]**,** that is 50% of the vested component and two-thirds of the non-vested component.

Accordingly, the part paid immediately in cash is capped at 30%. It can even go down to 15% for the highest variable remunerations.

More precisely, the variable remuneration scheme of CRD IV regulated staff is structured as follows (cf. table below):

- A vested, non-deferred part paid in cash in March of the year following the close of the financial year;
- A vested part deferred in the form of share equivalents, for which the final amount paid to the employee depends on the Societe Generale share price at the end of the non-transferability period;
- A non-vested deferred cash part (which is not indexed to the share price) in one instalment conditional on the employee's continuous employment with the Bank and dependent on the performance and risk alignment criteria described hereafter in 2.3.4;
- A non-vested part deferred in Societe Generale shares or share equivalents in two instalments[7] for which vesting is conditional on the employee remaining employed by the Bank and dependent on the conditions described in section 2.3.4 and the final value depending on the Societe Generale share price at the end of the non-transferability period.

The non-transferability period is at least six months for instruments indexed to the Societe Generale share price.

All payments corresponding to instalments in shares or share equivalents, made after the non-transferability period, will be increased by the value of the dividend paid during the non-transferability period, if applicable.

All employees receiving deferred variable remuneration are prohibited from using hedging or insurance strategies during both the vesting period and the non-transferability period.

In accordance with the policy applied for the Chief Executive Officers, the variable remuneration structure of the members of the Group Executive Committee and Management Committee, all members of which are regulated under CRD IV, is more constraining. The non-vested component of their variable remuneration is deferred over five years[8], out of which a part over three years pro rata temporis as mentioned above and a part under a long term incentive plan which vests after five years, awarded in Societe Generale shares or share equivalents[7] and subject to conditions depending on the relative performance of the Societe Generale share (cf 2.3.3).

2.3.2.2 AIFMD and UCITS V regulated staff

The employees working within asset management and who are regulated under AIFMD and UCITS V are subject to a variable remuneration scheme equivalent to that described above for CRD IV regulated staff, the instruments awarded being though, in compliance with AIFMD and UCITS V regulations, indexed to a basket of managed funds instead of being linked to the value of the Societe Generale share.

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[7] As for the preceding year, the instalments of non-vested variable remuneration awarded in instruments will be attributed to French tax residents in the form of Societe Generale shares, instead of equivalent shares as attributed before, as approved by Societe Generale shareholders at the General Meeting on 18 May 2016.

[8] Except for a few members of these committees located in specific geographies who have to comply with local constraints

2.3.2.3 Solvency II regulated staff

The staff members working within insurance activities and who are regulated under Solvency II are subject to a variable remuneration scheme equivalent to that described above for CRD IV regulated staff, and their performance conditions are linked to the results of the insurance business.

2.3.2.4 Other staff whose variable remuneration is partly deferred

Beyond staff regulated under CRD IV, AIFMD and UCITS V, the variable remuneration of staff within Global Banking and Investor Solutions and Central Divisions is also subject, when it exceeds 100 K€, **to a deferred payment** on progressive rate over three years vesting on pro-rata temporis basis, with a first instalment in cash and the two following ones in shares or equivalent shares[7]. The non-vested part is subject to the same vesting conditions as for CRD IV regulated staff.

By way of reminder, the Group ceased to grant stock options since 2011.

Structure of variable remuneration attributed for 2016 (excluding Chief Executive Officers)

		Variable remuneration					
			Definitive payment/allocation deferred over time				
Categories of employees	Fixed remuneration	Vested component		Non-vested component			
				40% to 70% of variable remuneration			
Group Senior Executives (Group Executive Committee)	Fixed salary	Cash	Share equivalents (1)	Deferred cash	Deferred cash	Shares or Share equivalents (1) (2)	Shares or Share equivalents (1) (2)
		50% upfront	50% deferred	20% deferred	20% deferred	20% deferred	40% deferred
Date of availability/payment		*March 2017*	*October 2017**	*March 2018**	*March 2019**	*October 2020**	*October 2022**
				40% to 70% of variable remuneration			
Group Senior Executives (Group Management Committee)	Fixed salary	Cash	Share equivalents (1)	Deferred cash	Deferred cash	Shares or Share equivalents (1) (2)	Shares or Share equivalents (1) (2)
		50% upfront	50% deferred	25% deferred	25% deferred	25% deferred	25% deferred
Date of availability/payment		*March 2017*	*October 2017**	*March 2018**	*March 2019**	*October 2020**	*October 2022**
				40% to 70% of variable remuneration			
CRD IV Regulated employees Variable remuneration > 100 K€	Fixed salary	Cash	Share equivalents (1)	Deferred cash	Shares or Share equivalents (1) (2)	Shares or Share equivalents (1) (2)	
		50% upfront	50% deferred	33% deferred	33% deferred	33% deferred	
Date of availability/payment		*March 2017*	*October 2017**	*March 2018**	*October 2019**	*October 2020**	
				40% to 70% of variable remuneration			
AIFMD / UCITS V Regulated employees Variable remuneration > 100 K€	Fixed salary	Cash	Instruments indexed on the performance of a basket of funds (1)	Deferred cash	Instruments indexed on the performance of a basket of funds (1)	Instruments indexed on the performance of a basket of funds (1)	
		50% upfront	50% deferred	33% deferred	33% deferred	33% deferred	
Date of availability/payment		*March 2017*	*October 2017**	*March 2018**	*October 2019**	*October 2020**	
				% depends on level of variable			
Other employees subject to Group deferral plan (3): Variable remuneration > 100 K€	Fixed salary	Cash		Deferred cash	Shares or Share equivalents (1) (2)	Shares or Share equivalents (1) (2)	
		100% upfront		33% deferred	33% deferred	33% deferred	
Date of availability/payment		*March 2017*		*March 2018**	*October 2019**	*October 2020**	

