# SOCIETE GENERALE

## PRESENTATION TO DEBT INVESTORS

1ST QUARTER 2018

MAY 2018

SOCIETE GENERALE

BUILDING TEAM SPIRIT TOGETHER

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*The financial information presented for the quarter ending 31st March 2018 was examined by the Board of Directors on 3rd May 2018 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at this date, and has not been audited. Figures in this presentation are unaudited. The consolidated financial statements for the first quarter 2018 does not constitute financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting", and has not been audited. Societe Generale's management intends to publish complete consolidated financial statements for the year ended 31st December 2018.*

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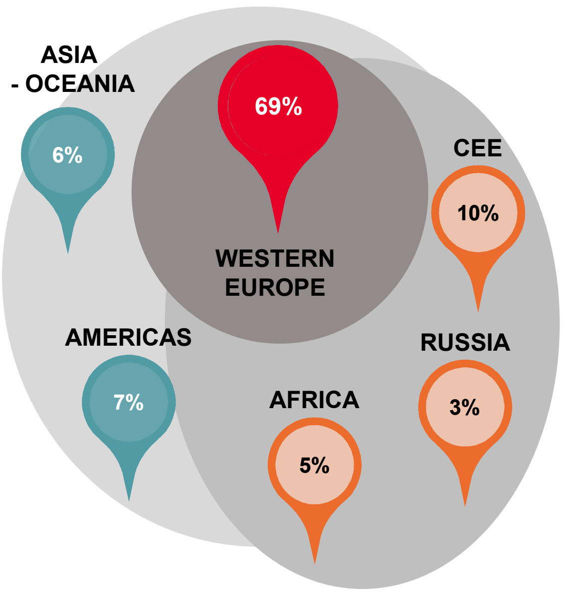
# INTERCONNECTING REGIONS AND FRANCHISES, AT THE BENEFIT OF OUR CLIENTS

## A EUROPEAN LEADER CONNECTING EUROPE TO THE REST OF THE WORLD




*% of 2016 Group revenues*

## WITH LEADING FRANCHISES ACROSS THE BOARD

**N°1 Online Bank** in France

**N°3 Retail Bank** in France

**N°3 Private Bank** in France

**N°2** in **Romania**, **N°3** in **Czech Republic**, **N°2** foreign bank in **Russia** and **leading international** bank in **Africa**

**N°1 in Fleet Management** in Europe and **Top 3** globally

**N°2** in **Equipment Finance** globally

**World leader** in Derivatives

**Leader** in Structured Finance

Lyxor **Top 3 ETFs** in Europe

## KEY FIGURES(1)

**FRENCH RETAIL BANKING**

- **38,000** employees
- **EUR 191bn** in outstanding loans

**INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES**

- **73,000** employees
- **EUR 115bn** in outstanding loans

**GLOBAL BANKING AND INVESTOR SOLUTIONS**

- **21,000** employees
- Assets under management (Lyxor and Private Banking): **EUR 230bn**
  Assets under custody: **EUR 3,904bn**
- **EUR 135bn** in outstanding loans

*(1) Figures as of Q4 2017*

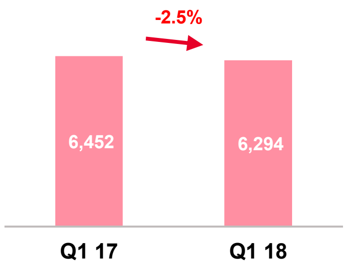
1

# GROUP RESULTS

# Q1 18 MAIN TAKEAWAYS

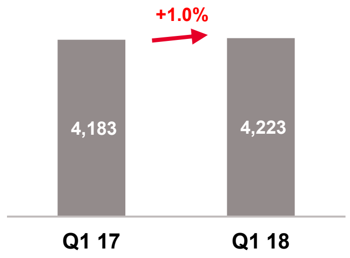
## Revenues (1)

In EUR m

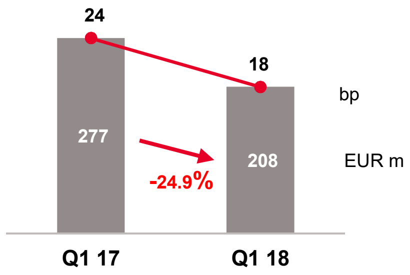



## Cost(2) base under control

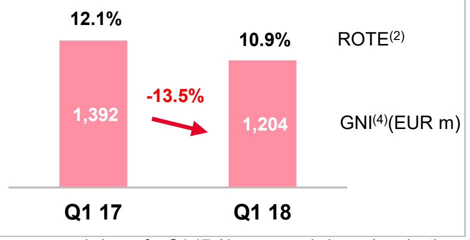
In EUR m




## Very low Cost of Risk (3)




## Group Net Income and ROTE




## Strong balance sheet & robust ratios

**CET 1 Ratio** (5) at **11.2%** and **Total Capital Ratio** at **16.8%**

**TLAC ratio** at **21.8%** at 31.03.2018. vs. 21.5% at 31.03.2017

**Leverage ratio** at **4.1%** at 31.03.2018. vs. 4.1% at 31.03.2017

**Moody's upgraded Societe Generale's LT ratings to A1** on April 11th, 2018

(1) Excluding non-economic items for Q1 17. Non-economic items (revaluation of financial liabilities and DVA) are no longer restated from reported datas from 2018.
(2) Underlying data: adjusted for IFRIC 21 linearisation in Q1 18. See p. 40 and Methodology.
(3) Annualised, in basis points. Outstandings at the beginning of period. Excluding litigation
(4) Underlying data: adjusted for exceptional items (allocation to provision for disputes in Q1 17) and for IFRIC 21 linearisation. See p. 40 and Methodology.
(5) Fully-loaded, based on CRR/CRD4 rules, including the Danish compromise for Insurance. See Methodology

# DYNAMIC PERFORMANCE IN RETAIL ACTIVITIES, LOWER REVENUES IN MARKETS Q1 18 ROTE AT 10.9%(2)

**Revenues(1)**

**EUR 6.3bn**
-2.5% vs. Q1 17

**Operating Expenses(2)**

**EUR 4.2bn**
+1.0% vs. Q1 17

**Net Cost of Risk(3)**

**18bp**
-6bp vs. Q1 17

**Group Net Income(4)**

**EUR 1.2bn**
-13.5% vs. Q1 17

**Profitability(2)**

Q1 18 ROTE **10.9%**

**Good commercial dynamism in retail activities**
French Retail Banking revenues still impacted by low rate environment but expected to stabilise in 2018
Revenue growth in International Retail Banking and Financial Services

**Lower revenues for Global Banking and Investor Solutions**, affected notably by a weaker USD
Lower market revenues versus a strong Q1 17
Stable* revenues in Financing and Advisory

**Cost base under control** (underlying Operating Expenses +0,5% exc. SRF increase)
Acceleration of transformation in French Retail Banking
Positive jaws effect in International Retail Banking and Financial Services
Flat cost base in Global Banking and Investor Solutions

**Very low cost of risk**

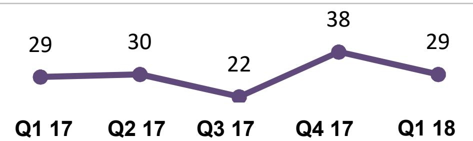
(1) Excluding non-economic items for Q1 17. Non-economic items (revaluation of financial liabilities and DVA) are no longer restated from reported data from 2018.
(2) Underlying data: adjusted for IFRIC 21 linearisation. See p. 40 and Methodology.
(3) Annualised, in basis points. Outstandings at the beginning of period. Excluding litigation.
(4) Underlying data: adjusted for exceptional items (allocation to provision for disputes in Q1 17) and for IFRIC 21 linearisation. See p. 40 and Methodology.
* When adjusted for changes in Group structure and at constant exchange rate

# LOW COST OF RISK FOR ALL BUSINESSES

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

## French Retail Banking

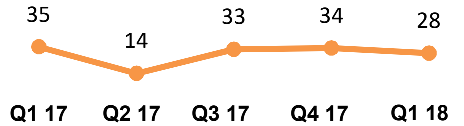
**Stable cost of risk**




## International Retail Banking and Financial Services

**Cost of risk at a very low level, stable vs. 2017 levels**

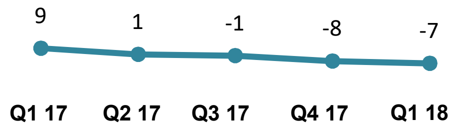
Low levels in Europe and Russia




## Global Banking and Investor Solutions

**Continuing net write-backs**

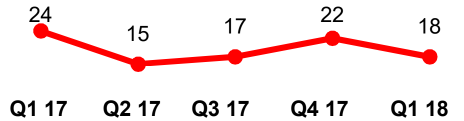
Repayments and exits from default and overall improvement in portfolio risk profile




## Group

**Low cost of risk across all businesses**

NPL ratio at 4.2% confirming continuous reduction trend




(1) Cost of risk in basis points including IFRS 9 for Q1 18. Outstandings at beginning of period. Annualised. Data restated for GTPS transfer from French Retail Banking to Global Banking and Investor Solutions.

# Q1 2018 RESULTS

| In EUR m | Q1 18 | Q1 17 | Change | |
|---|---|---|---|---|
| **Net banking income** | **6,294** | **6,474** | ***-2.8%*** | ***-0.4%**** |
| *Underlying net banking income(1)* | *6,294* | *6,452* | *-2.5%* | |
| Operating expenses | (4,729) | (4,644) | *+1.8%* | *+4.3%** |
| *Underlying operating expenses(1)* | *(4,223)* | *(4,183)* | *+1.0%* | |
| **Gross operating income** | **1,565** | **1,830** | ***-14.5%*** | ***-12.6%**** |
| *Underlying gross operating income(1)* | *2,071* | *2,269* | *-8.7%* | |
| Net cost of risk | (208) | (627) | *-66.8%* | *-65.2%** |
| **Operating income** | **1,357** | **1,203** | ***+12.8%*** | ***+15.0%**** |
| *Underlying operating income(1)* | *1,863* | *1,992* | *-6.5%* | |
| Net profits or losses from other assets | 1 | 37 | *-97.3%* | *-97.5%** |
| Income tax | (370) | (389) | *-4.9%* | *-3.7%** |
| **Reported Group net income** | **850** | **747** | ***+13.8%*** | ***+23.2%**** |
| *Underlying Group net income(1)* | *1,204* | *1,392* | *-13.5%* | |
| **ROTE** | **7.4%** | **6.0%** | | |
| **Underlying ROTE(1)** | **10.9%** | **12.1%** | | |

**Underlying Group Net Income[(1)]: EUR 1,204m in Q1 18 -13.5% vs. EUR 1,392m in Q1 17**
**Underlying ROTE[(1)] : 10.9% in Q1 18 vs. 12.1% in Q1 17**

(1) Adjusted for exceptional items, IFRIC 21 linearisation and non-economic items (for Q1 17). See Methodology and Supplement p. 40.
* When adjusted for changes in Group structure and at constant exchange rate

# 2

# CAPITAL AND LIQUIDITY

# BALANCE SHEET RATIOS COMFORTABLY ABOVE REGULATORY REQUIREMENTS

| | 2018 requirements | End-Q1 18 ratios Phased-in[3] | End-Q1 18 ratios Fully-loaded | 2019 requirements[4] | | Investor day target |
|---|---|---|---|---|---|---|
| CET1 | 8.6%[5] | 11.3% | 11.2% | 9.5%[2] | ✔ | >12% |
| Total Capital | 12.1% | 16.9% | 16.8% | 13.0% | ✔ | |
| Leverage ratio | 3.5%[7] | 4.1% | | 3.5%[7] | ✔ | [4% - 4.5%] |
| TLAC[1] | | 21.8% (% RWA)<br>6.6% (% leverage) | | 19.5% (% RWA)<br>6.0% (% leverage) | ✔ | |
| LCR | >100% | 129%[6] | | >100% | ✔ | >100% |
| NSFR | >100% | >100% | | >100% | ✔ | >100% |

(1) Refer to p.13 for detailed presentation of TLAC ratio
(2) Excluding Pillar 2 Guidance add-on and CCy buffer
(3) Including the earnings of the current financial year
(4) Requirements are presented as of today's status of regulatory discussions and without non-significant impact of countercyclical buffer
(5) Excluding countercyclical buffer
(6) Average on Q1 18
(7) Requirement expected to be set at 3.5% in the future

# STRONG BALANCE SHEET

**CET1(1) at 11.2%, -20bp /Q4 17**

Impact of IFRS 9 (-14bp)
Impact of IPC on Resolution Funds deduction (-8bp)

**Total capital ratio at 17.1%(2)**

**TLAC**

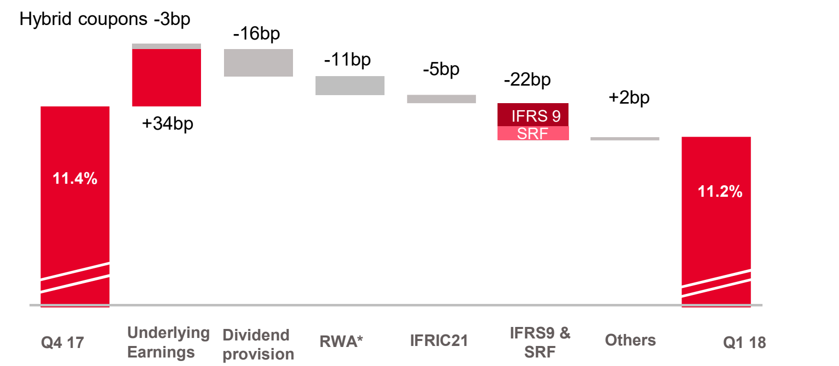
22.1%(2) of RWA and 6.7%(2) of leverage exposure

**Leverage ratio at 4.2%(2)**

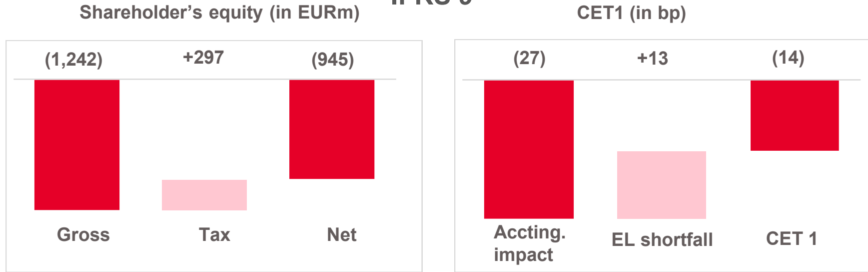
**Rating**

Long-term deposit and senior unsecured debt ratings **upgraded to A1** by Moody's
Non-preferred senior debt rating **upgraded to Baa2** by Moody's

**Q1 18: change in Fully-Loaded CET1(1) Ratio** (in bp)




**IFRS 9**

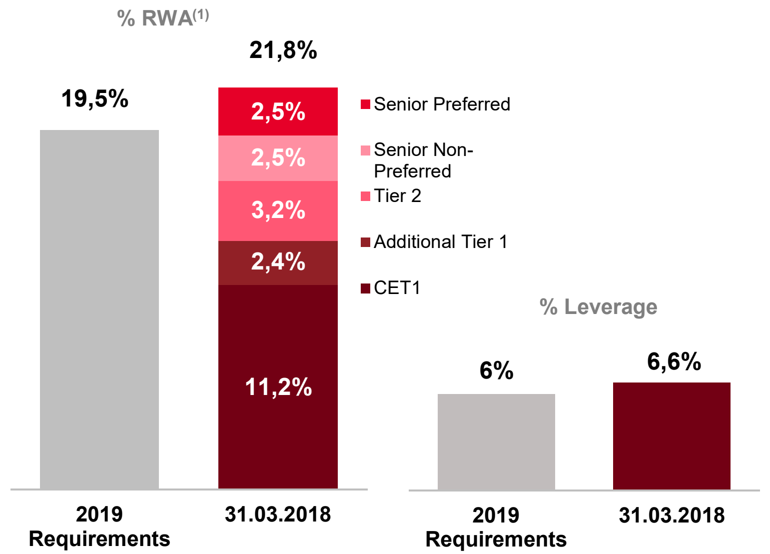


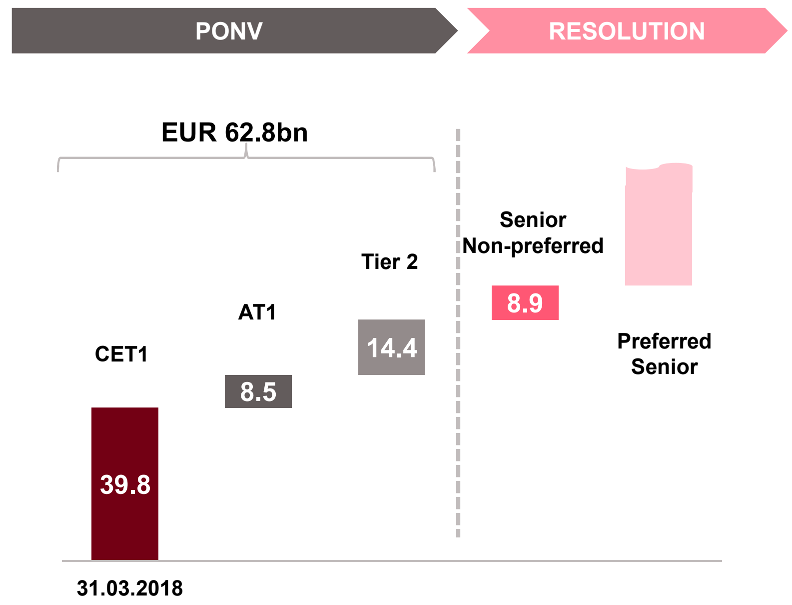

(1) Fully-loaded, based on CRR/CRD4 rules, including the Danish compromise for Insurance. See Methodology.
(2) Pro-forma of USD 1.25bn AT1 issuance in April 2018. Total capital ratio at 16.8%, TLAC at 21.8%/6.6% and leverage ratio at 4.14% excluding AT1 issuance.
* When adjusted for changes in Group structure and at constant exchange rate