**Date of availability/payment, taking into account the post-vesting retention period (at least 6 months for shares and share equivalents)*

(1) Installments in instruments remain subject to the potential application of the individual forfeiture (malus) clause during the retention period

(2) Shares for French tax residents / Share equivalents for non-French tax residents

(3) Employees in Global Banking and Investor Solutions and in the Group's Central Divisions

2.3.3 Performance conditions and risk alignment of deferred variable remuneration (*ex post*)

For all staff whose variable remuneration is partly deferred, the vesting of the deferred variable remuneration component depends entirely on both (i) the fulfilment of a performance condition and (ii) appropriate management of risks and compliance.
Performance conditions are tailored according to the division and activity. **If a minimum performance level is not met every year, non-vested variable remuneration is partially or entirely forfeited** (malus principle mentioned in Article L 511-83 of the Financial and Monetary Code).

Performance thresholds are set by the Finance Division and are approved by the Board of Directors.

Performance conditions are set according to the level of responsibility and are increasingly demanding in line with the beneficiary's hierarchical level. Societe Generale senior executives are subject to specific performance conditions, in line with the objectives set out in the Group's strategic plan.

The performance conditions applied to deferred remuneration, by managerial layer, are summarised in the following table:

Managerial layer		Vesting in March 2018	Vesting in March 2019	Vesting in March 2020	Vesting in March 2022
		Cash	Cash	Shares or Share equivalents with non-transferability period	Shares or Share equivalents with non-transferability period
Group Executive Committee and Management Committee	**Businesses**	2017 Operating income of perimeter of supervision (1)	2018 Operating income of perimeter of supervision (1)	2019 Operating income of perimeter of supervision (1)	Annualised relative TSR (*) between 2016 and 2021
	Central Divisions	Group Net Income 2017 + Core Tier One at 31/12/2017	Group Net Income 2018 + Core Tier One at 31/12/2018	Group Net Income 2019 + Core Tier One at 31/12/2019	

Managerial layer		Vesting in March 2018	Vesting in March 2019	Vesting in March 2020
		Cash	Shares or Share equivalents with non-transferability period	Shares or Share equivalents with non-transferability period
Other employees with a non-vested deferred component including regulated staff	**GBIS (**)**	Operating income 2017	Operating income 2018	Operating income 2019
	Other business and Central Divisions	Group Net Income 2017 (2)	Group Net Income 2018 (2)	Group Net Income 2019 (2)

(*) TSR: Total Shareholder Return
(**) GBIS: Global Banking and Investor Solutions
(1) Except for beneficiaries from KB, BRD and Rosbank
(2) Except for beneficiaries from KB, BRD and International Retail banking in Russia
Note: the panel of banks used to calculate the TSR includes, in addition to Societe Generale: Barclays, BBVA, BNP Paribas, Crédit Agricole, Crédit Suisse, Deutsche Bank, Intesa Sanpaolo, Nordea, Santander, UBS and Unicredit.

In addition, any excessive risk taking or any behaviour deemed unacceptable by General Management may result in these deferred remuneration components being reduced or forfeited.

2.3.4 Ratio between variable and fixed remuneration for CRD IV regulated staff

The CRD IV Directive introduced a cap on the variable component of remuneration, which cannot exceed the fixed component, with the possibility for the Annual General Shareholders' Meeting to approve a higher maximum ratio of up to 2:1 between variable and fixed components.

In accordance with the regulation and more specifically with Ordinance n°2014-158 of 20 February 2014 which transposed this Directive, **the Annual General Meeting of 20 May 2014 approved a maximum ratio of 2:1 between variable and fixed components of remuneration for the members of the CRD IV Group regulated population**. This decision will remain in force until reconsidered by the General Meeting.

Each regulated staff is compliant with this maximum ratio. For the members of the Group Executive Committee and Management Committee, who are beneficiaries of a long term incentive plan vesting after five years and awarded in Societe Generale shares or share equivalents, the faculty given by the Ordinance n°2014-518 of 20 February 2014 to apply a discount rate to the part of the variable remuneration awarded in instruments and deferred for at least five years has been applied to compute the ratio between variable and fixed components.

2.3.5 The 2016 variable remuneration pool of the CRD IV regulated staff

The variable remuneration pool awarded to the CRD IV regulated staff with respect to 2016 was 240.1 M€ and total variable and fixed remuneration amounted to 491.1 M€. This pool leads to a downside of average remuneration, by -12% for the variable component[9] and by -8% in terms of total fixed and variable remuneration, at constant exchange rate, as compared to average remuneration of 2015 CRD IV regulated staff. This is due to the broadening of this population, due to inclusion of staff with lower average levels of remuneration, and to the decrease of the variable remuneration awarded to CRD IV regulated staff within Global Banking and Investor Solutions, accounting for the major part of the scope.