# STRONG TLAC RATIO ALREADY IN LINE WITH REGULATORY REQUIREMENTS

## TLAC ratio

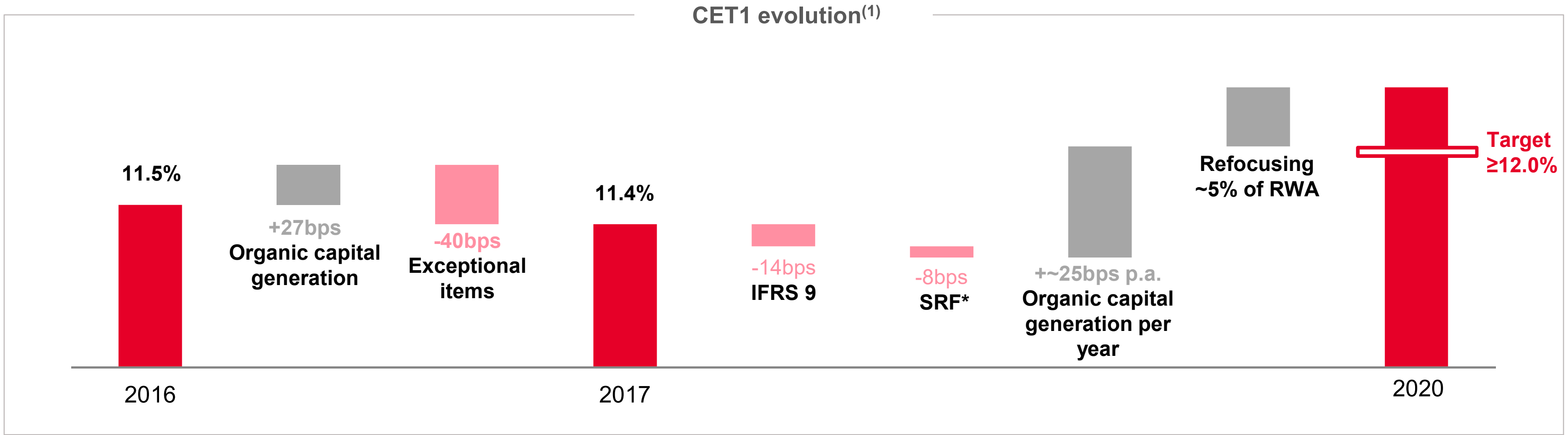
**Already meeting 2019 (~19.5%) requirements and on track for 2022 (~21.5%)(1)**




(1) Without contra cyclical buffer

# 2020 ROADMAP
# STRONG BALANCE SHEET




- Targeting a 11.5% CET 1 ratio in end 2018
- Manageable impact of Basel 3 completion (from 2022) : ~EUR +38bn increase in RWA on credit and operational risk (~+11%)(2)
- All balance sheet ratios above regulatory requirements
- Dividend payout at 50% and dividend floor at EUR 2.20 per share(3)

* Impact of IPC on Resolution Funds deduction
(1) Fully-loaded, based on CRR/CRD4 rules, including the Danish compromise for Insurance
(2) Based on B/S and P&L as of end 2016. Before any management actions and further guidance on transposition in European law. Calibration of market risk (FRTB) still under review. No effect from output floor before 2027
(3) 2017 dividend proposed by the Board to the Ordinary General meeting of shareholders approval

# OUR SOLID BALANCE SHEET IS THE BACKBONE OF OUR DEVELOPMENT

**CET1 ≥12% with an average annual organic capital generation of ~25bps[1] and a large buffer over MDA while financing:**

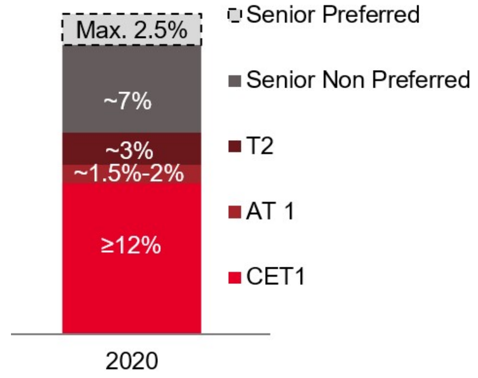
- ~+3% RWAs growth p.a.
- Pay-out ratio at 50%

**Leverage ratio maintained between 4.0% to 4.5%**

**Moving towards a more cost-effective TLAC structure** with a balanced and moderate average yearly funding program: ~EUR 12bn[2]

**Well-prepared to meet TLAC and MREL requirements**

## Target capital structure

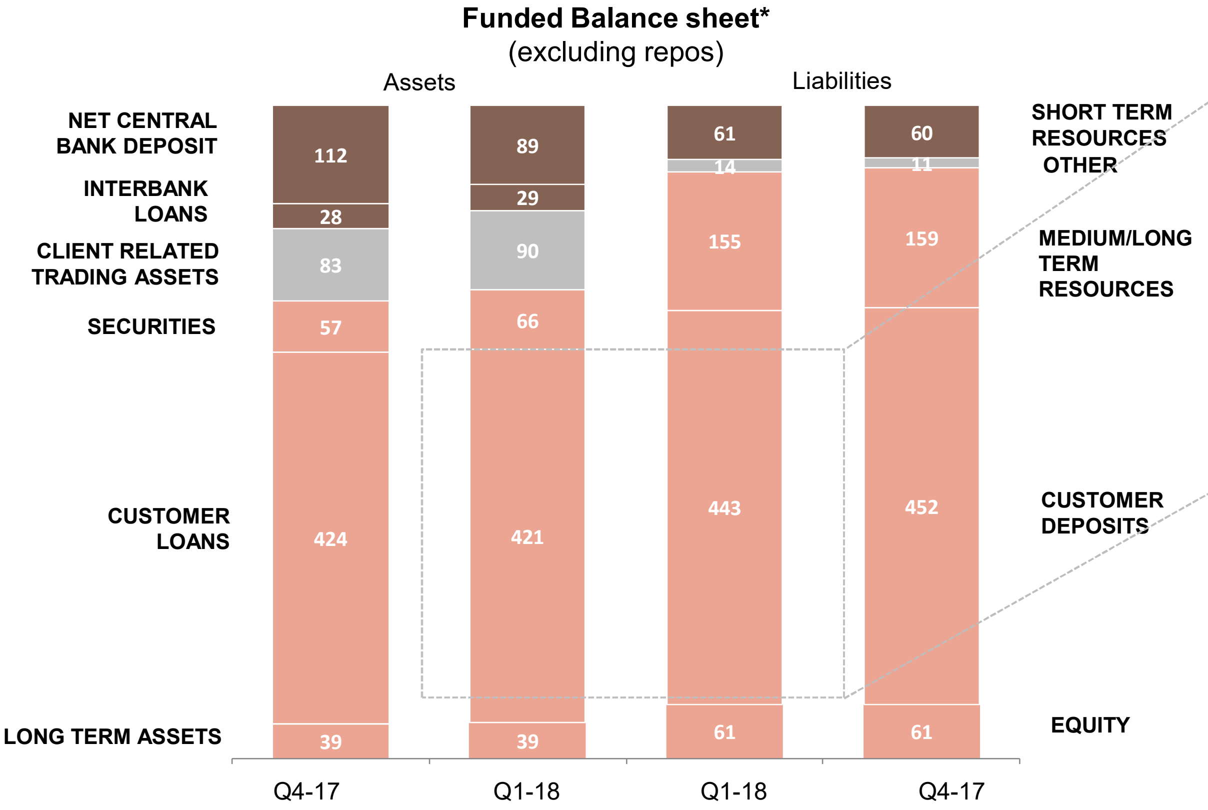


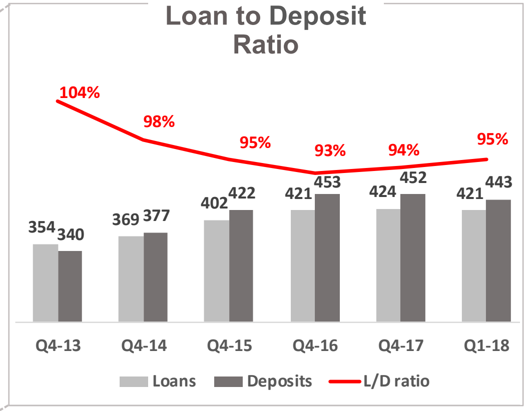

## Expected funding program[2]

| | Yearly average 2018-2020 |
|---|---|
| Senior Preferred and Secured debt | ~EUR 2.5bn |
| Senior Non Preferred debt | ~EUR 6/7bn |
| Subordinated debt (AT1/T2) | ~EUR 2.5/3bn Max |

(1) *Excluding IFRS 9 limited first time application impact*
(2) *Excluding structured notes*

# A CONSERVATIVE BALANCE SHEET MANAGEMENT




* See methodology p.73

# STRENGTHENED FUNDING STRUCTURE

**Very strong balance sheet**

High quality asset buffers

Diversified and sustainable funding mix

Regular improvement of the loan to deposit ratio

**Liquid asset buffer of EUR 167bn at end-March 18**

High quality of the liquidity reserve: EUR 77bn of HQLA assets at end-March 2018 and EUR 74bn of Central bank deposits

Excluding mandatory reserves and unencumbered, net of haircuts

**Comfortable LCR at 129% on average in Q1 18**

**NSFR above regulatory requirements**

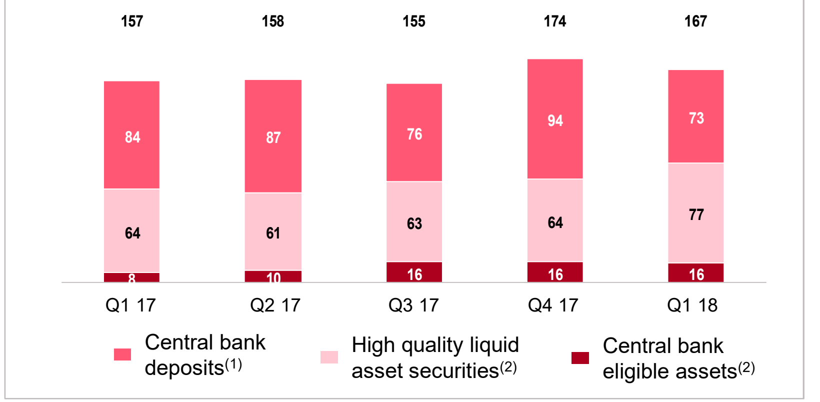
**Normal access to USD funding and no material exposure to USD interest rates**

Limited short term wholesale funding (~8% of funded balance sheet excl. repos)

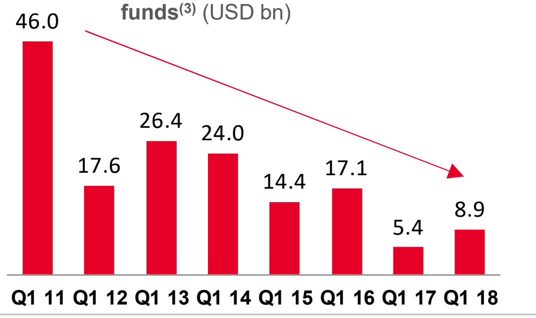
20-25% of the Group balance sheet is in USD.

Diversified funding mix

**Liquid Asset Buffer** (in EUR bn)




**Funding from US money market funds**(3) (USD bn)




* See Methodology
(1) Excluding mandatory reserves
(2) Unencumbered, net of haircuts
(3) Sources: SEC Form N-MFP2, OFR Analysis
(4) Excluding consumer finance

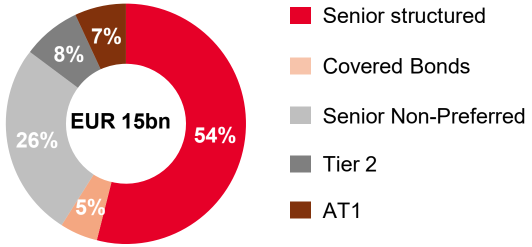
# 2018 LONG TERM FUNDING PROGRAMME WELL ADVANCED AT COMPETITIVE CONDITIONS

**Parent company 2018 vanilla funding programme of ~EUR 12bn, broken down consistently with the average trajectory communicated during the Investor Day**

Annual structured notes issuance volume in line with amounts issued over the past years (i.e. ~EUR 19bn)

Diversification of the investor base by currencies and maturities

## 2018 Completed programme breakdown




**As of 13 April 2018:**

- ~56% completion of the vanilla funding programme[1] (including EUR 1.5bn of prefunding in 2017)
- ~EUR 7.9bn of structured notes
- Competitive funding conditions: MS6M+15bp and average maturity of 5.0 years (incl. senior non preferred debt, senior preferred debt and covered bonds)
- Additional EUR 1.7bn issued by subsidiaries

## 2018 Completed transactions & prefunding

**SG SFH**
10Y Covered Bond
**0.750% Jan-2028**
**EUR 750M**

**SG**
7Y SNP
**1.125% Jan-2025**
**EUR 1,250M**

**SG**
10NC5 Tier 2
**1.375% Feb-2023/28**
**EUR 1,000M**

**SG**
5Y SNP
**3mE+0.45% Mar-2023**
**EUR 1,000M**

**SG**
PerpNC10 AT1
**6.750% Apr-2028**
**USD 1,250M**

**SG**
5Y SNP
**0.500% Jan-2023**
**EUR 750M**

**SG**
10Y SNP
**1.375% Jan-2028**
**EUR 750M**

(1) Excluding structured notes

# DIVERSIFIED ACCESS TO LONG TERM FUNDING SOURCES

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

Subordinated issues

Senior vanilla issuances (public or private placements)

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

Covered bonds (SFH, SCF) and securitisations

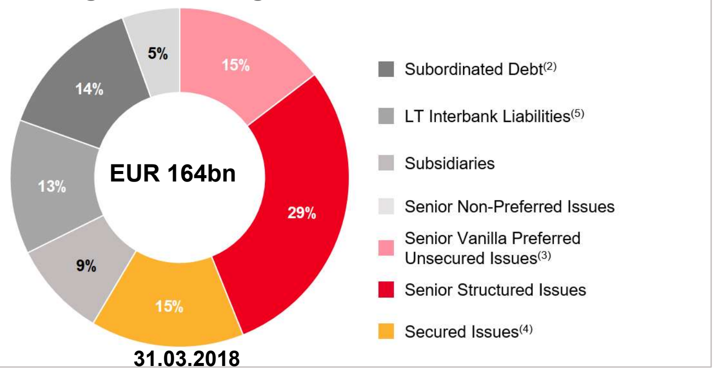
**Issuance by Group subsidiaries**

Access to local investor bases by subsidiaries which issue in their own names or issue secured transactions (Russian entities, ALD, GEFA, Crédit du Nord, etc.)

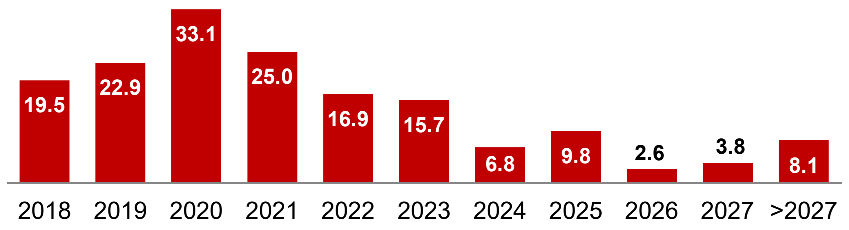
Increased funding autonomy of IBFS subsidiaries

**Balanced amortisation schedule**

Long Term Funding Breakdown[1]




Balanced amortisation[1] schedule (at 31.03.2018, in EUR bn)




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

# CREDIT RATING OVERVIEW

**Moody's upgraded Societe Generale's LT senior unsecured ratings to A1 on April 11th, 2018**

**Key strengths reflected in ratings are SG's solid franchises, sound capital and liquidity**

### Strong franchises

- Fitch: "Sound company profile, which benefits from franchise strengths across selected products and geographies"
- Moody's: "Strong franchise and well-diversified universal banking business model"
- S&P: "Solid foundation in domestic retail, corporate and investment banking, and financial services to corporates. Consistent strategy and well-diversified revenues by business lines and geography"

### Sound balance-sheet metrics

- Fitch: "Strong internal capital generation"
- Moody's: "Regulatory capitalisation is good and improving, underpinned by a strong earnings generation capacity […] Liquidity is strong and broadly in line with large European peers"
- S&P: "Steady build-up of a comfortable bail-in-able debt cushion"

### Credit Rating as of April 2018

| | DBRS | Fitch | Moody's | S&P |
|---|---|---|---|---|
| LT/ST Counterparty | AA/R-1(high) | A+(dcr) | A1(cr)/P-1(cr) | A/A-1 |
| LT unsecured senior pref debt | A(high) | A+ | A1 | A |
| Outlook | Stable | Stable | Stable | Stable |
| ST senior unsecured debt | R-1(middle) | F1 | P-1 | A-1 |
| LT unsecured SNP debt | n/a | A | Baa2 | BBB+ |
| Dated Tier 2 subordinated | n/a | A- | Baa3 | BBB |
| Additional Tier 1 | n/a | BB+ | Ba2(hyb) | BB+ |

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

# 3

# BUSINESS RESULTS

# DYNAMIC CLIENT FRANCHISES

| FRENCH RETAIL BANKING | INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES | GLOBAL BANKING AND INVESTOR SOLUTIONS |
|---|---|---|
| Developing growth initiatives, in a quarter still impacted by last year's renegotiation trend and by the low rates environment<br><br>Ongoing transformation of our model to reach key milestones | Strong momentum in International Retail Banking, with significant positive jaws effect<br><br>Getting more from the bancassurance model<br><br>Sound performance in Financial Services to Corporates | Maintaining leadership positions while focusing on core franchises in Global Markets<br><br>Delivering on growth initiatives in Financing & Advisory |
| **2018: STABILISATION OF REVENUES** | **2018: STRONG NET INCOME GROWTH** | **2018: HIGHER RETURN THAN EUROPEAN PEERS** |

# TOWARDS STABILISATION OF REVENUES IN 2018

**Revenues[1] down -1.6% in Q1 18**

Net interest margin down -4.3%: good momentum on volumes offset by low interest rates and high basis of early repayment and renegotiation fees in Q1 17

Fees down -0,9% vs. Q1 17, representing 42% of Q1 18 total NBI

**Operating expenses up +4.2% vs. Q1 17**

Investment in the transformation, growth drivers and compliance set-up

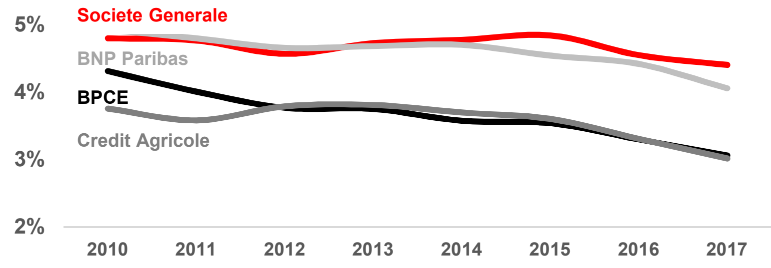
**Low cost of risk**

**Contribution to Group Net Income:**
**EUR 270m in Q1 18**
**RONE[2] 10.8% in Q1 18**

(1) Excluding PEL/CEL provision
(2) Adjusted for IFRIC 21 implementation and PEL/CEL provision
(3) Companies data, revenues adjusted for hedging costs for Credit Agricole (LCL + Regional Banks) in 2016 and Societe Generale in 2017

## Protecting margins

Revenues[3] / average outstandings ratio

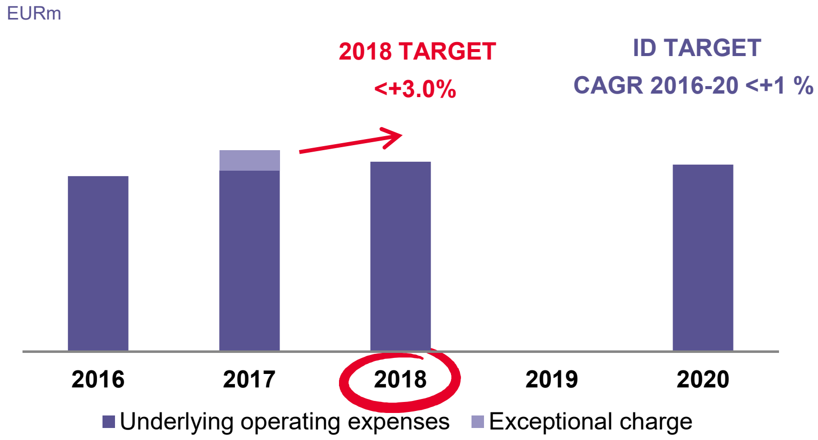



## French Retail Banking Results

| *In EUR m* | Q1 18 | Q1 17 | Change |
|---|---|---|---|
| **Net banking income** | **2,008** | **2,023** | ***-0.7%*** |
| *Net banking income excl. PEL/CEL* | *1,992* | *2,025* | *-1.6%* |
| Operating expenses | (1,480) | (1,420) | ***+4.2%*** |
| **Gross operating income** | **528** | **603** | ***-12.4%*** |
| *Gross operating income excl. PEL/CEL* | *512* | *605* | *-15.4%* |
| Net cost of risk | (134) | (129) | *+3.9%* |
| Operating income | 394 | 474 | *-16.9%* |
| **Reported Group net income** | **270** | **331** | *-18.4%* |
| RONE | **9.5%** | **12.3%** | |
| **Underlying RONE(2)** | **10.8%** | **14.1%** | |

# KEEP INVESTING TO TRANSFORM OUR FRENCH RETAIL MODEL

## Investing in transformation while sticking to ID target




**2020 recurring savings of EUR 250m**

Progressive impact on staff costs from 2019 onwards

Optimisation of real estate leading to savings

## 2018 Investing to secure 2019 - 2020 efficiency gains

### People

Social agreement under new labour law signed to support transformation in Q1 18

New training modules for Relationship Managers as part of the EUR 150m training budget

EUR 390m charge booked in 2017 mainly for HR transformation to be gradually used

### Network

Societe Generale network: 17 branches closed in Q1 18 (-100 by end 2018), and 1 Back office

Creation of 5 Business Centres and 6 PRO Centres by end of 2018

Credit du Nord: merger of 2 regional networks

### Process & client journey

Q1 2018 : Delivery of new online customer relationships with facial biometry and "360-degree view" (for relationship managers), online car and home insurance

End of 2018: 50% of main processes digitalised in the SG network

**ON TRACK TO DELIVER 2020 TARGETS**

# CONTINUING SHIFT IN THE MODEL FOR INDIVIDUAL CLIENTS

## Key French Retail Banking highlights

**Selective origination strategy**: number of mass affluent and wealthy clients +5.4% vs. Q1 17

**Production**: Home loan production -19% vs. high Q1 17, Consumer credit production +16% vs. Q1 17

**Individual client loan outstandings:** +2.8% vs. Q1 17

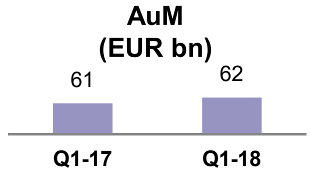
## Developing our Wealthy Clients franchise

A dedicated set-up to address ~**70,000** clients (client > EUR 500k AUM)

### Q1 18 highlights

**Net inflows**

**+EUR 1.1bn**




## Keep growing our online banking leader

Boursorama Banque

A **fully-fledged bank** with no branches: a full-service offering with average AuM[1] of EUR 18,000 per client

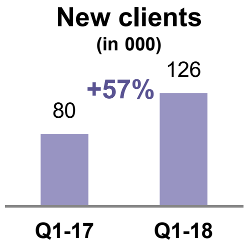
A proven increasingly efficient **growth model**

A **strong client base**: new younger and more active clients

The most **price-competitive** bank in France for 9 years

High level of client **satisfaction**

### Q1 18 highlights




**1.4m clients as of 31 March**

Acceleration in client acquisition in Q1: almost doubling 2016/17 annual growth trend

**EUR 18.5bn** of Assets Under Administration

**EUR 6.2bn** of Loan outstandings

(1) Assets under administration and loans

# FURTHER ENHANCING OUR EXPERTISE ON CORPORATES AND PROFESSIONALS

## Key French Retail Banking highlights

**Number of clients**: Corporate +2.5% ; Professional +1.6% vs. Q1 17

**Production**: Medium-term loan production +10% vs. Q1 17

**Medium-term Corporate loan outstandings**: +3.3% vs. Q1 17

## Focus on Credit du Nord Professional Clients Crédit du Nord

**A Top Player with a bespoke organisation,** supported by 8 regional banks

158,000 clients including 109,000 who are both business and private clients

**Joint No. 2 for customer satisfaction:** main banker for 70% of clients and sole banker for 60% of clients

**Professionals generating 35% of Credit du Nord revenues**

**Successful push on the most demanding and profitable segments**: small businesses, real-estate management, legal services, independent professionals and "Franchise" businesses

## Q1 18 highlights

**Dynamic financing activity**

Medium-term loan outstandings: +5.3% vs. Q1 17

Leasing outstandings +5.7% vs.Q1 17

New business relationships: +6,200 vs. Q1 17

Launch of **several partnerships**

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Oxatis E-COMMERCE SOLUTIONS

ellisphere

# VERY GOOD FINANCIAL PERFORMANCE

**Volume growth supporting revenues in International Retail Banking**

Strong positive jaws: revenues +8.3%* vs. Q1 17, operating expenses +3.9%* vs. Q1 17

Contribution to Group net income +18.7% vs. Q1 17

**Strong financial performance in Insurance**

Contribution to Group net income +18.3% (+7.7% excluding Antarius acquisition)

**Sound performance from Financial Services to Corporates**

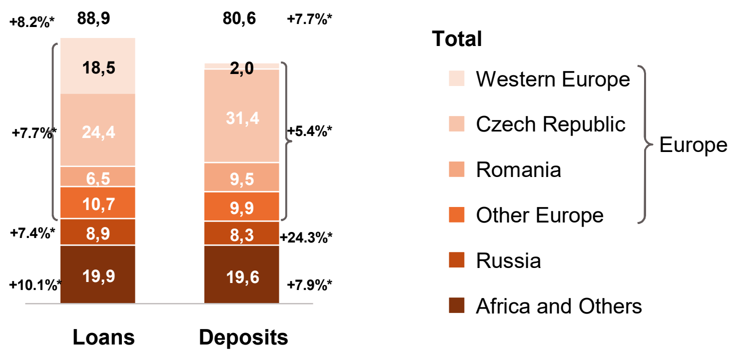
ALD fleet +9%, Equipment Finance +7%*(2) vs. Q1 17

ALD consolidated at ca. 80%

**Contribution to Group Net Income: EUR 429m in Q1 18**
**RONE(1): 17% in Q1 18**

* When adjusted for changes in Group structure and at constant exchange rates
(1) Adjusted for IFRIC 21 implementation
(2) Loans and leases outstanding, excluding factoring

**Loans and Deposits** (in EURbn – change vs. end-Q1 17)

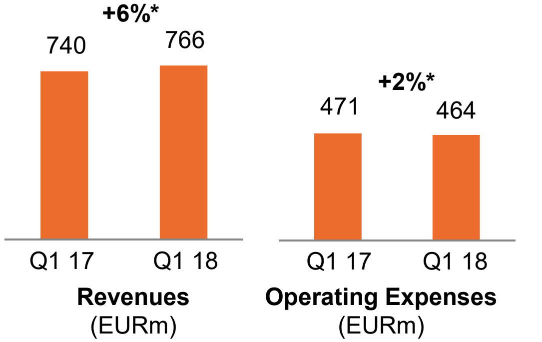



**International Retail Banking and Financial Services Results**

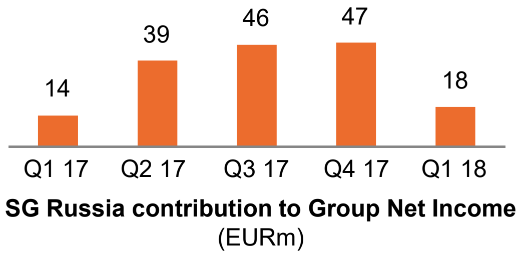
| *In EUR m* | Q1 18 | Q1 17 | Change | |
|---|---|---|---|---|
| **Net banking income** | **1,989** | **1,940** | ***+2.5%*** | ***+3.9%**** |
| Operating expenses | (1,179) | (1,177) | *+0.2%* | *+3.2%** |
| **Gross operating income** | **810** | **763** | ***+6.2%*** | ***+5.1%**** |
| Net cost of risk | (91) | (111) | *-18.0%* | *+9.8%** |
| Operating income | 719 | 652 | *+10.3%* | *+4.5%** |
| Net profits or losses from other assets | 4 | 35 | *-88.6%* | *-89.3%** |
| **Reported Group net income** | **429** | **428** | ***+0.2%*** | ***+0.7%**** |
| RONE | 15.1% | 15.3% | | |
| **Underlying RONE(1)** | **17.0%** | **17.7%** | | |

# GOOD MOMENTUM IN INTERNATIONAL RETAIL BANKING DELIVERING 15.5%[(1)] RONE

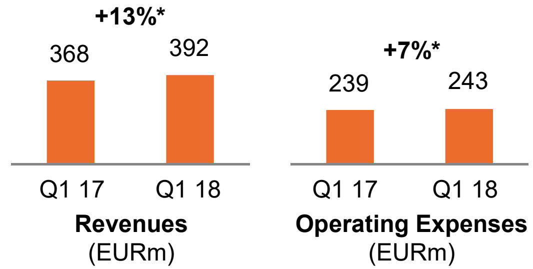
### Strong Performance in Europe




### Typical Q1 Seasonality in Russia




### Positive Jaws in Africa and Other




Net Interest Income +7%*, supported by volume growth

Positive jaws effect

Low cost of risk

Positive jaws in Q1 18: SG Russia revenues +9%*, operating expenses +7%*

Limited impact from recently announced US sanctions

Steps to improve profitability to a 2020 RONE >15%[(2)]:

Further revenue growth from initiatives in FX, structured finance, GTB and accelerating retail activity

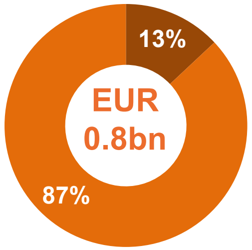
Operating efficiency gains from regional hubs and digitalisation

* When adjusted for changes in Group structure and at constant exchange rates.
(1) Adjusted for IFRIC 21.
(2) Excluding French overseas territories.

# GETTING MORE FROM THE BANCASSURANCE MODEL

## Over EUR 2bn of Insurance revenues across Group businesses in 2017

### Booked in Insurance Business Unit

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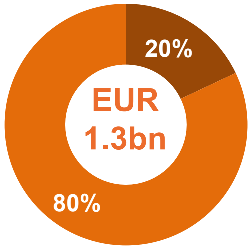
### Booked in Retail Networks

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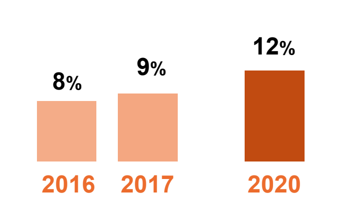
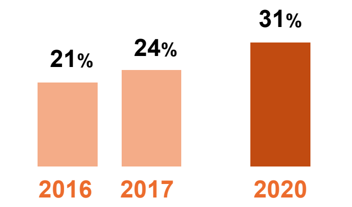
### Growth in Synergies

EUR 2.1bn +8%(2) vs. 2016

(2) Excluding Antarius acquisition

### A Good Start to the 2020 Plan in France




### Fully Online Customer Journeys Launched in Q1 18


- 100% mobile and online home and car insurance for Societe Generale clients

SOCIETE GENERALE Insurance

- Online health checks for borrower insurance

Carapass

- Pay per km online car insurance with Boursorama

**Insurance Q1 18 RONE: 20.6%(1) vs. 19.0% 2017**

(1) Adjusted for IFRIC 21.

# CONTINUED COST AND RISK DISCIPLINE LEADING TO RONE ABOVE 10%

**Revenues down -13.4% vs. Q1 17 impacted by strong negative FX effect**

**Operating expenses up +1.6%* vs. Q1 17 (excl. SRF increase)**

Full effect of 2015-2017 efficiency gains compensating for

- Investments related to the new cost savings plan
- Growth initiatives, notably linked to Global Transaction Banking development

**Low Cost of risk**

Reversal for third quarter in a row

**Contribution to Group Net Income:**
**EUR 166m in Q1 18**
**RONE(1): 10.2% in Q1 18**

**Operating expenses** (in EURm)


**Global Banking and Investor Solutions Results**

| *In EUR m* | Q1 18 | Q1 17 | Change | |
|---|---|---|---|---|
| **Net banking income** | **2,215** | **2,559** | ***-13.4%*** | ***-8.9%**** |
| Operating expenses | (2,024) | (2,009) | *+0.7%* | *+4.7%** |
| **Gross operating income** | **191** | **550** | ***-65.3%*** | ***-61.7%**** |
| Net cost of risk | 27 | (37) | *n/s* | *n/s* |
| Operating income | 218 | 513 | *-57.5%* | *-52.7%** |
| Reported Group net income | 166 | 385 | *-56.9%* | *-51.7%** |
| **RONE** | **4.5%** | **10.0%** | | |
| **Underlying RONE(1)** | **10.2%** | **14.8%** | | |

Positive FX impact offset by additional SRF contribution

* When adjusted for changes in Group structure and at constant exchange rates
(1) Adjusted for IFRIC 21 implementation

# Q1 18: LARGE DIFFERENCES ACROSS REGIONS AND PRODUCTS

**Global Markets & Investor Services revenues: -13% vs. Q1 17 excl. FX effect**

### Europe: low commercial activity on FICC and Equities

**Equities**: softer flow vs. other regions, lower commercial activity and trading revenues impacted by hedging costs
**FICC**: lower client flow activity across the board vs. high level in Q1 17, dynamic structured product franchise
**Securities Services**: highest level of Q1 fees since 2008

### Americas: robust revenues driven by flow Equities

**Equities**: strong flows, in line with the market. Structured products' sound commercial activity offset by hedging costs
**FICC**: lower client revenues, notably on Financing and Credit

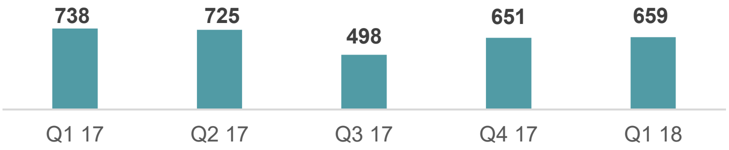
### Asia: solid revenues driven by flow Equities

**Equities**: overall sustained activity offset by hedging costs
**FICC**: lower client revenues, notably on Financing and Credit

### Equities: robust flow more than offset by low structured products

(in EURm)

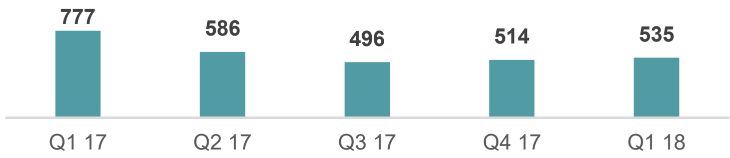
**Revenues -5% vs. Q1 17 excl. FX effect**




### FICC: lower commercial activity vs. 5-year high in Q1 17

(in EURm)

**Revenues -27% vs. Q1 17 excl. FX effect**




Equities includes Prime Services

# STABILITY IN FINANCING & ADVISORY AND ASSET AND WEALTH MANAGEMENT

**Financing & Advisory growth initiatives delivering results**
**Revenues -1% vs. Q1 17 excl. FX impact**

Asset-Backed products reaching historical high, up for the 9th quarter in a row

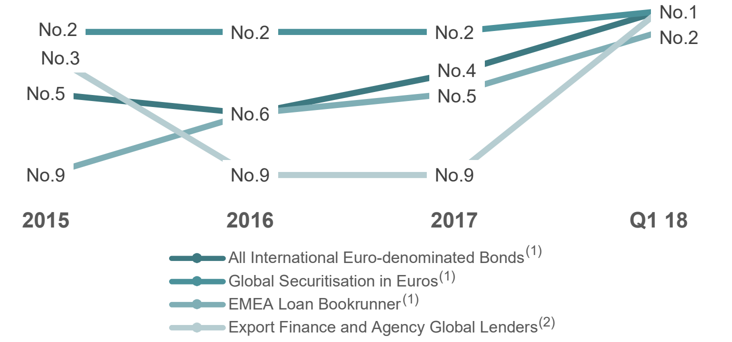
Strong fee generation on Export Finance and Real Estate