2.3.6 Policy concerning guaranteed remuneration

For all Group employees, awarding a guaranteed variable remuneration in the context of hiring a new employee is:

> Strictly limited to one year (in compliance with CRD IV);
> Subject to the terms of the deferred variable remuneration scheme applicable for the given financial year.

2.3.7 Severance payments

Discretionary payments (i.e. payments in excess of severance payments set by law or a collective bargaining agreement due under the binding provisions of labour law), linked to the early termination of an employment contract, are not under any circumstances set contractually in advance (e.g. golden parachutes are strictly forbidden). They are determined at the time the employee leaves the Bank, by taking into account the beneficiary's performances, assessed in the light of the collective performances of the activity the employee belongs to as well as the performances of the Group as a whole.

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[9] Excluding severance pay

PART 3. REMUNERATION OF CHIEF EXECUTIVE OFFICERS

The remuneration of the Chief Executive Officers complies with the CRD IV and its transposition in France. It also respects the recommendations made by the AFEP-MEDEF Corporate Governance Code. Accordingly, the Board of Directors defines the remuneration of the Chief Executive Officers, on a proposal of the Compensation Committee (cf. 1.1. above). The remuneration policy applied to the Chief Executive Officers is detailed in Chapter 3 of the 2016 Registration Document on the Corporate governance.

PART 4. INFORMATION ABOUT REMUNERATION FOR FINANCIAL YEAR 2016

4.1 The regulated population (individuals whose professional activities have a material impact on the risk profile of the company) excluding Chief Executive Officers

A. **Remuneration awarded for the financial year** (in MEUR):

	Group Total	Supervisory Council	Executive Committee	Markets activity	Financing and Advisory	GBIS - Others	Retail Banking	Control and Support Functions
Regulated population	754	12	11	319	231	36	50	95
Total Remuneration	491,1	1,4	12,5	235,6	152,3	19,1	26,2	44,0
of which Fixed remuneration	251,0	1,40	4,9	127,4	73,1	10,3	12,8	21,1
of which Variable remuneration [1]	240,1		7,6	108,2	79,2	8,8	13,4	22,9
Variable remuneration [1]								
of which upfront part	134,7		3,2	61,4	44,3	4,6	7,3	13,9
including cash	75,5		1,6	35,2	24,4	2,3	3,8	8,2
including instruments[2]	59,2		1,6	26,2	19,9	2,3	3,5	5,7
of which deferred part	105,4		4,3	46,8	35,0	4,1	6,2	9,0
including cash	37,5		1,7	15,7	12,5	1,7	2,6	3,3
including instruments	67,9		2,6	31,1	22,5	2,4	3,6	5,7

(1) Payable in several instalments between March 2017 and October 2022
(2) During the retention period, remaining subject to the potential application of the individual and collective forfeiture condition

B. Deferred variable remuneration :

a. Summary of the relevant deferred variable plans by instalment and by vehicle (except those applicable to Executive Committee and Management Committee):

Installment	2013	2014	2015	2016	2017	2018	2019	2020
Plan 2012	50% Cash 50% Share Equiv.	Cash	Share Equiv.	Share Equiv.				
Plan 2013		50% Cash 50% Share Equiv.	Cash	Share Equiv.	Share Equiv.			
Plan 2014			50% Cash 50% Share Equiv.	Cash	Share Equiv.	Share Equiv.		
Plan 2015				50% Cash 50% Share Equiv.	Cash	Shares or Share Equiv.	Shares or Share Equiv.	
Plan 2016					50% Cash 50% Share Equiv.	Cash	Shares or Share Equiv.	Shares or Share Equiv.

Share Equiv.: Societe Generale share equivalents are paid out in their cash value after at least a 6 month retention period

Shares: Societe Generale performance shares with a vesting period of at least 2 years followed by a retention period of 6 months for residents of France

b. Outstanding deferred variable remuneration

The amount of outstanding deferred remuneration corresponds this year to the outstanding deferred variable remuneration awarded with respect to 2016, 2015, 2014, 2013, 2011 and 2010.

Amounts of conditional deferred remuneration
in MEUR (1)

With respect to 2016 financial year	With respect to prior financial years
164,6 (2)	123,55

(1) Expressed as value at award date

(2) Including vested instruments, subject to retention period of six months, during which the appropriate management of risks and compliance condition applies.

All outstanding deferred variable remuneration is exposed to possible explicit adjustments (performance conditions and clause concerning appropriate management of risks and compliance) and/or implicit adjustments (indexation on share price).

c. Deferred variable remuneration paid out or reduced through performance adjustments for the financial year:

Year of award	Amount of deferred remuneration vested in €m - Value at award (1)	Amount of deferred remuneration reduced through performance adjustments (2)	Amount of deferred remuneration vested in €m - Value at time of vesting/of payment (1) (3)
2015	93,2	0,02 (4)	116,6
2014	35,8		40,8
2013	44,6	0,04 (5)	45,2
2012	1,8	1,1 (6)	1.7
2010	0,2		0,2

(1) Including vested instruments, subject to retention period of six months to one year, during which the appropriate management of risks and compliance condition applies.
(2) The amount of deferred remuneration reduced corresponds to explicit adjustments (performance conditions not met). The balance of the difference between the amount of deferred variable remuneration in value at award and in value at the time of vesting/payment is due to implicit adjustments (the variation of the SG share value).
(3) Amounts valuated at the share value defined in March 2017.
(4) The amount of remunerations awarded under the 2015 plan was reduced by 18 623€, due to a performance condition not being met.
(5) The amount of remunerations awarded under the 2013 plan was reduced by 41 770€, due to a performance condition not being met.
(6) 24 173 performance shares awarded as part of the 2012 plan were forfeited, due to the performance conditions not being met.

C. Sign-on and severance payments made during the financial year:

Total amount of severance payments made and number of beneficiaries		Sign-on payments made and number of beneficiaries	
Amount paid out in €m (1)	**Number of beneficiaries**	**Amount paid out in €m**	**Number of beneficiaries**
13.8	21	0	0

(1) The highest individual severance payment made during 2016 was 1,95 M€.

D. Severance awards:

Amount of severance payments awarded during the financial year	
Total amount	**Number of beneficiaries**
0	0
Highest such award	
0	

4.2. Chief Executive Officers

Chief Executive Officers in the financial year 2016 were Messrs Bini Smaghi, Oudéa, Cabannes and Sanchez Incera.

The remuneration of Chief Executive Officers was subject to a specific disclosure following the Board of Directors meeting held on 8th February 2017 that approved the variable remuneration awards for 2016.

A. Remuneration awarded for the financial year (in MEUR):

Number of beneficiaries	4
Total Remuneration	8,7
of which Fixed remuneration	3,8
of which Variable remuneration (1)	4,9
Variable remuneration	
of which upfront part	1,2
including cash	0,6
including instruments	0,6
of which deferred part	3,7
including cash	0,6
including instruments	3,1

Note :
(1) The amounts are inclusive of long term incentive plan attributed for 2016 in February 2017.

B. Deferred variable remuneration :

a. Outstanding deferred variable remuneration

The amount of outstanding deferred remuneration corresponds this year to the outstanding deferred variable remuneration awarded with respect to 2015, 2014 and 2013.

Amounts of conditional deferred remuneration in MEUR (1)	
With respect to 2015 financial year	**With respect to prior financial years (2)**
4,4	7,2

(1) Expressed as value at award date
Note: These amounts include the long term incentives awarded for 2012, 2013 and 2014.

b. Deferred conditional remuneration paid out or reduced through performance adjustments for the financial year[1]:

Year of award	Amount of deferred remuneration vested in MEUR Value at award	Amount of deferred remuneration reduced through performance adjustments	Amount of deferred remuneration vested in MEUR Value at time of vesting/of payment
2015	1,2	0	1,4
2014	0,4	0	0,5
2013	0,5	0	0,5
2012	1,1	0,7 [2]	3,4

(1) Including vested instruments, subject to retention period of six months to one year. Amounts valuated at the share value define in March 2017.
(2) 14.612 performance shares awarded for 2012 were forfeited, due to the performance condition not being met.

C. Sign-on and severance payments made during the financial year:

Total amount of severance payments made and number of beneficiaries		Sign-on payments made and number of beneficiaries	
Amount paid out in MEUR	**Number of beneficiaries**	**Amount paid out in MEUR**	**Number of beneficiaries**
0	0	0	0

D. Severance awards:

Amount of severance payments awarded during the financial year	
Total amount	**Number of beneficiaries**
0	0
Highest such award	
0	

4.3. Global remuneration equal or above 1 M€

Number of regulated staff (including Chief Executive Officers) whose global remuneration granted for 2016 is equal to or above 1 M€

Remuneration bracket, M€	Headcount
[1 - 1,5[	67
[1,5 - 2[	18
[2 -2,5[	8
[2,5 - 3[	5
[3 - 3,5[	1
[3,5 - 4[	1
Total	**100**

Among the 100 beneficiaries of global remuneration equal to or above 1 M€, 58 are located outside France and 42 in France.

2.3 Employee Share Plans

General policy

The Group suspended grants of stock purchase or subscription options in 2011. Free shares have been issued in France since 2006 and abroad since 2009, as authorised at the General Meeting. The Board of Directors, based on the recommendations of the Compensation Committee, has defined the following policy: granting of performance shares in order to reward, motivate and secure the long-term loyalty of three specific categories of employees. These employees are:

- employees who have made a significant contribution to the Group's results, with respect to their responsibilities;
- high-potential employees whose expertise is highly sought-after on the job market;
- employees whose work has proved extremely valuable to the Company.

In addition, in the context of the specific loyalty and remuneration policy applicable to categories of staff whose professional activities affect the Group's risk profile, defined in accordance with CRD4 applicable since 1st January 2014 (referred to as regulated persons), part of the variable remuneration of Chief Executive Officers and certain employees from the businesses concerned is deferred, in the form of performance shares.

Grants are wholly contingent on presence within the Group at the vesting date and on collective performance, regardless of the category or level of the beneficiary. In accordance with the recommendations of the AFEP-MEDEF Code, Group performance conditions applied to Group Chief Executive Officers are demanding and established in advance.

The grant of these financial instruments is accounted for under personnel expenses in the Company's financial statements in accordance with IFRS 2.

2017 Plan

Based on a proposal from the Compensation Committee, the Board of Directors, at its meeting of 15th March 2017, granted performance shares to certain members of staff in accordance with the 19th and 20th resolutions of the combined General Meeting dated 18th May 2016.