Global Transaction Banking: buoyant Cash management commercial activity

Low demand for commodity derivatives and corporate hedging solutions

Muted Investment Banking activity, despite buoyant Debt Capital Markets

**Strong European Financing franchises**

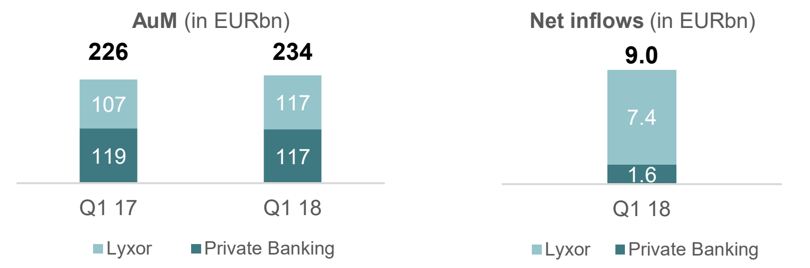



**Soft Asset and Wealth Management activity**
**Revenues -2% vs. Q1 17 excl. FX impact**

Lyxor:
Higher ETF management fees vs. previous year
Commercially dynamic structured segment

Private banking:
Positive transactional revenue trend and robust net inflows in France
Fee generation slowdown in other countries

**Asset and Wealth Management**




(1) Source: Dealogic
(2) Source: TXF

# CORPORATE CENTRE

**IFRS 9**

Impact of revaluation of own financial liabilities in shareholders equity from 2018

**Gross operating income[1]**

EUR 36m in Q1 18 vs. EUR -111m in Q1 17

**Final agreement with the relevant authorities to be reached within the coming days or weeks**

**Monetary penalties expected to be in line with provision allocated to the IBOR and Lybian matters**

Provision for disputes stable at EUR 2.3bn

## Corporate Centre Results

| *In EUR m* | Q1 18 | Q1 17 |
|---|---|---|
| **Net banking income** | **82** | **(48)** |
| *Net banking income (1)* | *82* | *(73)* |
| Operating expenses | (46) | (38) |
| Gross operating income | 36 | (86) |
| *Gross operating income (1)* | *36* | *(111)* |
| Net cost of risk | (10) | (350) |
| Net profits or losses from other assets | (4) | (3) |
| **Reported Group net income** | **(15)** | **(397)** |
| *Group net income (1)* | *(15)* | *(414)* |

(1) Excluding non-economic items in Q1 17

# 4

# CONCLUSION

# COMMITTED TO DELIVER OUR STRATEGIC PLAN

**2018** — **GROW**

**Stabilisation of revenues** in French Retail Banking
**Strong net income growth** in International Retail Banking and Financial Services
**Higher return than European peers** in Global Banking and Investor Solutions

**2018** — **FOSTER RESPONSIBILITY**

On target for EUR 100bn of energy transition financing by 2020, of which ~50% in 2018

Meet Culture and Conduct best-in-class standards

**ENHANCE SHAREHOLDER VALUE**

**2018** — **TRANSFORM**

**50%** of front-to-back internal processes in the French Retail Network **automated and digitalised by 2018**

**65%** of our IT infrastructure on **Public/Private Cloud**

**2018** — **COMPLETE REFOCUSING**

Processes underway to deliver our target

Material announcements expected by year-end

**2018** — **DELIVER ON COSTS**

Maintain strict control on costs

# 5

## SUPPLEMENT

# KEY FIGURES

| *In EUR m* | Q1 18 | Change Q1 vs. Q4 | Change Q1 vs. Q1 |
|---|---|---|---|
| Net banking income | 6,294 | *-0.5%* | *-2.8%* |
| Operating expenses | (4,729) | *-5.9%* | *+1.8%* |
| Net cost of risk | (208) | *-55.7%* | *-66.8%* |
| Reported Group net income | 850 | *+1131.9%* | *+13.8%* |
| ROE (after tax) | 6.3% | | |
| ROTE (after tax) | 7.4% | | |
| | | | |
| Earnings per Share | 0.93 | | |
| Net Tangible Asset value per Share (EUR) | 53.75 | | |
| Net Asset value per Share (EUR) | 62.68 | | |
| | | | |
| Common Equity Tier 1 Ratio * | 11.2% | | |
| Tier 1 Ratio * | 13.6% | | |
| Total Capital Ratio * | 16.8% | | |

* Fully-loaded based on CRR/CRD4 rules, including Danish compromise for insurance. Refer to Methodology
Underlying ROE/ROTE: adjusted for non-economic and exceptional items, see p. 40 and Methodology

# ENGAGED IN POSITIVE TRANSFORMATION

CLIMATE CHANGE

OFFERS IN LINE WITH SOCIAL TRENDS

CLIENT SATISFACTION & PROTECTION

CULTURE, CONDUCT AND GOVERNANCE

RESPONSIBLE EMPLOYER

AFRICA

- ✓ Committed to contribute EUR100bn to the financing of the energy transition between 2016 and 2020 (EUR39bn at end-2017)
- ✓ On track to meet the target to limit the coal portion of the financed energy mix to 19% by 2020 (20.4% at end-2017)
- ✓ May 2018 statement on the UK Modern Slavery Act strengthening Societe Generale's worldwide practices to protect human rights
- ✓ Publication of a Duty of Care plan in February 2018, in accordance with the 2017 French Act on the Duty of Care, whose objective is to map, measure and mitigate human rights and environmental risks, on a worldwide basis
- ✓ Launch of YUP mobile money offer to address the poorly and unbanked population of Africa, representing 80% of the population: introduced in Cote d'Ivoire, Senegal and Burkina with more than 110 000 wallets sold at 1Q18. Objective to reach 1 million by 2020 and to roll out to 4 additional countries.

# QUARTERLY INCOME STATEMENT BY CORE BUSINESS

| | French Retail Banking | | International Retail Banking and Financial Services | | Global Banking and Investor Solutions | | Corporate Centre | | Group | |
|---|---|---|---|---|---|---|---|---|---|---|
| In EUR m | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 |
| Net banking income | 2,008 | 2,023 | 1,989 | 1,940 | 2,215 | 2,559 | 82 | (48) | 6,294 | 6,474 |
| Operating expenses | (1,480) | (1,420) | (1,179) | (1,177) | (2,024) | (2,009) | (46) | (38) | (4,729) | (4,644) |
| Gross operating income | 528 | 603 | 810 | 763 | 191 | 550 | 36 | (86) | 1,565 | 1,830 |
| Net cost of risk | (134) | (129) | (91) | (111) | 27 | (37) | (10) | (350) | (208) | (627) |
| Operating income | 394 | 474 | 719 | 652 | 218 | 513 | 26 | (436) | 1,357 | 1,203 |
| Net income from companies accounted for by the equity method | 6 | 16 | 6 | 12 | 0 | 1 | 4 | 8 | 16 | 37 |
| Net profits or losses from other assets | 1 | 0 | 4 | 35 | 0 | 5 | (4) | (3) | 1 | 37 |
| Impairment losses on goodwill | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Income tax | (131) | (159) | (188) | (181) | (47) | (127) | (4) | 78 | (370) | (389) |
| O.w. non controlling Interests | 0 | 0 | 112 | 91 | 5 | 7 | 37 | 44 | 154 | 142 |
| Group net income | 270 | 331 | 429 | 428 | 166 | 385 | (15) | (397) | 850 | 747 |
| Average allocated capital | 11,387 | 10,759 | 11,400 | 11,158 | 14,742 | 15,335 | 10,191* | 10,622* | 47,720 | 47,884 |
| Group ROE (after tax) | | | | | | | | | 6.3% | 5.2% |

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

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

# IFRIC 21 AND SRF IMPACT

| In EUR m | French Retail Banking | | International Retail Banking and Financial Services | | Global Banking and Investor Solutions | | Corporate Centre | | Group | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 |
| Total IFRIC 21 Impact - costs | -108 | -97 | -124 | -135 | -392 | -332 | -50 | -51 | -674 | -615 |
| *o/w Resolution Funds* | *-66* | *-50* | *-42* | *-40* | *-312* | *-252* | *-3* | *-2* | *-423* | *-343* |

| In EUR m | International Retail Banking | | Financial Services to Corporates | | Insurance | | Other | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 |
| Total IFRIC 21 Impact - costs | -85 | -94 | -9 | -11 | -30 | -26 | 0 | -4 | -124 | -135 |
| *o/w Resolution Funds* | *-41* | *-37* | *-1* | *-1* | *0* | *0* | *0* | *-2* | *-42* | *-40* |

| In EUR m | Western Europe | | Czech Republic | | Romania | | Russia | | Other Europe | | Africa, Asia, Mediterranean bassin and Overseas | | Total International Retail Banking | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 |
| Total IFRIC 21 Impact - costs | -6 | -6 | -36 | -32 | -9 | -17 | -2 | -3 | -22 | -21 | -10 | -14 | -85 | -94 |
| *o/w Resolution Funds* | *-1* | *-1* | *-28* | *-25* | *-4* | *-4* | *0* | *0* | *-7* | *-7* | *0* | *0* | *-41* | *-37* |

| In EUR m | Global Banking and Investor Services | | Financing and Advisory | | Asset and Wealth Management | | Total Global Banking and Investor Solutions | |
|---|---|---|---|---|---|---|---|---|
| | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 |
| Total IFRIC 21 Impact - costs | -313 | -260 | -71 | -63 | -8 | -9 | -392 | -332 |
| *o/w Resolution Funds* | *-260* | *-209* | *-45* | *-36* | *-7* | *-7* | *-312* | *-252* |

# NON ECONOMIC AND EXCEPTIONAL ITEMS

| *In EUR m* | Q1 18 | Q1 17 | Change |
|---|---|---|---|
| **Net Banking Income** | **6,294** | **6,474** | **-2.8%** |
| *Reevaluation of own financial liabilities** | *-* | *25* | |
| *DVA** | *-* | *(3)* | |
| **Underlying Net Banking Income** | **6,294** | **6,452** | **-2.4%** |
| | | | |
| **Operating expenses** | **(4,729)** | **(4,644)** | **+1.8%** |
| *IFRIC 21 linearisation* | *506* | 461 | |
| **Underlying Operating expenses** | **(4,223)** | **(4,183)** | **+1.0%** |
| **Net cost of risk** | **(208)** | **(627)** | ***-66.8%*** |
| *LIA settlement*** | | *350* | |
| **Underlying Net cost of risk** | **(208)** | **(277)** | ***-24.9%*** |
| **Group net income** | **850** | **747** | ***+13.8%*** |
| *Effect in Group net income of above restatements* | (354) | (645) | |
| **Underlying Group net income** | **1,204** | **1,392** | ***-13.5%*** |

* Non economic items

** Exceptional items

# CRR/CRD4 PRUDENTIAL CAPITAL RATIOS

## Fully Loaded Common Equity Tier 1, Tier 1 and Total Capital

| *In EUR bn* | 31/03/2018 | 31/12/2017 |
|---|---|---|
| **Shareholder equity Group share** | **58.9** | **59.4** |
| Deeply subordinated notes* | **(8.4)** | (8.5) |
| Undated subordinated notes* | **(0.3)** | (0.3) |
| Dividend to be paid & interest on subordinated notes | **(2.3)** | (1.9) |
| Goodwill and intangible | **(6.7)** | (6.6) |
| Non controlling interests | **4.5** | 3.5 |
| Deductions and regulatory adjustments** | **(6.1)** | (5.4) |
| **Common Equity Tier 1 Capital** | **39.8** | **40.2** |
| Additional Tier 1 capital | **8.5** | 8.7 |
| **Tier 1 Capital** | **48.3** | **48.9** |
| Tier 2 capital | **11.4** | 11.1 |
| **Total capital (Tier 1 + Tier 2)** | **59.7** | **60.0** |
| **Total risk-weighted assets** | **356** | **353** |
| **Common Equity Tier 1 Ratio** | **11.2%** | **11.4%** |
| **Tier 1 Ratio** | **13.6%** | **13.8%** |
| **Total Capital Ratio** | **16.8%** | **17.0%** |

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

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

** *Fully loaded deductions*

# CRR LEVERAGE RATIO

## CRR Fully Loaded Leverage Ratio(1)

| *In EUR bn* | 31/03/2018 | 31/12/2017 |
|---|---|---|
| **Tier 1 Capital** | **48.3** | **48.9** |
| Total prudential balance sheet (2) | **1,150** | 1,138 |
| Adjustement related to derivative exposures | **(60)** | (61) |
| Adjustement related to securities financing transactions* | **(10)** | (9) |
| Off-balance sheet (loan and guarantee commitments) | **97** | 93 |
| Technical and prudential ajustments (Tier 1 capital prudential deductions) | **(11)** | (11) |
| Leverage exposure | 1,167 | 1,150 |
| **CRR leverage ratio** | **4.1%** | **4.3%** |

(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

# 2017 LONG TERM FUNDING PROGRAMME REALISED AT COMPETITIVE CONDITIONS

**Parent company 2017 funding programme EUR 24.1bn** (including EUR 17bn of structured notes)

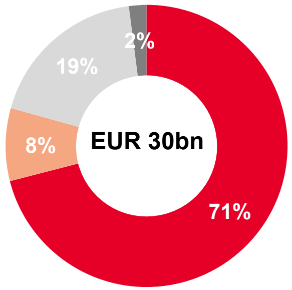
Completed at 125% incl. pre-funding at end 2017 (EUR 30bn, including 71% of structured notes)

Competitive funding conditions: MS6M+16bp (incl. senior non preferred debt, senior preferred debt and covered bonds), average maturity of 4.5 years

Diversification of the investor base by currencies, maturities and types

Additional EUR 5bn issued by subsidiaries

## 2017 completed programme breakdown




## 2017 SNP Landmark Issuances

**Dual tranche USD 650M 5Y & USD 600M 10Y Senior Non-Preferred**

**Societe Generale**
5 Y Senior Non-Preferred
**3.250% 12-Jan-22**
**USD 650,000,000**

**Societe Generale**
10 Y Senior Non-Preferred
**4.000% 12-Jan-27**
**USD 600,000,000**

**EUR1.25bn 5Y FRN Senior Non-Preferred**

**Societe Generale**
5 Y Senior Non-Preferred
**3mE+85bp 01-Apr-22**
**EUR 1,250,000,000**

**Inaugural SEK and CHF Senior Non-Preferred**

**Societe Generale**
5 Y Senior Non-Preferred
**3m STIBOR+120bp 25-Jan-22**
**SEK 750,000,000**

**Societe Generale**
5Y Senior Non-Preferred
**0.400% 22-Feb-22**
**CHF 160,000,000**

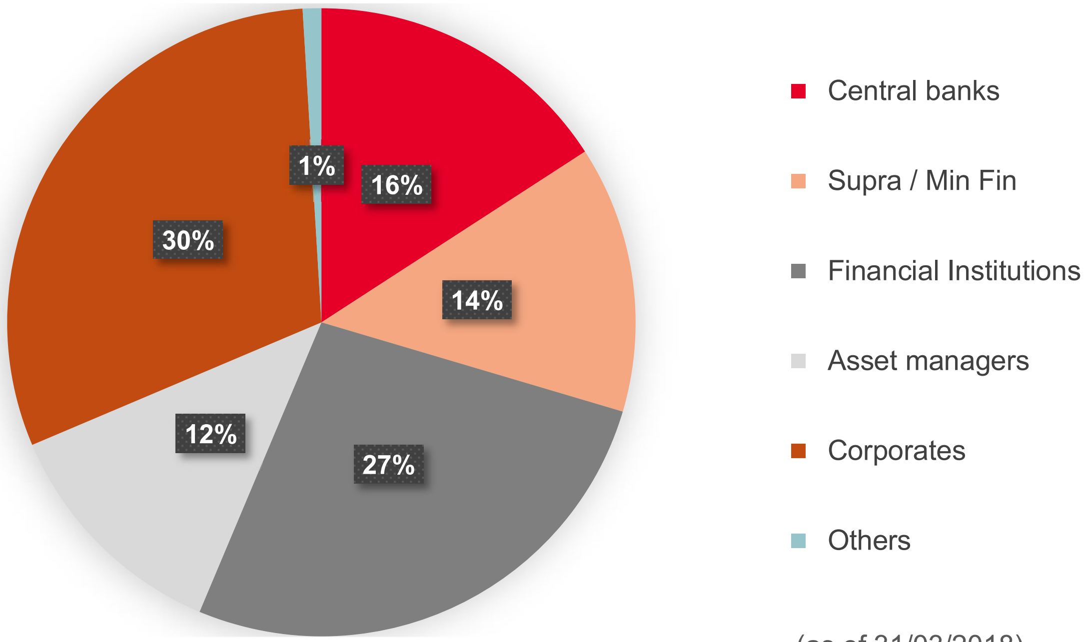
**Dual tranche JPY 37.6bn 5Y & JPY 42.4bn 10Y Senior Non-Preferred**