Pursuant to the 19th resolution, the performance shares granted under the specific loyalty and remuneration policy for regulated persons as defined by banking regulations (including Chief Executive Officers and Executive Committee members) represent 0.11% of the share capital, corresponding to a total of approximately 913,000 shares. Their vesting periods range from two to six years, followed by a holding period of at least six months. These shares are wholly subject to performance conditions specific to each Core Business and business line.

Pursuant to the 20th resolution, the beneficiaries of the long-term incentive plan numbered 6,048, receiving approximately 902,000 shares in total, i.e. 0.11% of the share capital. The Chief Executive Officers and members of the Group Management Committee were not beneficiaries of the plan. Plan beneficiaries comprised 2,397 women and 3,651 men belonging to other employee categories (including non-executives) spread over nearly 75 different countries; 39% work outside France.
All shares are granted subject to a condition of presence throughout the vesting period as well as a performance condition based on the Societe Generale Group’s net income. The shares will definitively vest for each beneficiary after three years.

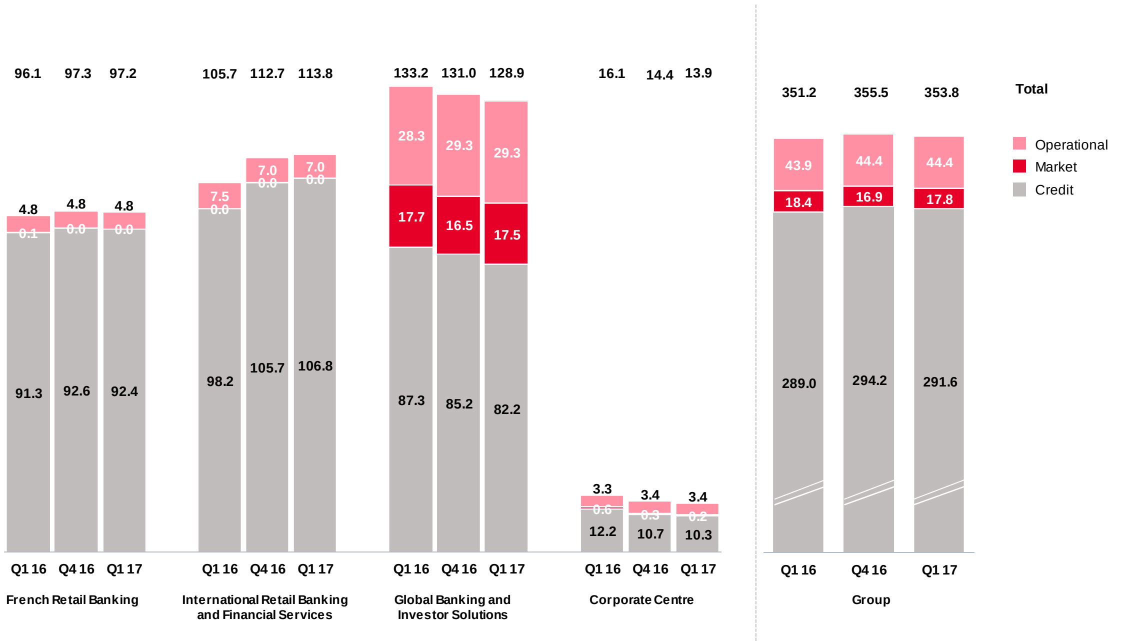
3.1 Regulatory ratios

3.1.1 Prudential ratio management – Update of the 2017 Registration Document, pages 169-180

During the first quarter of 2017, Societe Generale launched a Tier 2 bond issue for AUD 200 M with 2029NC2024 maturity. Societe Generale also announced the redemption at the first call date of two Additional Tier 1 bonds, the first call date being April 5, 2017, for USD 63 M and USD 807 M.

3.1.2 Extract from the presentation dated May 4, 2017: First quarter 2017 results (and supplements) – update of the pages 156 to 180 of the 2017 Registration Document

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



* Includes the entities reported under IFRS 5 until disposal

CRR/CRD4 PRUDENTIAL CAPITAL RATIOS

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

In EUR bn	31/03/2017	31/12/2016
Shareholder equity Group share	**62.2**	**62.0**
Deeply subordinated notes*	**(10.6)**	(10.7)
Undated subordinated notes*	**(0.3)**	(0.3)
Dividend to be paid & interest on subordinated notes	**(2.2)**	(1.9)
Goodwill and intangible	**(6.4)**	(6.3)
Non controlling interests	**2.7**	2.6
Deductions and regulatory adjustments**	**(4.4)**	(4.4)
Common Equity Tier 1 Capital	**41.1**	**40.9**
Additional Tier 1 capital	**9.7**	10.6
Tier 1 Capital	**50.8**	**51.5**
Tier 2 capital	**12.1**	12.0
Total capital (Tier 1 + Tier 2)	**62.9**	**63.6**
Total risk-weighted assets	**354**	**355**
Common Equity Tier 1 Ratio	**11.6%**	**11.5%**
Tier 1 Ratio	**14.4%**	**14.5%**
Total Capital Ratio	**17.8%**	**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

FINANCIAL CONGLOMERATE RATIO

At 31st December 2016, the financial conglomerate ratio was 220%, consisting of a numerator “Own funds of the Financial Conglomerate” of EUR 68 billion, and a denominator “Regulatory requirement of the Financial Conglomerate” of EUR 31 billion.