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

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

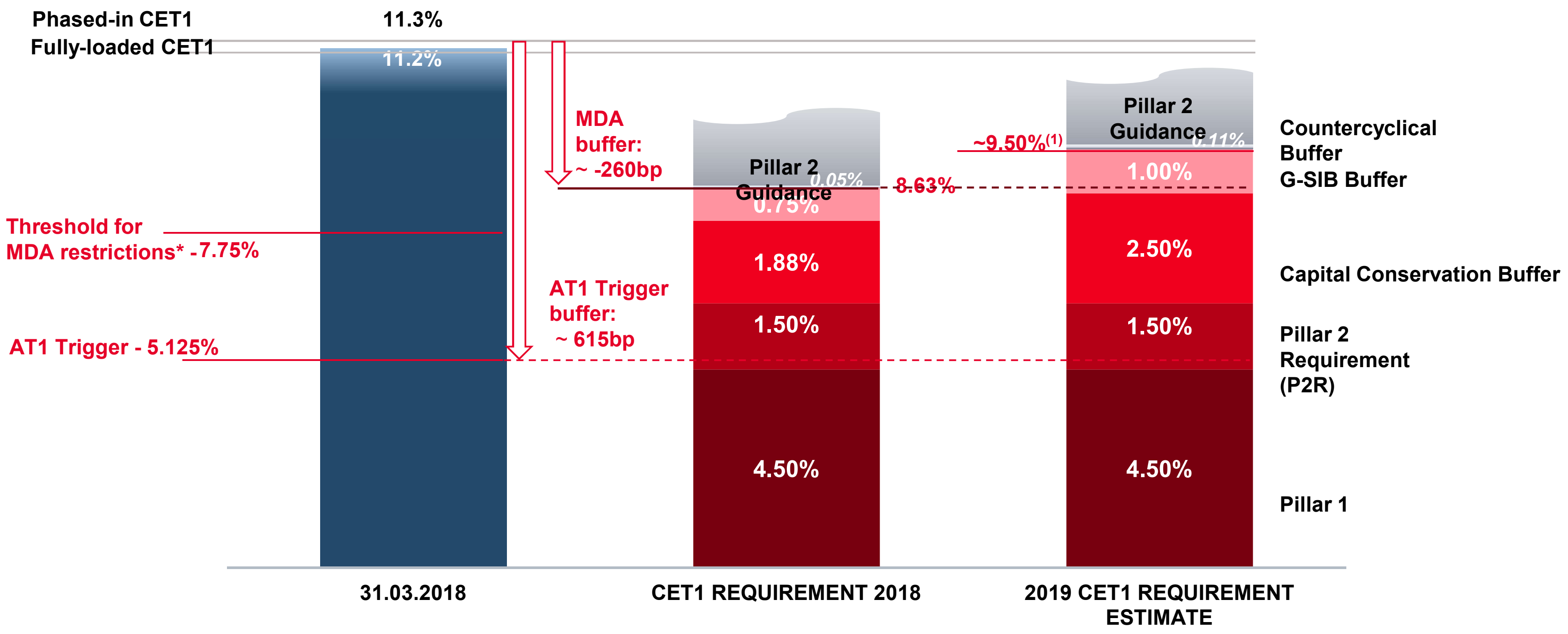
# 2018 SHORT TERM FUNDING WELL DIVERSIFIED

**Group Unsecured Short Term External Funding Mapping (initial maturities < 18m)**



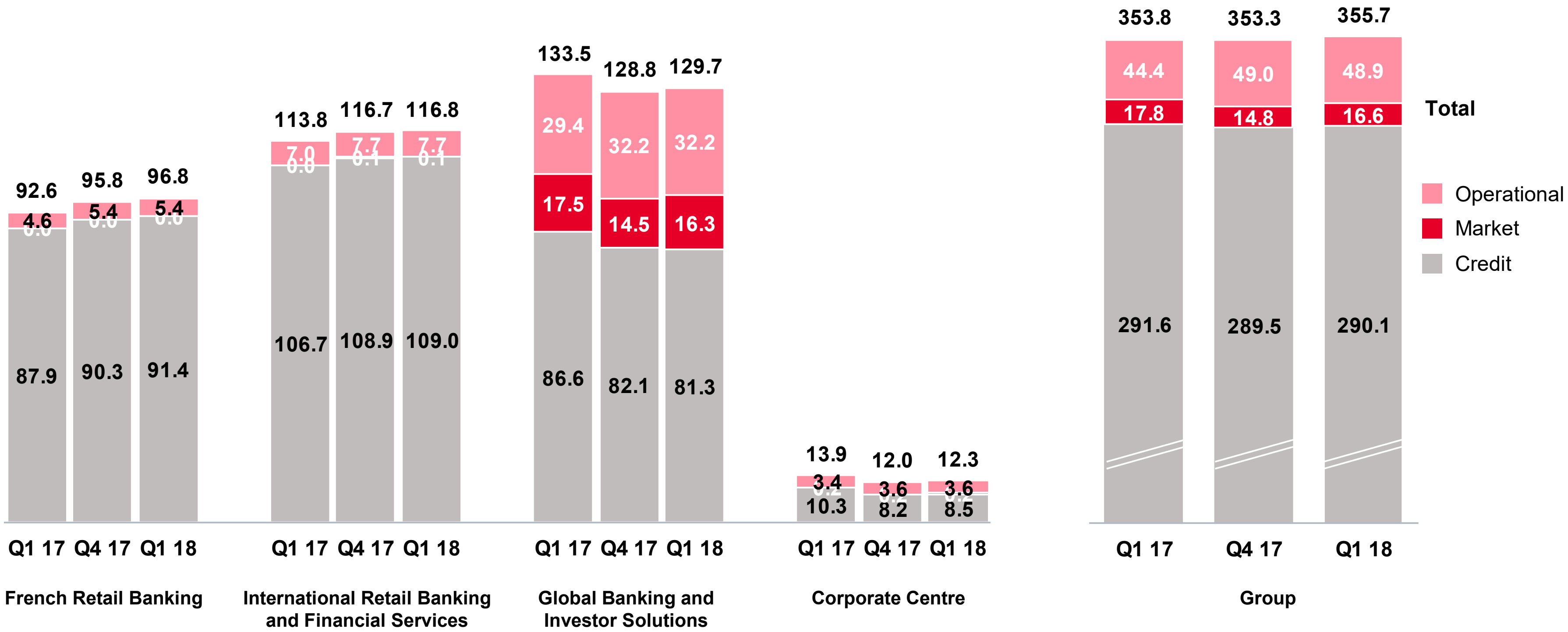

(as of 31/03/2018)

# PILLAR 2 LATEST DEVELOPMENT
# STRENGHTENING ALREADY LARGE CAPITAL BUFFERS




* Excluding countercyclical Buffer
(1) based on the final notification in December 2017

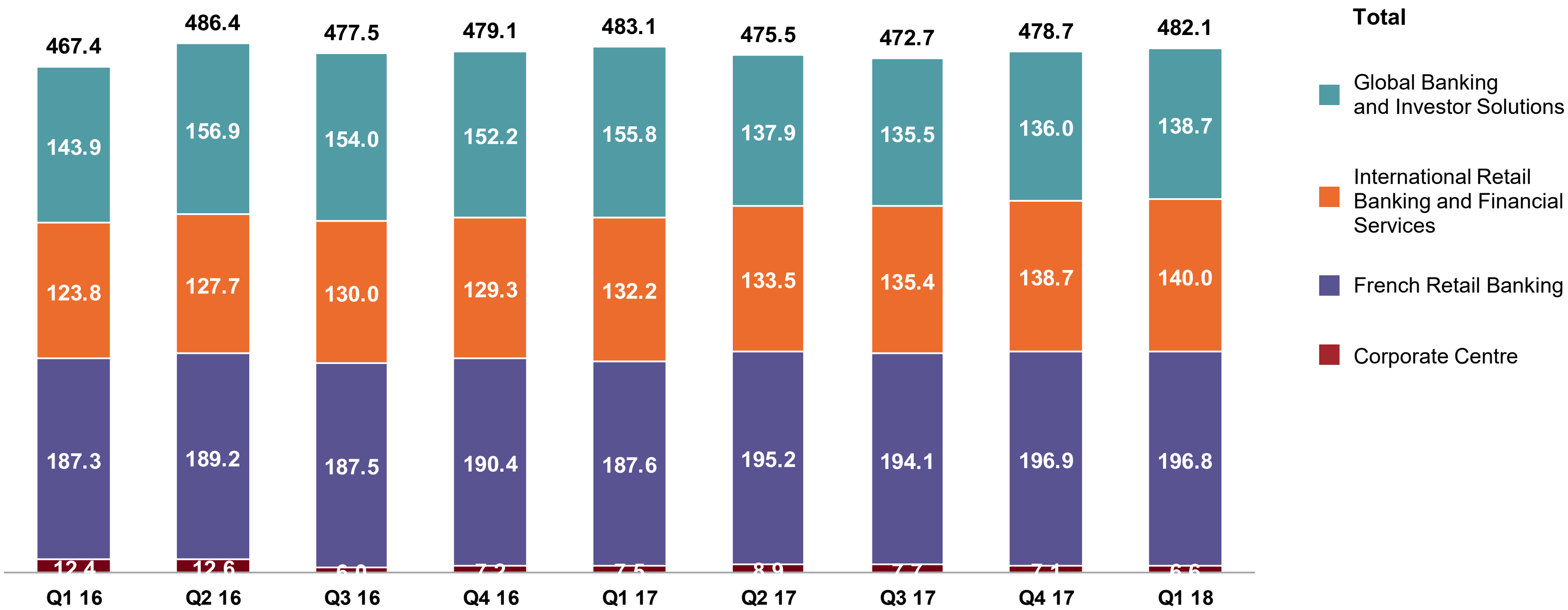
# RISK-WEIGHTED ASSETS* (CRR/CRD 4, IN EUR BN)




** Includes the entities reported under IFRS 5 until disposal*
*Data restated relfecting new quarterly series published on 4 April 2018*

# CHANGE IN GROSS BOOK OUTSTANDINGS*

*End of period in EUR bn*




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

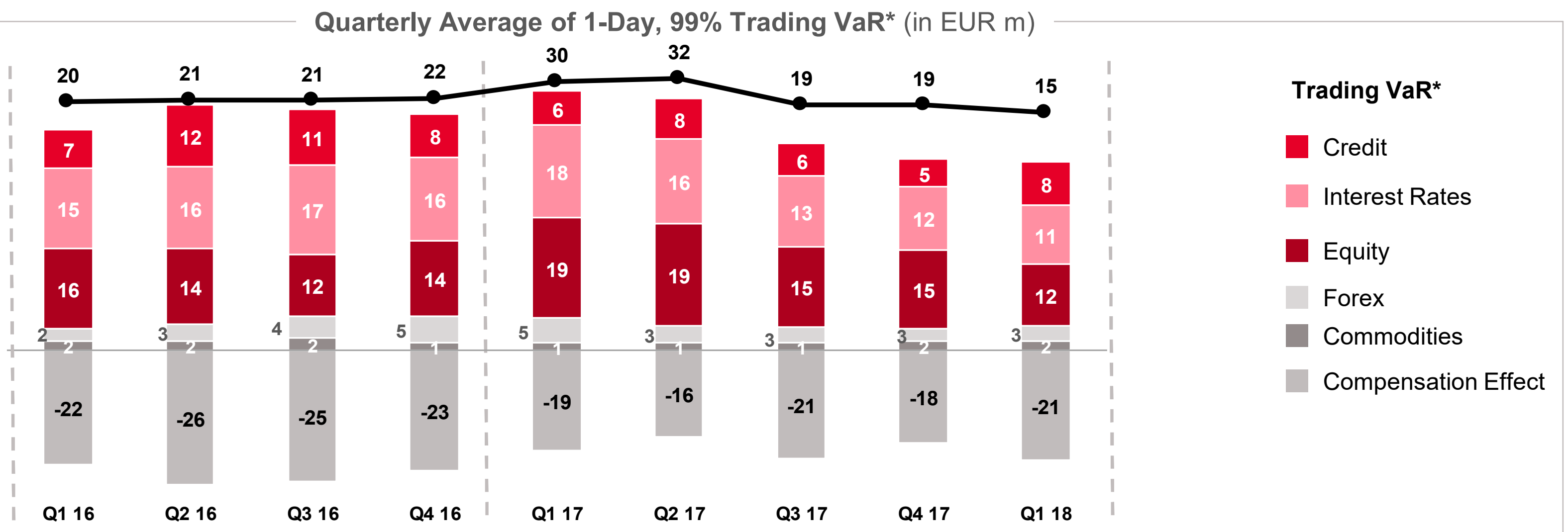
# NON PERFORMING LOANS

| In EUR bn | 31/03/2018 | 31/12/2017 | 31/03/2017 |
|---|---|---|---|
| Gross book outstandings* | 482.1 | 478.7 | 483.1 |
| Doubtful loans* | 20.4 | 20.9 | 23.3 |
| ***Group Gross non performing loans ratio**** | ***4.2%*** | ***4.4%*** | ***4.8%*** |
| Specific provisions* | 11.3 | 11.3 | 13.5 |
| Portfolio-based provisions* | 2.1 | 1.3 | 1.5 |
| ***Group Gross doubtful loans coverage ratio* (Overall provisions / Doubtful loans)*** | ***66%*** | ***61%*** | ***65%*** |
| Stage 1 provisions* | 1.0 | | |
| Stage 2 provisions* | 1.2 | | |
| Stage 3 provisions* | 11.3 | | |
| ***Group Gross doubtful loans coverage ratio* (Stage 3 provisions / Doubtful loans)*** | ***55%*** | | |

- Customer loans, deposits at banks and loans due from banks, leasing and lease assets
- As of March 31, 2018 portfolio-based provisions are the sum of stage 1 and stage 2 provisions, See: Methodology

SOCIETE GENERALE

# CHANGE IN TRADING VAR* AND STRESSED VAR**



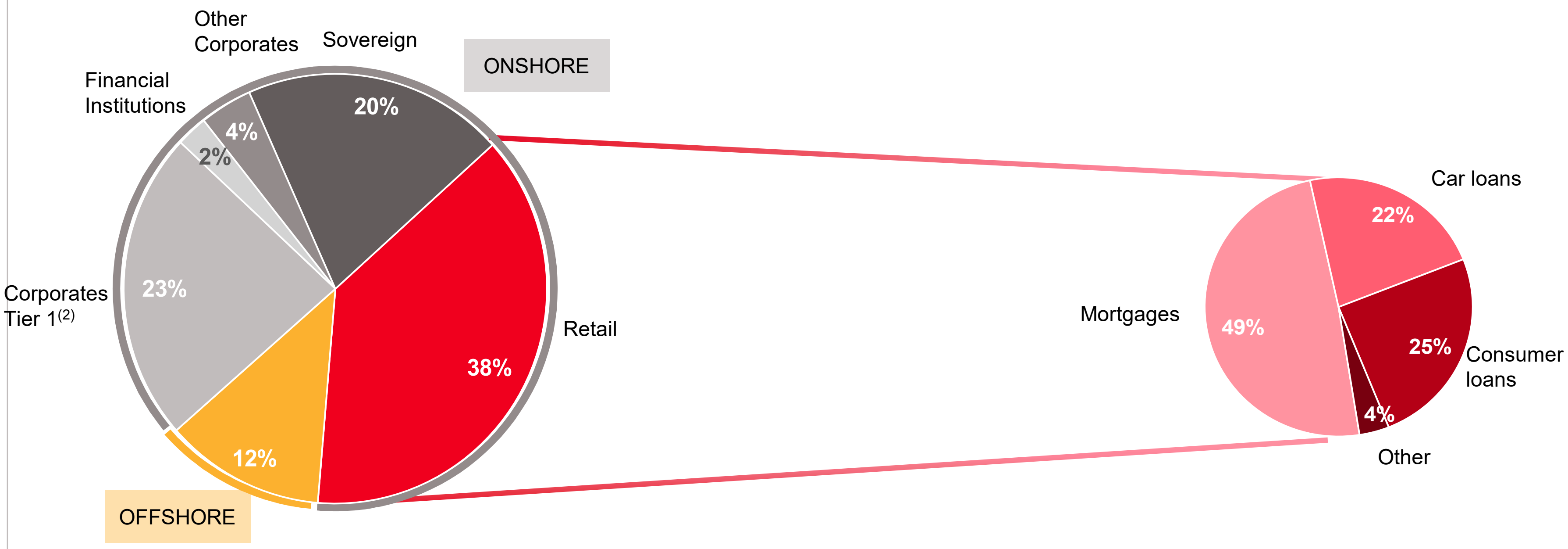

| Stressed VAR** (1 day, 99%, in EUR m) | Q1 17 | Q2 17 | Q3 17 | Q4 17 | Q1 18 |
|---|---|---|---|---|---|
| Minimum | 27 | 21 | 14 | 14 | 14 |
| Maximum | 68 | 52 | 37 | 37 | 72 |
| Average | 47 | 36 | 25 | 21 | 34 |

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

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

# DIVERSIFIED EXPOSURE TO RUSSIA

**EAD[(1)] as of Q1 18: EUR 14.7 bn**




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

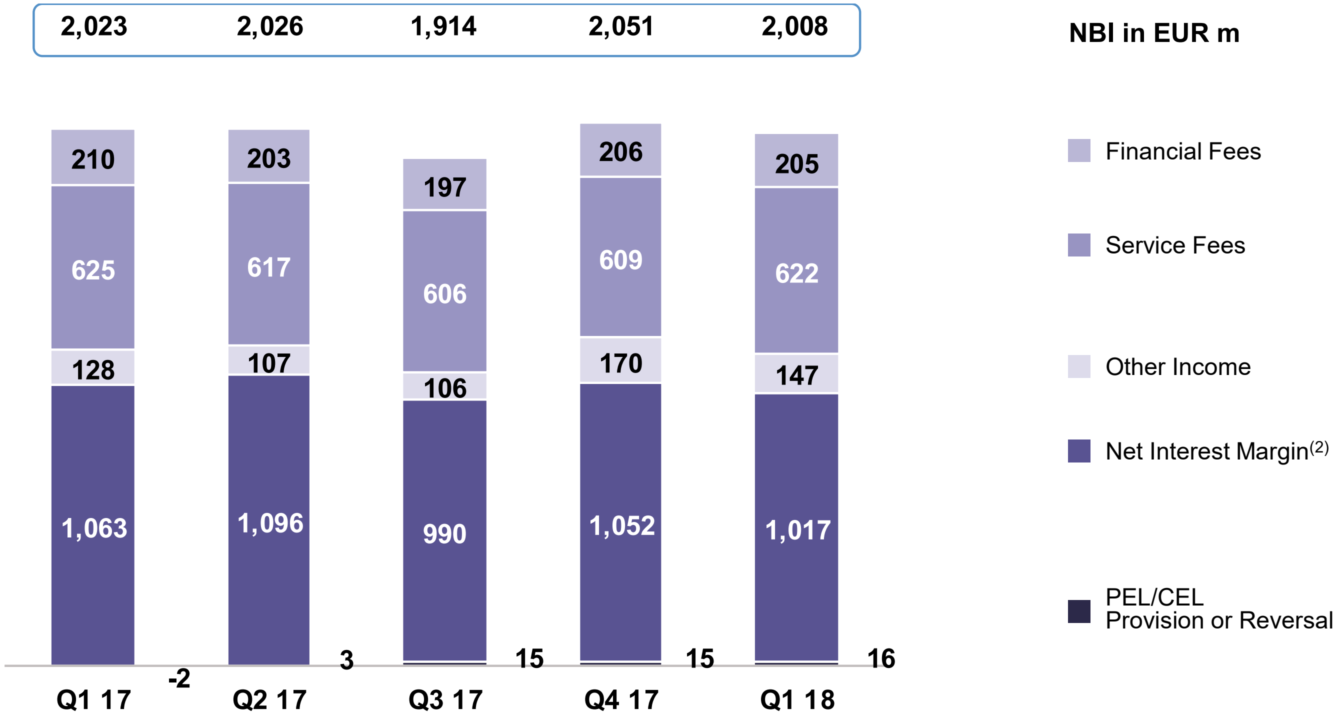
# CHANGE IN NET BANKING INCOME

**Commissions:**

-0.9% vs. Q1 17

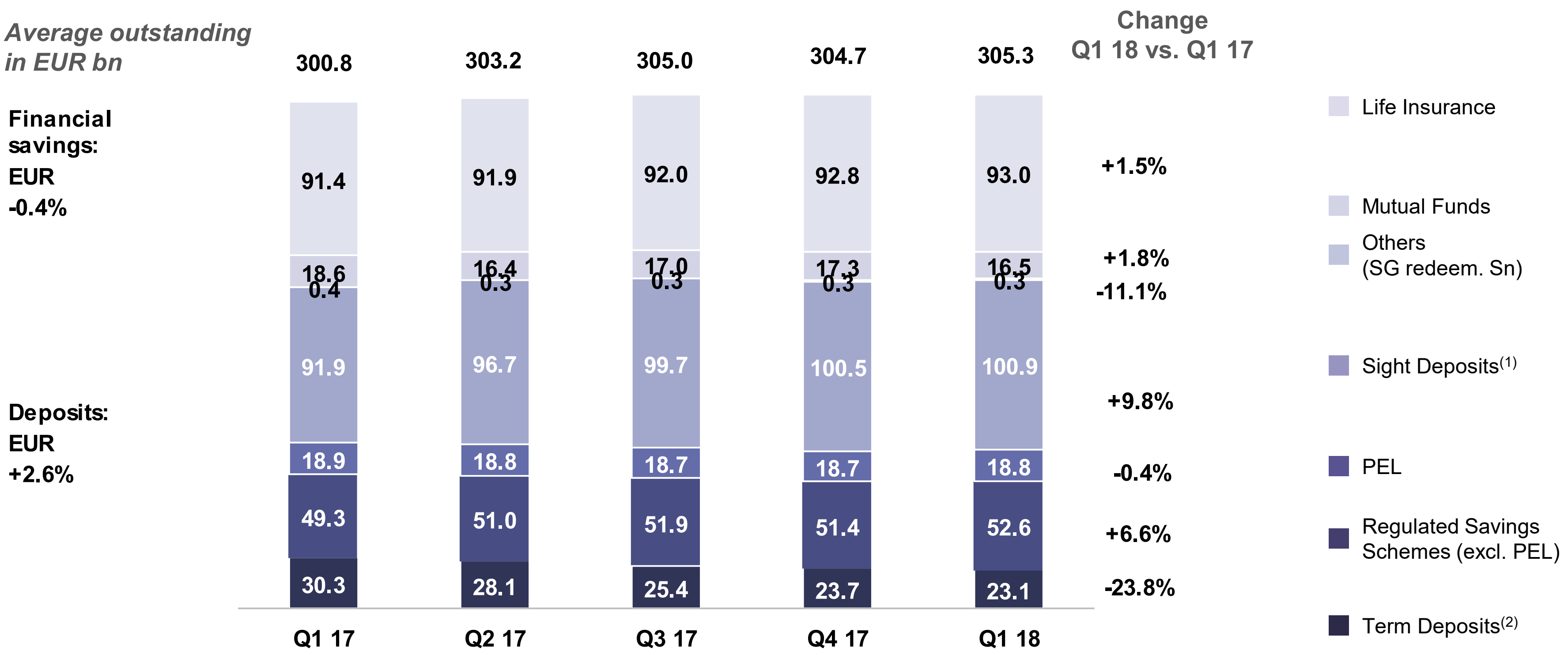
**Interest margin[1]:**

-4.3 % vs. Q1 17




(1) *Excluding PEL/CEL*
(2) *Including EUR -88m adjustment of hedging costs in Q3 17*
*Data restated relfecting new quarterly series published on 4 April 2018*

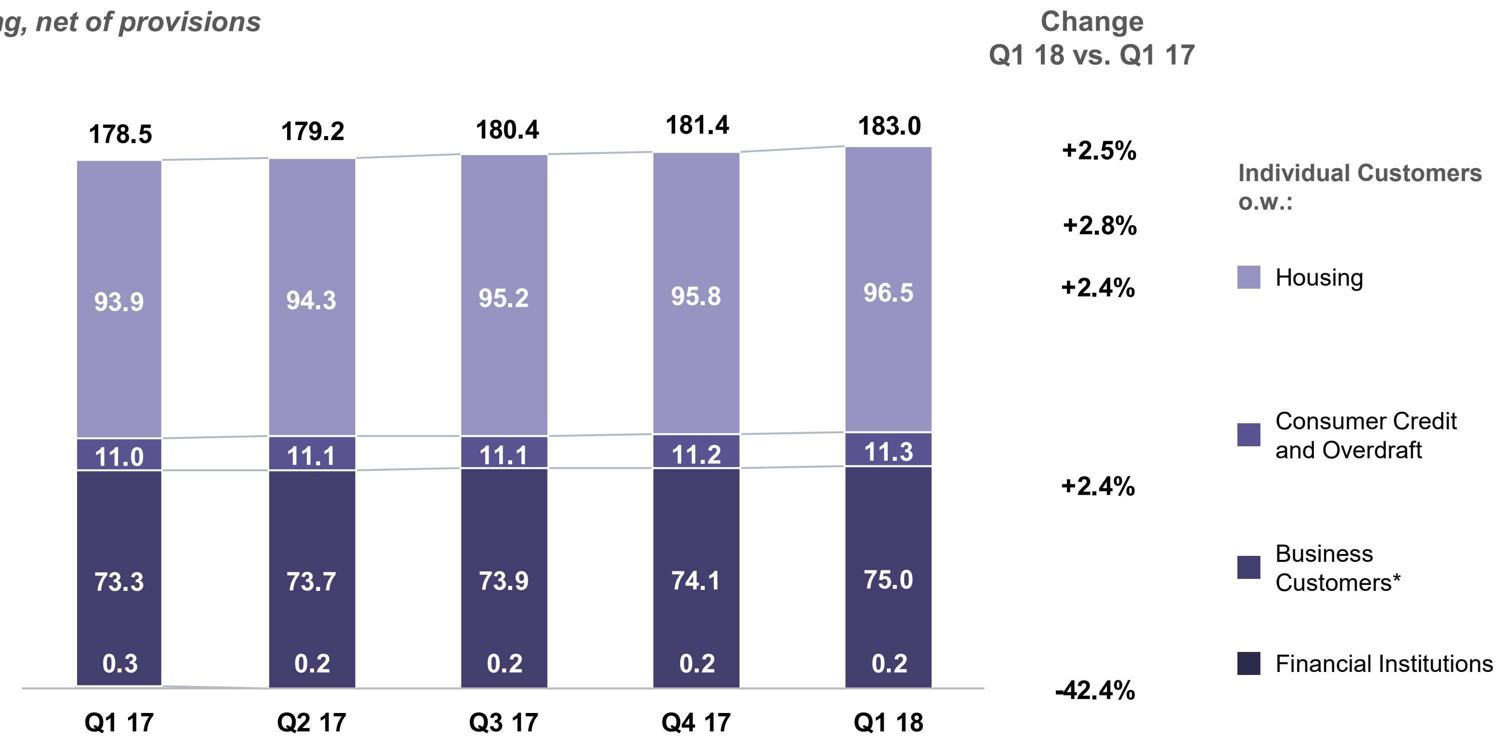
# CUSTOMER DEPOSITS AND FINANCIAL SAVINGS




(1) Including deposits from Financial Institutions and foreign currency deposits
(2) Including deposits from Financial Institutions and medium-term notes

# LOANS OUTSTANDING

*Average outstanding, net of provisions*
*in EUR bn*




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

# INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES – QUARTERLY RESULTS

| | International Retail Banking | | | Insurance | | | Financial Services to Corporates | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In EUR m | Q1 18 | Q1 17 | Change | Q1 18 | Q1 17 | Change | Q1 18 | Q1 17 | Change | Q1 18 | Q1 17 | Change |
| Net banking income | 1,328 | 1,282 | +8.3%* | 226 | 198 | +6.1%* | 435 | 460 | -8.9%* | 1,989 | 1,940 | +3.9%* |
| Operating expenses | (847) | (857) | +3.9%* | (99) | (90) | +5.2%* | (233) | (230) | -0.2%* | (1,179) | (1,177) | +3.2%* |
| Gross operating income | 481 | 425 | +17.1%* | 127 | 108 | +6.8%* | 202 | 230 | -17.6%* | 810 | 763 | +5.1%* |
| Net cost of risk | (81) | (98) | +14.4%* | 0 | 0 | n/s | (10) | (13) | -15.6%* | (91) | (111) | +9.8%* |
| Operating income | 400 | 327 | +17.7%* | 127 | 108 | +6.8%* | 192 | 217 | -17.7%* | 719 | 652 | +4.5%* |
| Net profits or losses from other assets | 4 | 35 | -89.3%* | 0 | 0 | n/s | 0 | 0 | +100.0%* | 4 | 35 | -89.3%* |
| Impairment losses on goodwill | 0 | 1 | +100.0%* | 0 | 0 | n/s | 0 | 0 | n/s | 0 | 1 | +100.0%* |
| Income tax | (94) | (86) | +6.9%* | (42) | (37) | +3.1%* | (52) | (58) | -16.6%* | (188) | (181) | -1.2%* |
| Group net income | 229 | 193 | +13.4%* | 84 | 71 | +7.4%* | 116 | 164 | -18.5%* | 429 | 428 | +0.7%* |
| C/I ratio | 64% | 67% | | 44% | 45% | | 54% | 50% | | 59% | 61% | |
| Average allocated capital | 6,876 | 6,715 | | 1,917 | 1,759 | | 2,607 | 2,684 | | 11,400 | 11,158 | |

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

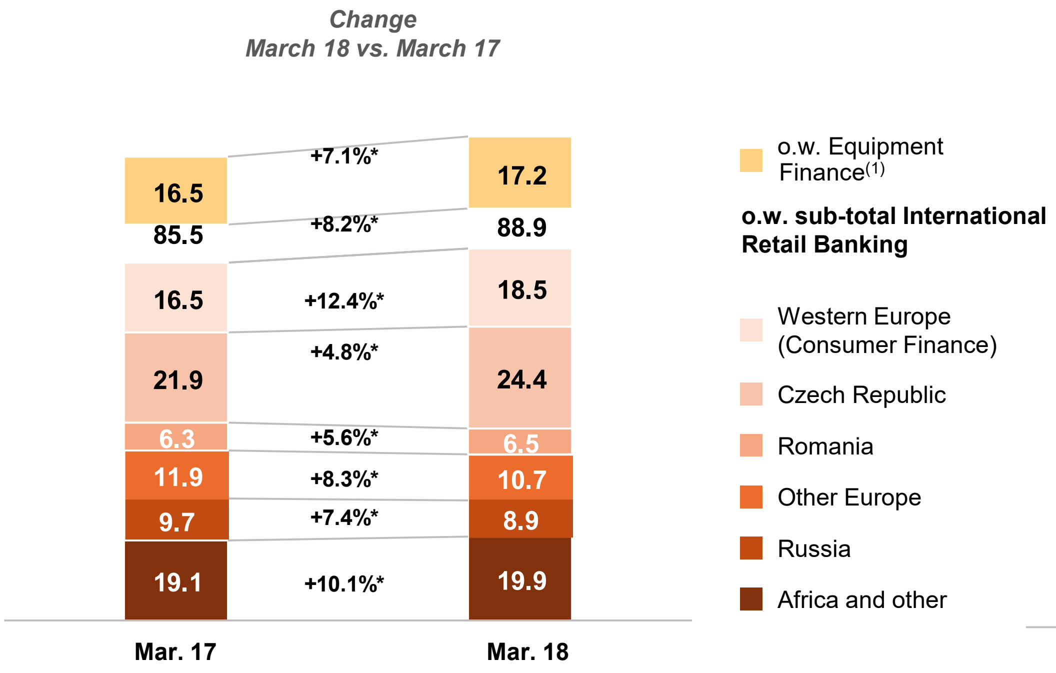
# QUARTERLY RESULTS OF INTERNATIONAL RETAIL BANKING: BREAKDOWN BY REGION

| | Western Europe | | Czech Republic | | Romania | | Other Europe | | Russia (1) | | Africa, Asia, Mediterranean bassin and Overseas | | Total International Retail Banking | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In M EUR | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 | Q1 18 | Q1 17 |
| Net banking income | 196 | 181 | 269 | 255 | 139 | 127 | 162 | 177 | 170 | 174 | 392 | 368 | 1,328 | 1,282 |
| Change * | +8.3%* | | -1.0%* | | +12.7%* | | +9.4%* | | +9.4%* | | +13.2%* | | +8.3%* | |
| Operating expenses | (100) | (95) | (166) | (161) | (90) | (92) | (108) | (123) | (140) | (147) | (243) | (239) | (847) | (857) |
| Change * | +5.3%* | | -3.2%* | | +0.7%* | | +6.9%* | | +6.3%* | | +7.2%* | | +3.9%* | |
| Gross operating income | 96 | 86 | 103 | 94 | 49 | 35 | 54 | 54 | 30 | 27 | 149 | 129 | 481 | 425 |
| Change * | +11.6%* | | +2.9%* | | +44.2%* | | +14.8%* | | +26.1%* | | +24.5%* | | +17.1%* | |
| Net cost of risk | (35) | (27) | 3 | 7 | 33 | 28 | (12) | (43) | (16) | (21) | (54) | (42) | (81) | (98) |
| Change * | +29.6%* | | +59.6%* | | -21.4%* | | -36.2%* | | -15.0%* | | +32.3%* | | +14.4%* | |
| Operating income | 61 | 59 | 106 | 101 | 82 | 63 | 42 | 11 | 14 | 6 | 95 | 87 | 400 | 327 |
| Change * | +3.4%* | | -1.4%* | | +34.0%* | | +48.7%* | | x 2,8 | | +20.5%* | | +17.7%* | |
| Net profits or losses from other assets | 0 | 0 | 4 | 36 | 0 | 0 | 0 | (1) | 0 | 0 | 0 | 0 | 4 | 35 |
| Impairment losses on goodwill | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Income tax | (13) | (13) | (23) | (29) | (17) | (14) | (9) | (1) | (2) | (1) | (30) | (28) | (94) | (86) |
| Group net income | 46 | 46 | 53 | 67 | 39 | 30 | 30 | 5 | 12 | 5 | 49 | 40 | 229 | 193 |
| Change * | +0.0%* | | -25.7%* | | +33.8%* | | +58.5%* | | x 2,9 | | +51.1%* | | +13.4%* | |
| C/I ratio | 51% | 52% | 62% | 63% | 65% | 72% | 67% | 69% | 82% | 84% | 62% | 65% | 64% | 67% |
| Average allocated capital | 1,404 | 1,216 | 952 | 939 | 464 | 405 | 1,054 | 1,217 | 1,176 | 1,223 | 1,825 | 1,715 | 6,876 | 6,715 |

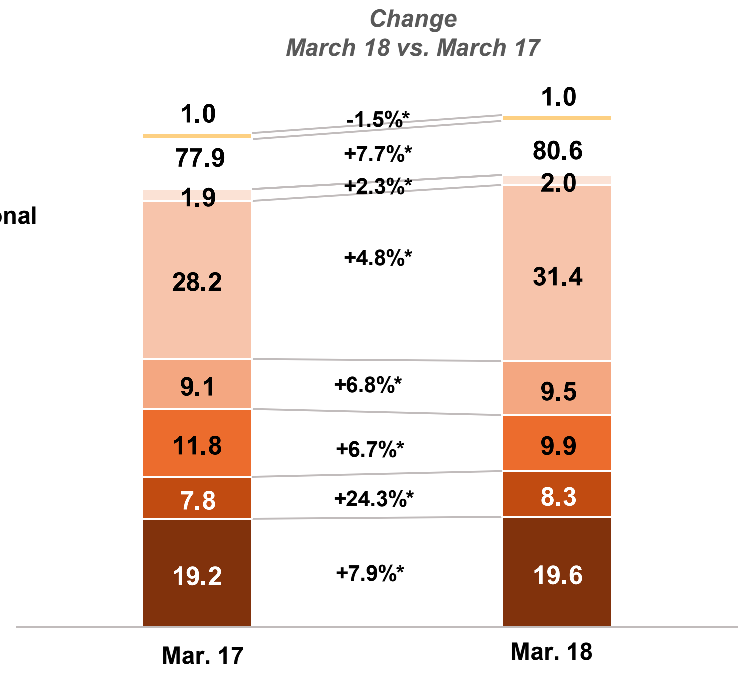
* *When adjusted for changes in Group structure and at constant exchange rates*
*Net banking income, operating expenses, cost to income ratio, allocated capital: see Methodology*
(1) *Russia structure includes Rosbank, Delta Credit, Rusfinance and their consolidated subsidiaries in International Retail Banking*