At 31st December 2015, the financial conglomerate ratio was 194%, consisting of a numerator “Own funds of the Financial Conglomerate” of EUR 62 billion, and a denominator “Regulatory requirement of the Financial Conglomerate” of EUR 32 billion.

CRR LEVERAGE RATIO

CRR fully loaded leverage ratio[1]

In EUR bn	31/03/2017	31/12/2016
Tier 1 Capital	**50.8**	**51.5**
Total prudential balance sheet (2)	**1,286**	1,270
Adjustement related to derivative exposures	**(95)**	(112)
Adjustement related to securities financing transactions*	**(29)**	(22)
Off-balance sheet (loan and guarantee commitments)	**94**	91
Technical and prudential ajustments (Tier 1 capital prudential deductions)	**(10)**	(10)
Leverage exposure	1,245	1,217
CRR leverage ratio	**4.1%**	**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

3.2 Provisioning of doubtful loans - update of page 202 of the 2017 Registration Document

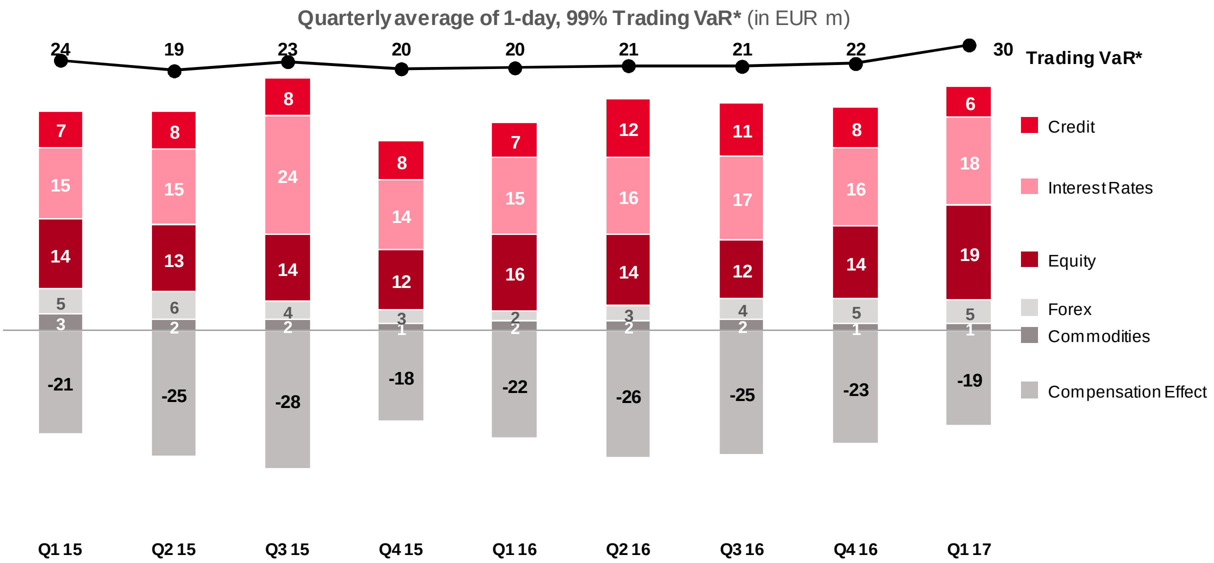
NON PERFORMING LOANS

In EUR bn	31/03/2017	31/12/2016	31/03/2016
Gross book outstandings*	483.1	479.1	467.4
Doubtful loans*	23.3	23.9	24.7
Group Gross non performing loans ratio*	***4.8%***	***5.0%***	***5.3%***
Specific provisions*	13.5	13.7	14.4
Portfolio-based provisions*	1.5	1.5	1.4
Group Gross doubtful loans coverage ratio* (Overall provisions / Doubtful loans)	***65%***	***64%***	***64%***

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

3.3 Change in trading VaR – Update of the 2017 Registration Document pages 206 - 209

Quarterly average 99% Value at Risk (VaR), a composite indicator used for the day-to-day monitoring of the market risks incurred by the bank, on the scope of its trading activities, in millions of euros:



Since January 1, 2008, the parameters for credit VaR have excluded positions on hybrid CDOs, which are now accounted for prudentially in the banking book.