# LOAN AND DEPOSIT OUTSTANDINGS BREAKDOWN

**Loan Outstandings Breakdown** (in EUR bn)




**Deposit Outstandings Breakdown** (in EUR bn)

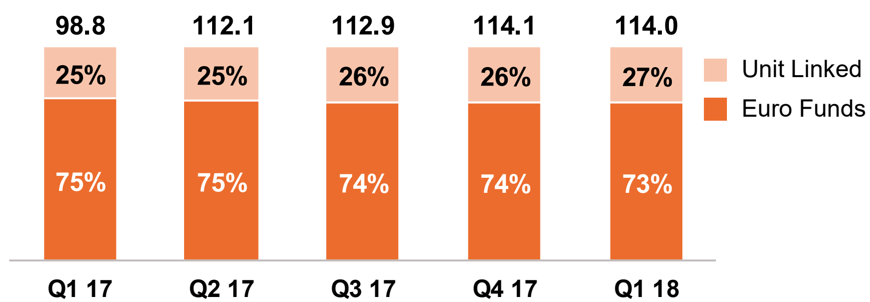



* When adjusted for changes in Group structure and at constant exchange rates

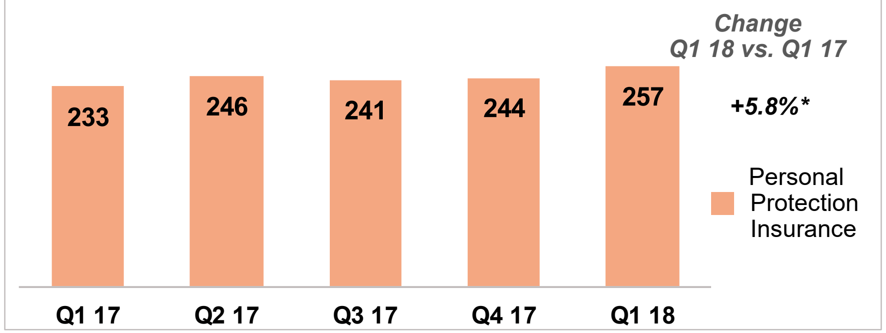
(1) Excluding factoring

# INSURANCE KEY FIGURES

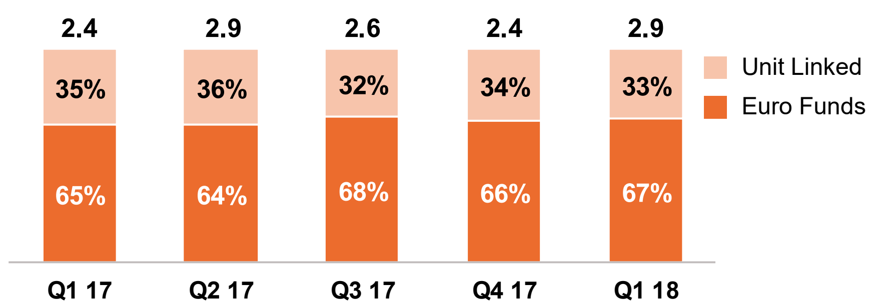
### Life Insurance Outstandings and Unit Linked Breakdown (in EUR bn)



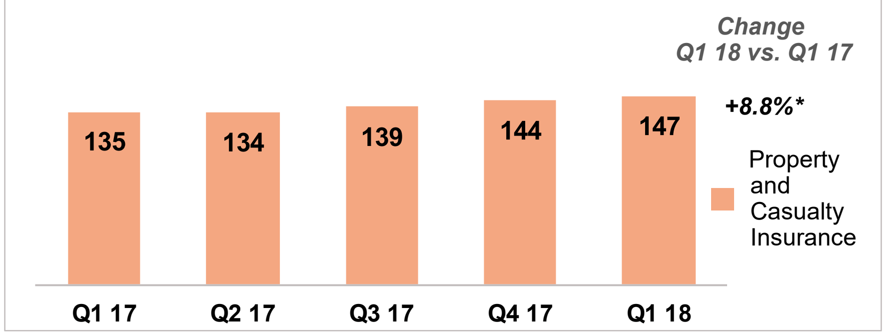

### Personal Protection Insurance Premiums (in EUR m)




### Life Insurance Gross Inflows (in EUR bn)




### Property and Casualty Insurance Premiums (in EUR m)




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

# SG RUSSIA(1)

## SG Russia Results

| In EUR m | Q1 18 | Q1 17 | Change |
|---|---|---|---|
| **Net banking income** | **190** | **196** | **+8.6%*** |
| Operating expenses | (149) | (156) | +6.9%* |
| **Gross operating income** | **41** | **40** | **+15.7%*** |
| Net cost of risk | (16) | (21) | -15.4%* |
| **Operating income** | **25** | **19** | **+50.3%*** |
| **Group net income** | **18** | **14** | **+47.6%*** |
| C/I ratio | 78% | 80% | |

## SG Commitments to Russia

| In EUR bn | Q1 18 | Q4 17 | Q4 16 | Q4 15 |
|---|---|---|---|---|
| Book value | 2.8 | 2.8 | 2.7 | 2.4 |
| Intragroup Funding | | | | |
| - *Sub. Loan* | 0.5 | 0.5 | 0.6 | 0.7 |
| - *Senior* | 0.0 | 0.0 | 0.0 | 0.0 |

NB. The Rosbank Group book value amounts to EUR 2.8 bn at Q1 18, not including translation reserves of EUR -0.9bn, already deducted from Group Equity.

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

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

# QUARTERLY RESULTS

| | Global Markets and Investor Services | | | Financing and Advisory | | | Asset and Wealth Management | | | Total Global Banking and Investor Solutions | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In M EUR | Q1 18 | Q1 17 | Change | Q1 18 | Q1 17 | Change | Q1 18 | Q1 17 | Change | Q1 18 | Q1 17 | Change | |
| Net banking income | 1,372 | 1,678 | -13.1%* | 600 | 629 | -1.0%* | 243 | 252 | -2.1%* | 2,215 | 2,559 | -13.4% | -8.9%* |
| Operating expenses | (1,318) | (1,311) | +3.8%* | (478) | (468) | +9.0%* | (228) | (230) | +1.0%* | (2,024) | (2,009) | +0.7% | +4.7%* |
| Gross operating income | 54 | 367 | -82.5%* | 122 | 161 | -27.1%* | 15 | 22 | -33.5%* | 191 | 550 | -65.3% | -61.7%* |
| Net cost of risk | 1 | (23) | ns | 31 | (12) | n/s | (5) | (2) | x 2,5 | 27 | (37) | n/s | n/s |
| Operating income | 55 | 344 | -80.8%* | 153 | 149 | -0.8%* | 10 | 20 | -51.4%* | 218 | 513 | -57.5% | -52.7%* |
| Net profits or losses from other assets | 0 | 0 | | 0 | 5 | | 0 | 0 | | 0 | 5 | | |
| Net income from companies accounted for by the equity method | 1 | 2 | | (1) | (1) | | 0 | 0 | | 0 | 1 | | |
| Impairment losses on goodwill | 0 | 0 | | 0 | 0 | | 0 | 0 | | 0 | 0 | | |
| Income tax | (11) | (93) | | (33) | (28) | | (3) | (6) | | (47) | (127) | | |
| Net income | 45 | 253 | | 119 | 125 | | 7 | 14 | | 171 | 392 | | |
| O.w. non controlling Interests | 4 | 6 | | 1 | 1 | | 0 | 0 | | 5 | 7 | | |
| Group net income | 41 | 247 | -80.3%* | 118 | 124 | -7.9%* | 7 | 14 | -25.7%* | 166 | 385 | -56.9% | -51.7%* |
| Average allocated capital | 8,081 | 8,352 | | 5,619 | 5,859 | | 1,042 | 1,124 | | 14,742 | 15,335 | | |
| C/I ratio | 96% | 78% | | 80% | 74% | | 94% | 91% | | 91% | 79% | | |

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

# 2017: INCREASED MARKET SHARE IN GLOBAL MARKETS

### Global Markets market share

| | 2015 | 2016 | 2017 |
|---|---|---|---|
| Global Markets | 3.5% | 3.6% | 3.7% |

### Market share by product

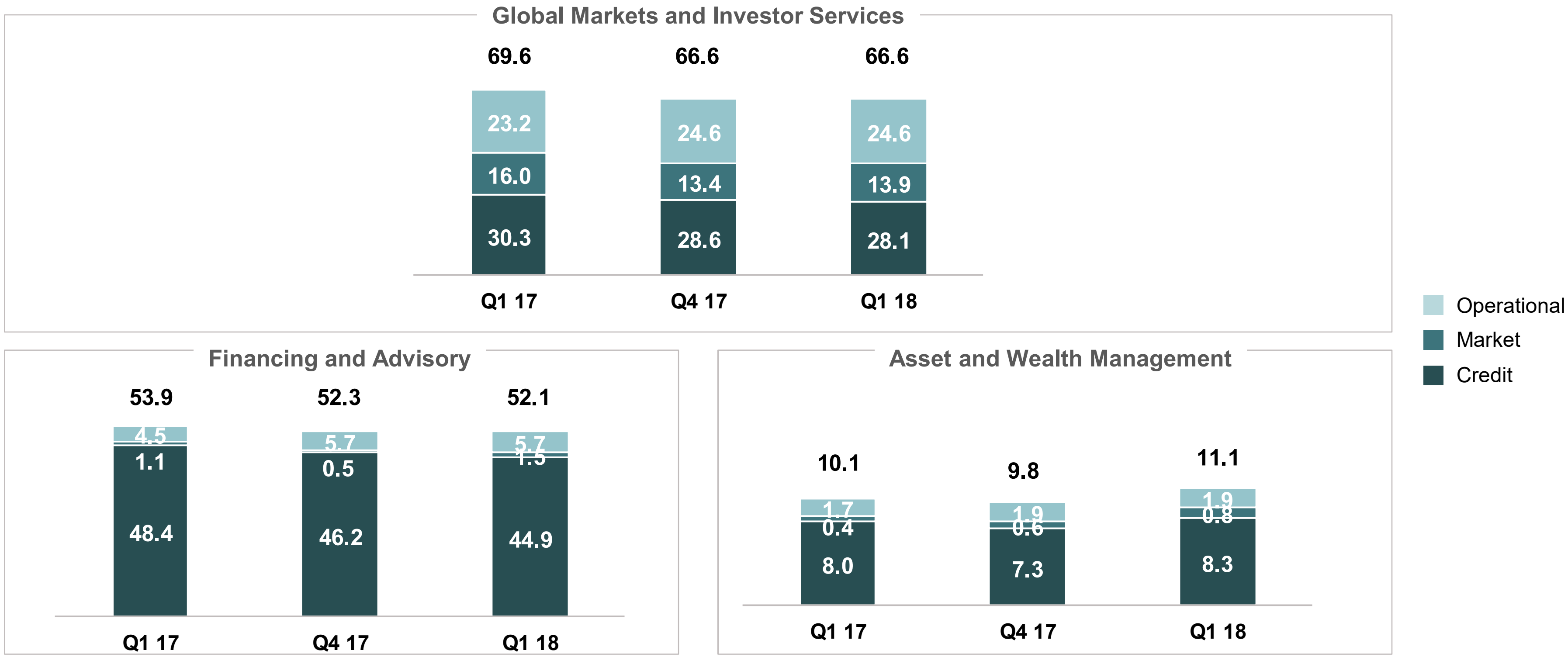
| | 2015 | 2016 | 2017 |
|---|---|---|---|
| FIC | 2.2% | 2.3% | 2.3% |
| Commodities | 3.5% | 4.1% | 4.4% |
| Equities(1) | 5.5% | 6.0% | 6.2% |

### Market share by region

| | 2015 | 2016 | 2017 |
|---|---|---|---|
| Americas | 1.9% | 1.8% | 1.9% |
| EMEA | 6.0% | 6.3% | 6.5% |
| Asia | 2.9% | 3.1% | 3.1% |

(1) Equities includes Prime Services
Source: Coalition
Share of Pools Analysis: share based upon SG performance and the Coalition industry Global Markets Revenue Pools according to SG's product taxonomy

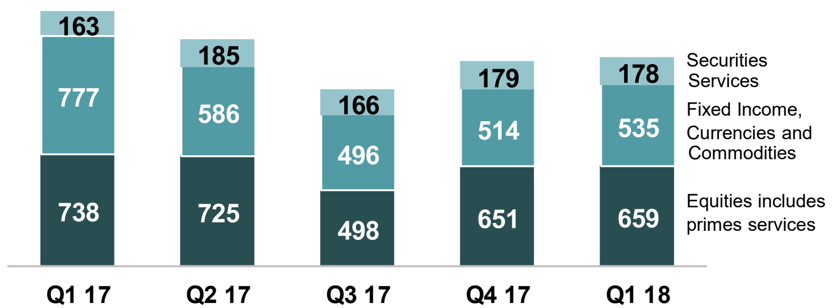
# RISK-WEIGHTED ASSETS IN EUR BN



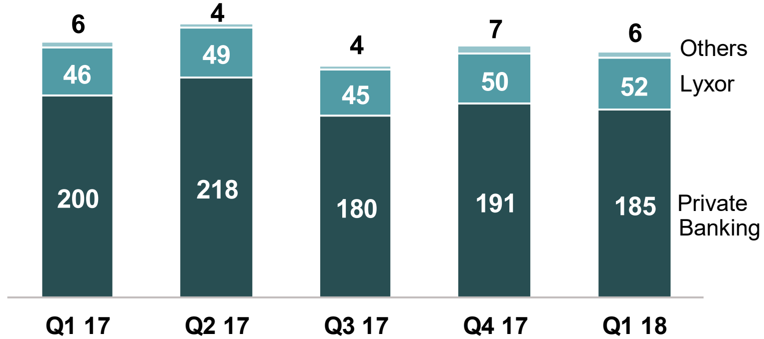

Data restated relfecting new quarterly series published on 4 April 2018

# REVENUES

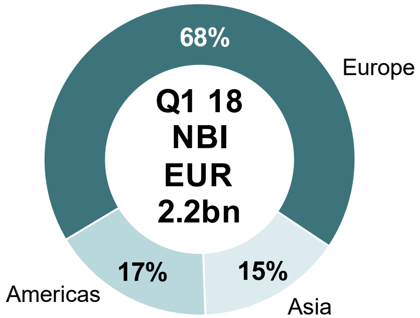
**Global Markets and Investor Services Revenues** (in EUR m)




**Asset and Wealth Management Revenues** (in EUR m)

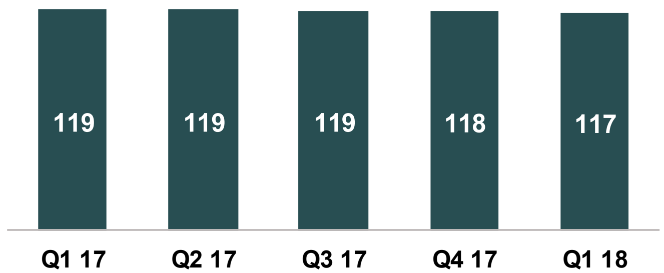



**Revenues Split by Region** (in %)

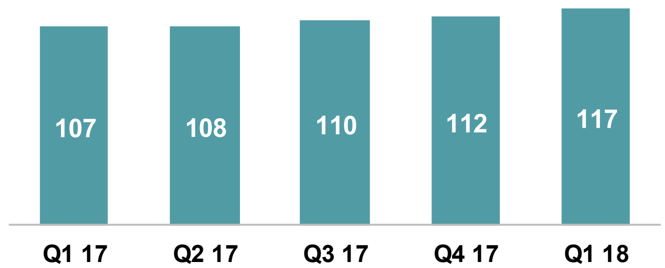


# KEY FIGURES

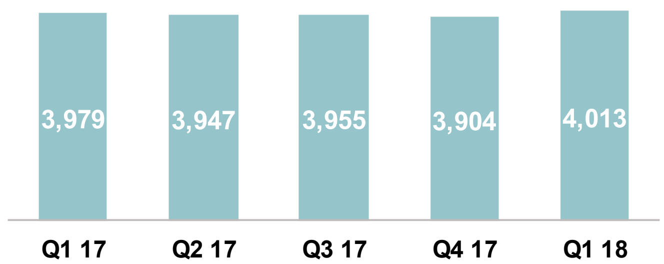
**Private Banking: Assets under Management**[1] (in EUR bn)



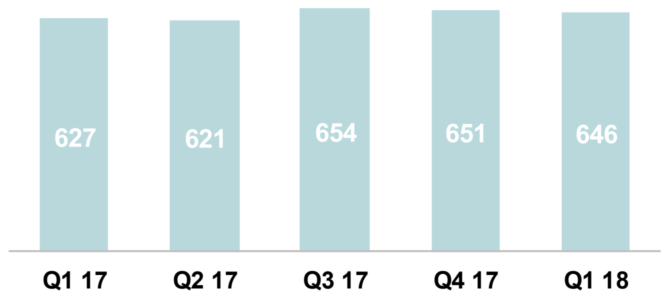

**Lyxor: Assets under Management**[2] (in EUR bn)




**Securities Services: Assets under Custody** (in EUR bn)




**Securities Services: Assets under Administration** (in EUR bn)




(1) Including New Private Banking set-up in France as from 1st Jan. 2014
(2) Including SG Fortune until Q4 16

# CVA/DVA IMPACT

| NBI impact | Q1 17 | Q2 17 | Q3 17 | Q4 17 | Q1 18 |
|---|---|---|---|---|---|
| Equities | 19 | 10 | 2 | 3 | (1) |
| Fixed income,currencies,commodities | 27 | 16 | 7 | 7 | (4) |
| Financing and Advisory | 18 | 14 | 12 | 7 | (3) |
| **Total** | **64** | **40** | **21** | **17** | **(9)** |

# AWARDS

## Asset and Wealth Management

Private Bank - Best Credit Provider

Best ETF House - Lyxor

## Global Markets and Investor Services

EnergyRisk Commodity Rankings 2018

#1 Overall dealer
#1 Overall Research
#1 Oil dealers
#1 Natural Gas dealers/brokers
#1 Base Metals dealers
#1 Energy dealers

Leading client Award Middle East and North Africa

Best Capital Introduction service

Best FCM Overall

Best House Europe
Best House Equities
Best House Interest Rates
Best House Credit
Best House Commodities
Best House FX
Best Issuance Platform – SG Markets
Best Proprietary Index Provider

Best Bank For Equity Derivatives
Best Bank For Interest-Rate Derivatives

## Financing and Advisory

Equity Capital Markets Bank of the Year in France and the Benelux

Best arranger of trade finance loans

#1 Export and Agency Finance

BFI: secteur énergie, infrastructure, transport

Best Bank for Financial Supply Chain Management in CEE

Marchés de capitaux

**Merger and Acquisition**
#2 CEE
#2 Iberia / Spain
#10 Europe

Best Bank for Cash Management in Western Europe
Best Bank for Cash Management in Africa

Best Debt Bank in Western Europe
Best Debt Bank in Central and Eastern Europe

**Debt Capital Market**
#1 All Euro Bonds
#1 Global Securitisation in Euros
#2 All Euro Corporate Bonds
#3 All Euro Bonds for FI
#3 All EMEA Euro Corporate Bonds
#7 All Euro Covered Bonds
#8 All Euro SSA Bonds

**Equity Capital Markets**
#2 France
#2 EQL EMEA
#5 Offer currency in Euro

**Acquisition Finance**
#3 Bookrunner
#8 Mandated Arranger

# LANDMARK TRANSACTIONS IN Q1 18

PPF

**PPF Group**

Telenor CEE Acquisition Financing

telenor

**EUR 3,025,000,000**

Financial Advisor, Global Coordinator, Underwriter, MLA Bookrunner

MAR 2018 CZECH REPUBLIC

On March 21, PPF Group, the largest private investment group in CEE, signed an agreement with Telenor AS regarding the acquisition of Telenor CEE, a pure mobile operator operating in Hungary, Bulgaria, Serbia and Montenegro. Societe Generale acted as Financial Advisor to PPF Group on the acquisition and as Global Coordinator and Underwriter of the EUR 3.025bn related debt package. This acquisition enables PPF to create a unique TMT acquisition platform with a strong financial flexibility and firepower to further consolidate the TMT sector in CEE, becoming one of the four major Telecom players in the region.