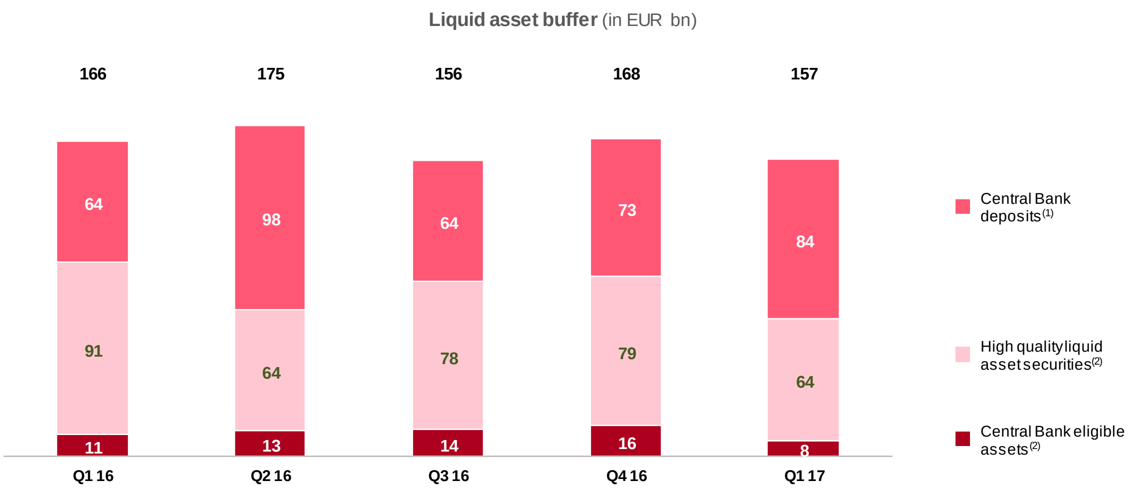
Stressed VAR** (1 day, 99%, in EUR m)	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17
Minimum	44	30	26	30	27
Maximum	60	52	53	68	68
Average	52	43	39	46	47

* 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

3.4 Liquidity risks

3.4.1 Liquid asset buffer – update of page 227 of the 2017 Registration Document



Liquidity Coverage Ratio at 138% on average in Q1 17

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

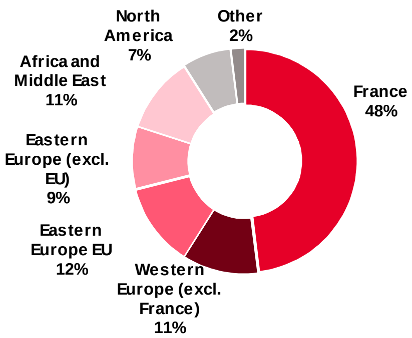
3.5 Specific provisions and impairments for credit risks - Correction of the charts on page 201 of the 2017 Registration Document

A correction has been made to the allocation by geographic region of doubtful and disputed loans and provisions and impairments, which has led to the reclassification of:

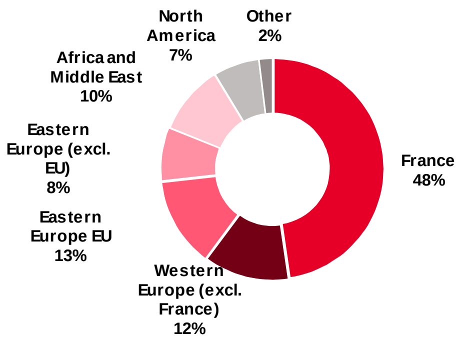
- EUR 1.1 billion of doubtful and disputed loans from France to the North America region in respect of 31st December 2015.
- EUR 1.0 billion of doubtful and disputed loans and EUR 0.8 billion of provisions and impairments from Western Europe (excluding France) to the North America region in respect of 31st December 2016

Note that for 31st December 2015, the provisions were correctly allocated.

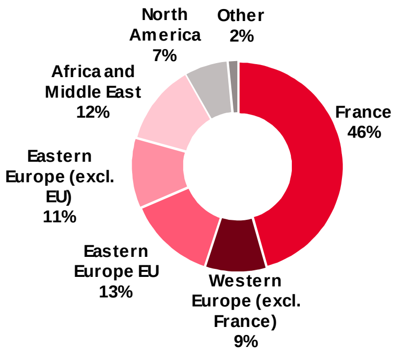
Breakdown of doubtful and disputed loans by geographic region at 31st December 2016



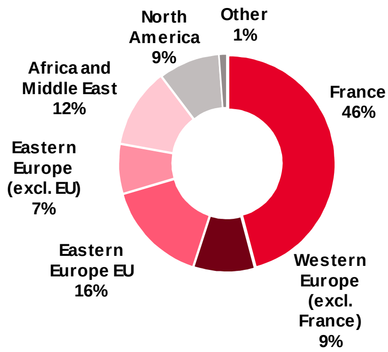
Breakdown of doubtful and disputed loans by geographic region at 31st December 2015



Breakdown of provisions and impairments by geographic region at 31st December 2016



Breakdown of provisions and impairments by geographic region at 31st December 2015



3.6 Risks and litigation - Update of the 2017 Registration Document page 237

- In the litigation involving the setting of US Dollar Libor that is pending in Federal court in Manhattan, on 13th January 2017, the putative class of exchange-traded derivatives plaintiffs filed a motion seeking leave from to file a further amended complaint adding antitrust claims that plaintiffs contend the court has not yet addressed. Briefing on that motion was completed on 16th March 2017 and the parties are awaiting a ruling. Several class and individual plaintiffs have moved the court for entry of partial final judgment on its prior rulings so that plaintiffs can appeal the dismissal of their claims.
  In the litigation involving the setting of Japanese Yen Libor that is pending in Federal court in Manhattan, on 10th March 2017, the court dismissed the claims of the putative class of the over-the-counter derivatives plaintiffs in their entirety. Plaintiffs filed a notice of appeal from that decision to the on 3rd April 2017. In connection with the putative class of listed derivatives plaintiffs, on 10th March 2017, the court dismissed plaintiffs' Commodity Exchange Act claims added in their Third Amended Complaint.
  In the litigation involving the setting of Euribor that is pending in Federal court in Manhattan, on 21st February 2017, the court dismissed all claims against Societe Generale (and the other foreign banks). The court dismissed several claims on substantive grounds: three of the four antitrust counts, all three CEA counts, and the two counts brought under RICO. As to the counts not dismissed on substantive grounds – one antitrust count and two state common law counts – the court dismissed them as to Societe Generale and the other foreign defendants for lack of personal jurisdiction. Because claims remain against two U.S. banks, the decision is not immediately appealable. On 18th April 2017, the court denied plaintiffs' motion for leave to file an amended complaint which purported to cure the deficiencies in plaintiffs' jurisdictional allegations against the foreign banks.
- Between 2003 and 2008, Societe Generale had set up gold consignment lines with the Turkish group Goldas. In February 2008, Societe Generale was alerted to a risk of fraud and embezzlement of gold stocks held by Goldas. These suspicions were rapidly confirmed following the failure by Goldas to pay or refund gold worth EUR 466.4 million. Societe Generale brought civil proceedings against its insurers and various Goldas Group entities. Goldas launched various proceedings in Turkey against Societe Generale. In the action brought by Société Générale against Goldas in the UK, Goldas applied to have the action of SG struck-out and applied to the UK court for damages. On 3rd April 2017, the UK court granted both applications and will, after an inquiry into damages, rule on the amount due to Goldas, if any. Société Générale has requested leave to appeal to the Court of Appeal. On 16th February 2017, the Paris Commercial Court dismissed Société Générale's claims against its insurers. Société Générale filed an appeal against this decision.
- On 3rd May 2017, Société Générale and the Libyan Investment Authority reached a settlement agreement putting an end to the dispute pending before the English courts since March 2014. Also, on 8th April 2014, the US Department of Justice served Societe Generale with a subpoena requesting the production of documents relating to transactions with Libyan entities and individuals, including the LIA. On 4th October 2016, the Securities and Exchange Commission served Societe Generale with a subpoena on the same subject matter. Societe Generale continues to cooperate with US authorities.

4 - Chapter 5: Corporate social responsibility

4.1 Societe Generale supports its employees on a daily basis – Employee share ownership - Update of the 2017 Registration Document page 284

At the end of 2016, current and former employees of Societe Generale, representing approximately 86,000 people, held a total of 6.61% of the share capital and 11.98% of the voting rights under the Company and Group Saving Plans. This high employee share ownership demonstrates the ongoing commitment of the workforce.

As part of this loyalty policy and pursuant to the eighteenth resolution of the General Meeting of 18th May 2016, Societe Generale intends to carry out a capital increase reserved for employees covering 1% of its share capital before the end of 2017.

The implementation of this operation remains subject to Societe Generale obtaining all the approvals required in France and abroad, as well as market conditions.

5 - Chapter 7: Share, Share capital and legal information

5.1 Share buybacks and treasury shares – update of pages 495 and 497 of the 2017 Registration Document

At 31st March 2017, the Societe Generale Group held 6,958,809 shares under its share buyback program (of which 0 share under its liquidity contract), representing 0.86% of its capital.

At 31st March 2017	Number of shares	Nominal value (in euros)	Book value (in euros)
Societe Generale*	6,958,809	8,698,511	272,972,776
Total	**6,958,809**	**8,698,511**	**272,972,776**

* Of which liquidity contract (0 share).

6 - Chapter 8: Person responsible for the update of the Registration Document

6.1 Person responsible for the update of the Registration Document

Mr. Frédéric OUDÉA, Chief Executive Officer of Societe Generale.

6.2 Statement of the person responsible

I hereby certify that, after taking all reasonable measures for this purpose, the information contained in this update of the 2017 Registration Document is, to the best of my knowledge, in accordance with the facts and that it contains no omission likely to affect its meaning.

I have received a completion letter from the Statutory Auditors stating that they have audited the information about the financial position and accounts contained in this update, and that they have read the 2017 Registration Document and its update A-01 in their entirety.

Paris, on 4 May 2017

Mr. Frédéric OUDÉA
Chief Executive Officer of Societe Generale

6.3 Persons responsible for the audit of the financial statements

STATUTORY AUDITORS

Name: Société Ernst & Young et Autres
represented by Mrs. Isabelle Santenac

Address: 1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1 (France)

Date of appointment: 22 May 2012

Duration of current term of office: six financial years

End of current term of office: at the close of the Ordinary General Meeting called to approve the accounts for the year ended 31 December 2017

Name: Société Deloitte & Associés
represented by Mr. José-Luis Garcia

Address: 185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex (France)

Date of first appointment: 18 April 2003

Date of renewal: 22 May 2012

Duration of current term of office: six financial years

End of current term of office: at the close of the Ordinary General Meeting called to approve the accounts for the year ended 31 December 2017

SUBSTITUTE STATUTORY AUDITORS

Name: Société Picarle et Associés

Address: 1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1 (France)

Date of appointment: 22 May 2012

Duration of current term of office: six financial years

Name: Société BEAS

Address: 195, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex (France)

Date of appointment: 22 May 2012

Duration of current term of office: six financial years

Ernst & Young et Autres and Deloitte & Associés are registered as Statutory Auditors with the Compagnie régionale des Commissaires aux comptes de Versailles.

7 - Chapter 9 : Cross-reference table

7.1 Cross-reference table of the update to the Registration Document

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