CVC Capital Partners

**CVC / GAS NATURAL**

Acquisition Finance

**EUR 2,029,458,219**

MLA & Bookrunner

FEB 2018 SPAIN

Societe Generale acted for CVC Partners as Underwriter, Bookrunner, MLA, Lender, Facility Agent and Security Agent in the EUR 2bn Acquisition Financing of 20% stake in Gas Natural. This strategic transaction allows CVC to become one of the three key shareholders of Gas Natural. The Acquisition financing was underwritten by five banks and was successfully syndicated among 21 banks. Societe Generale was involved on every aspects of the transaction, demonstrating our ability to support clients in their most strategic steps with a wide range of financing solutions.

BioMed Realty

**Blackstone / BioMed Realty**

Floating rate Single Asset Single Borrower CMBS

Blackstone

**USD 1,910,000,000**

Joint Bookrunner

MAR 2018 USA

Societe Generale (“SG”) co-originated a USD 1.91bn (SG's share USD 445m), floating-rate financing package, split between a senior loan of USD 1.4 bn, which was securitized in a SASB, and two subordinate mezzanine loans totaling USD 510m, which were placed privately with three institutional investors. The financing represents SG's second transaction with Blackstone Real Estate Partners, the largest real estate private equity firm in the world, and brings SG CMBS team to the next level in terms of structuring and distribution capabilities, client servicing and market positioning.

**Republic of Côte d'Ivoire**

Senior Unsecured

**EUR 850M / EUR 850M**

5.250% / 6.625%
11-year WAL / 29-year WAL
Joint Bookrunner

MAR 2018 IVORY COAST

Societe Generale acted as Joint Bookrunner for the Republic of Côte d’Ivoire dual-tranche EUR 850m 12-year and EUR 850m 30-year bond offering, that were sized at EUR 850m each thanks to combined books in excess of EUR 4.2bn. The 12-year tranche pricing was 5.250% and the 30-year 6.750%. This transaction set new benchmarks being the largest ever EUR-denominated bond offering by an African sovereign issuer and the first ever 30-year tranche executed by an African sovereign issuer in the EUR market. It was the first ever benchmark bond mandate awarded by the Republic of Côte d'Ivoire to SG.

MICHELIN

**Michelin**

Non-Dilutive Convertible Bond

**USD 600,000,000**

Sole Global Coordinator & Hedge Provider

JAN 2018 FRANCE

Societe Generale (“SG”) acted as Sole Global Coordinator and Hedge Provider on the USD 600m Non-Dilutive Convertible Bond offering of Michelin, due 2023. This is Michelin’s second Non-Dilutive Convertible Bond, after a USD 500m on which SG acted as Joint Bookrunner and Hedge Provider. The book quickly gained momentum, covered on the extended USD 600m size in two hours, vs. an initial size of USD 500m. The Company achieved an attractive financing cost vs. a straight euro-denominated bond offering.

OHL

**Obrascón Huarte Lain, S.A.**

Disposal of 100% of OHL Concesiones, S.A.U to

ifm investors

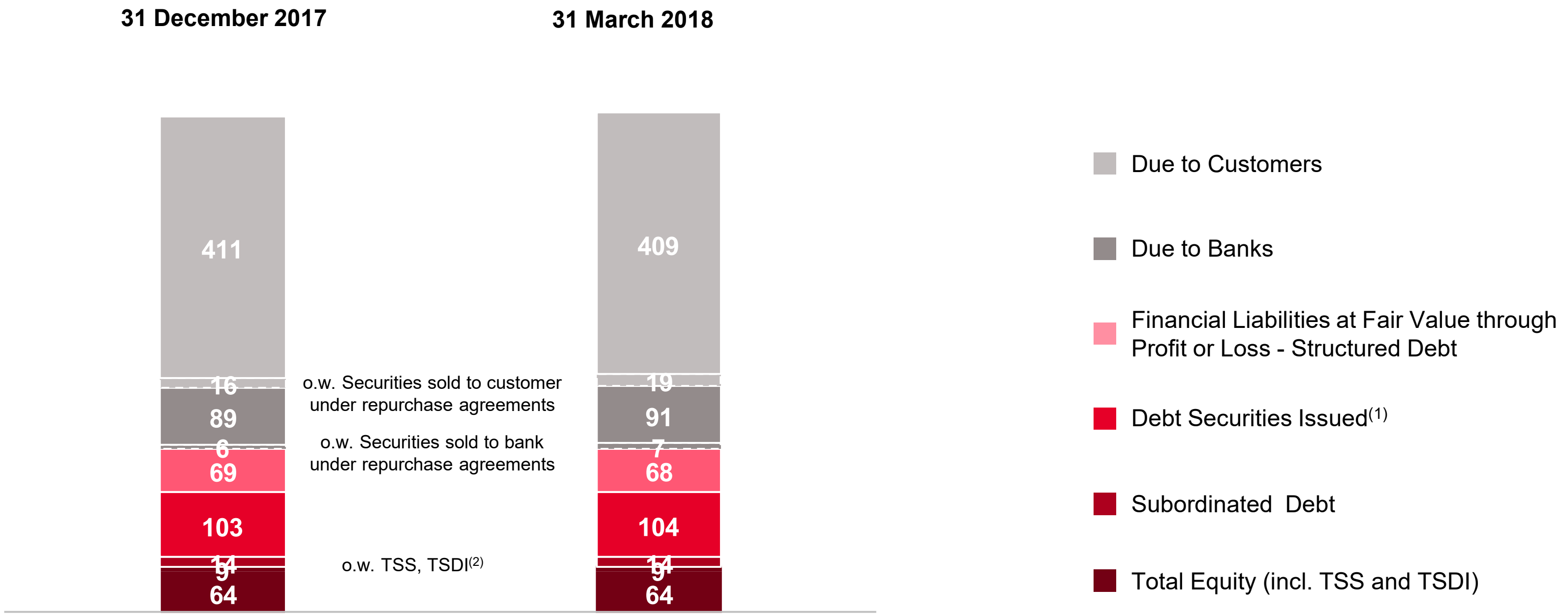
**EUR 2,775,000,000**

Financial Advisor

Pending SPAIN

Société Générale (“SG”) acted as financial advisor to OHL in the disposal of OHL Concesiones, its fully owned subsidiary operating 19 concessions in Spain and Latam, to IFM for a net consideration of EUR 2.158m. The deal represents a landmark transaction for OHL that will allow the Company to focus on its Construction and Engineering core business and to strengthen its financial position via a significant reduction of leverage. SG delivered in this complex transaction with its support to OHL, proving that it is fully committed to its clients and their success.

# GROUP FUNDING STRUCTURE




(1) o.w. SGSCF: (EUR 7.1bn), SGSFH: (EUR 11.1bn), CRH: (EUR 6.0bn), securitisation and other secured issuances: (EUR 3.7bn), conduits: (EUR 9bn) at end-March 2018 (and SGSCF: EUR 7.1bn, SGSFH: EUR 10.3bn, CRH: EUR 6bn, securitisation and other secured issuances: EUR 3.5bn, conduits: EUR 9.5bn at end-December 2017).

(2) TSS: Deeply Subordinated Notes, TSDI: Undated Subordinated notes. Notional amount excluding notably fx differences, original issue premiums/discounts, and accrued interest

# EPS CALCULATION

| Average number of shares (thousands) | Q1 18 | 2017 | 2016 |
|---|---|---|---|
| **Existing shares** | **807,918** | **807,754** | **807,293** |
| **Deductions** | | | |
| Shares allocated to cover stock option plans and free shares awarded to staff | 4,704 | 4,961 | 4,294 |
| Other own shares and treasury shares | 1,765 | 2,198 | 4,232 |
| **Number of shares used to calculate EPS** | **801,449** | **800,596** | **798,768** |
| **Group net income** | **850** | **2,806** | **3,874** |
| Interest, net of tax on deeply subordinated notes and undated subordinated notes | (102) | (466) | (472) |
| Capital gain net of tax on partial buybacks | 0 | 0 | 0 |
| **Adjusted Group net income** | **3,874** | **2,340** | **3,402** |
| **EPS (in EUR)** | **0.93** | **2.92** | **4.26** |
| **Underlying EPS* (in EUR)** | **1.38** | **5.03** | **4.60** |

*Underlying EPS : excluding non economic and exceptional items and IFRIC 21 linearisation for Q1 18, see p. 40 and Methodology

# NET ASSET VALUE, TANGIBLE NET ASSET VALUE

| *End of period* | Q1 18 | 2017 | 2016 |
|---|---|---|---|
| **Shareholders' equity Group share** | **58,925** | **59,373** | **61,953** |
| Deeply subordinated notes | (8,362) | (8,520) | (10,663) |
| Undated subordinated notes | (263) | (269) | (297) |
| 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 | (218) | (165) | (171) |
| Bookvalue of own shares in trading portfolio | 174 | 223 | 75 |
| **Net Asset Value** | **50,256** | **50,642** | **50,897** |
| Goodwill | (5,163) | 5,154 | 4,709 |
| Intangible Assets | (1,993) | (1,940) | (1,717) |
| **Net Tangible Asset Value** | **43,100** | **43,547** | **44,471** |
| Number of shares used to calculate NAPS and NATAPS** | 801,830 | 801,067 | 799,462 |
| **NAPS** (in EUR)** | **63** | **63** | **64** |
| **Net Tangible Asset Value per share (EUR)** | **53.8** | **54.4** | **55.6** |

** The number of shares considered is the number of ordinary shares outstanding as of 31st December 2017, excluding treasury shares and buybacks, but including the trading shares held by the Group. In accordance with IAS 33, historical data per share prior to the date of detachment of a preferential subscription right are restated by the adjustment coefficient for the transaction. See Methodology

# RECONCILATION OF SHAREHOLDERS EQUITY TO ROE/ROTE EQUITY

| *End of period* | Q1 18 | 2017 | 2016 |
|---|---|---|---|
| **Shareholders' equity Group share** | **58,925** | **59,373** | **61,953** |
| Deeply subordinated notes | (8,362) | (8,520) | (10,663) |
| Undated subordinated notes | (263) | (269) | (297) |
| 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 | (218) | (165) | (171) |
| Unrealised gains/losses booked under shareholders' equity, excluding conversion reserves | (525) | (1,031) | (1,732) |
| Dividend provision | (2,136) | (1,762) | (359) |
| **ROE equity** | **47,421** | **47,626** | **47,790** |
| **Average ROE equity** | **47,523** | **48,087** | **46,530** |
| Goodwill | (5,158) | (4,924) | (4,693) |
| Average Intangible Assets | (1,966) | (1,831) | (1,630) |
| **Average ROTE equity** | **40,399** | **41,332** | **40,207** |

ROE/ROTE: see Methodology

# METHODOLOGY (1/4)

**1 – The Group's consolidated results as at March 31st, 2018 were approved by the Board of Directors on May 7th, 2018.**
The financial information presented in respect the quarterly ended March 31st, 2018 has been prepared in accordance with IFRS as adopted in the European Union and applicable at the date. These items have not been audited.

**2 – Net banking income**
The pillars' net banking income is defined on page 44 of Societe Generale's 2018 Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

**3 – Operating expenses**
**Operating expenses** correspond to the "Operating Expenses" as presented in note 5 and 8.2 to the Group's consolidated financial statements as at December 31st, 2018 (pages 381 et seq. and page 401 of Societe Generale's 2018 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 2018 Registration Document.

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

**5 – Non-economic and exceptional items – transition from accounting data to underlying data**
**Non-economic items** correspond to the revaluation of the Group's own financial liabilities and the debt value adjustment on derivative instruments (DVA). These two factors constitute the restated non-economic items in the analyses of the Group's results. They lead to the recognition of self-generated earnings reflecting the market's evaluation of the counterparty risk related to the Group. They are also restated in respect of the Group's earnings for prudential ratio calculations.
In accordance with IFRS9, the change of the revaluation of the Group's own financial liabilities is no longer accounted for in the income statement of the period but in shareholders equity. Consequently the group will no longer publish financial figures restated from non economic items.
Moreover, the Group restates the revenues and earnings of the French Retail Banking pillar for PEL/CEL provision allocations or write-backs. This adjustment makes it easier to identify the revenues and earnings relating to the pillar's activity, by excluding the volatile component related to commitments specific to regulated savings.
Details of these items, as well as the other items that are the subject of a one-off or recurring restatement (exceptional items) are given in the supplement (page 40).

# METHODOLOGY (2/4)

| | *In EUR m* | Q1 18 | Q1 17 |
|---|---|---|---|
| **French Retail Banking** | Net Cost of Risk | **134** | 133 |
| | Gross loan outstandings | 185,209 | 180,913 |
| | Net Cost of Risk in pb | 29 | 29 |
| **International Retail Banking and Financial Services** | Net Cost of Risk | 91 | 110 |
| | Gross loan outstandings | 131,630 | 124,703 |
| | Net Cost of Risk in pb | **28** | 35 |
| **Global Banking and Investor Solutions** | Net Cost of Risk | **(27)** | 37 |
| | Gross loan outstandings | 147,714 | 161,691 |
| | Net Cost of Risk in pb | **(7)** | 9 |
| **Group** | Net Cost of Risk | 208 | 280 |
| | Gross loan outstandings | 471,637 | 474,553 |
| | Net Cost of Risk in pb | **18** | 24 |

**6 – Cost of risk in basis points, coverage ratio for non performing loans**
The cost of risk or commercial cost of risk is defined on pages 46 and 564 of Societe Generale’s 2018 Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases. The gross coverage ratio for Non performing loans is calculated as the ratio of provisions recognised in respect of the credit risk to gross outstandings identified as in default within the meaning of the regulations, without taking account of any guarantees provided. This coverage ratio measures the maximum residual risk associated with outstandings in default (“non performing”).

**7 – ROE, RONE, ROTE**
The notion of ROE (Return On Equity) and ROTE (Return On Tangible Equity), as well as the methodology for calculating it, are specified on page 47 of Societe Generale’s 2018 Registration Document. This measure makes it possible to assess return on equity and Societe Generale’s return on equity tangible.
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 2018 Registration Document.

# METHODOLOGY (3/4)

The net result by the group retained for the numerator of the ratio is the net profit attributable to the accounting group adjusted by the interest, net of taxes to be paid on TSS & TSDI, interest paid to the holders of TSS & TSDI amortization of premiums issues and unrealized gains/losses accounted in equity , excluding translation reserves (see methodological Note 9). For the ROTE, the result is also restated for impairment of goodwill.

**8 – Net assets and tangible net assets** are defined in the methodology, page 49 of the Group's 2018 Registration Document.

**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 2018 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 2018 Registration Document, the Group also publishes EPS adjusted for the impact of non-economic items presented in methodology note No. 5. For indicative purpose, the Group also publishes EPS adjusted for the impact of non-economic and exceptional items (Underlying EPS).

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

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

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

# METHODOLOGY (4/4)

**13 – Funded balance sheet, loan/deposit ratio, liquidity reserve**

The **funded balance sheet** is based on the Group financial statements. It is obtained in two steps:

A first step aiming at reclassifying the items of the financial statements into aggregates allowing for a more economic reading of the balance sheet. Main reclassifications:

Insurance: grouping of the accounting items related to insurance within a single aggregate in both assets and liabilities.

Customer loans: include outstanding loans with customers (net of provisions and write-downs, including net lease financing outstanding and transactions at fair value through profit and loss); excludes financial assets reclassified under loans and receivables in 2008 in accordance with the conditions stipulated by the amendments to IAS 39 and IFRS 9 (these positions have been reclassified in their original lines).

Wholesale funding:

- Includes interbank liabilities and debt securities issued. Financing transactions have been allocated to medium/long-term resources and short-term resources based on the maturity of outstanding, more or less than one year.
- Reclassification under customer deposits of SG Euro CT outstanding (initially within repurchase agreements)
- Reclassification under customer deposits of the share of issues placed by French Retail Banking networks (recorded in medium/long-term financing), and certain transactions carried out with counterparties equivalent to customer deposits (previously included in short term financing).
- Deduction from customer deposits and reintegration into short-term financing of certain transactions equivalent to market resources.

A second step aiming at excluding the contribution of insurance subsidiaries, netting derivatives, repurchase agreements, accruals and “due to central banks”.

*The quantification of these reclassifications is shown on the next two pages.*

The Group **loan/deposit ratio** is determined as the division of the customer loans by customer deposits as presented in the funded balance sheet.

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

# SOCIETE GENERALE INVESTOR RELATIONS

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