SOCIETE GENERALE

12.31.2015 | CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited figures)

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET - ASSETS

(In millions of euros)		31 December 2015	31 December 2014*
Cash, due from central banks		78,565	57,065
Financial assets at fair value through profit or loss	Notes 3.1, 3.2 and 3.4	519,333	530,536
Hedging derivatives	Note 3.2	16,538	19,448
Available-for-sale financial assets	Notes 3.3 and 3.4	134,187	143,722
Due from banks	Notes 3.5 and 3.9	71,682	80,709
Customer loans(1)	Notes 3.5 and 3.9	405,252	370,367
Revaluation differences on portfolios hedged against interest rate risk		2,723	3,360
Held-to-maturity financial assets	Note 3.9	4,044	4,368
Tax assets	Note 6	7,367	7,415
Other assets	Note 4.4	69,398	65,238
Non-current assets held for sale		171	866
Investments accounted for using the equity method		1,352	2,796
Tangible and intangible fixed assets	Note 8.2	19,421	17,917
Goodwill	Note 2.2	4,358	4,331
Total		**1,334,391**	**1,308,138**

** Amounts restated relative to the financial statements published at 31 December 2014 according to the retrospective application of IFRIC 21 (see Note 1)*

(1) Customer loans include Lease financing and similar agreements previously presented on a separate line in the balance sheet. The presentation of comparative figures has been restated accordingly to the financial statements published at 31 December 2014.

CONSOLIDATED BALANCE SHEET - LIABILITIES

(In millions of euros)		31 December 2015	31 December 2014*
Due to central banks		6,951	4,607
Financial liabilities at fair value through profit or loss	Notes 3.1, 3.2 and 3.4	454,981	480,330
Hedging derivatives	Note 3.2	9,533	10,902
Due to banks	Notes 3.6 and 3.9	95,452	91,290
Customer deposits	Notes 3.6 and 3.9	379,631	349,735
Debt securities issued	Notes 3.6 and 3.9	106,412	108,658
Revaluation differences on portfolios hedged against interest rate risk		8,055	10,166
Tax liabilities	Note 6	1,571	1,416
Other liabilities	Note 4.4	83,083	75,031
Non-current liabilities held for sale		526	505
Underwriting reserves of insurance companies	Note 4.3	107,257	103,298
Provisions	Note 8.5	5,218	4,492
Subordinated debt		13,046	8,834
Total liabilities		**1,271,716**	**1,249,264**
SHAREHOLDERS' EQUITY			
Shareholders' equity, Group share			
Issued common stocks, equity instruments and capital reserves		29,537	29,486
Retained earnings		23,905	22,537
Net income		4,001	2,679
Sub-total		**57,443**	**54,702**
Unrealised or deferred capital gains and losses		1,594	527
Sub-total equity, Group share		**59,037**	**55,229**
Non-controlling interests		3,638	3,645
Total equity		**62,675**	**58,874**
Total		**1,334,391**	**1,308,138**

** Amounts restated relative to the financial statements published at 31 December 2014 according to the retrospective application of IFRIC 21 (see Note 1).*

CONSOLIDATED INCOME STATEMENT

(In millions of euros)		2015	2014*
Interest and similar income	Note 3.7	25,431	24,532
Interest and similar expense	Note 3.7	(16,125)	(14,533)
Fee income	Note 4.1	10,144	9,159
Fee expense	Note 4.1	(3,466)	(2,684)
Net gains and losses on financial transactions		8,224	5,219
o/w net gains and losses on financial instruments at fair value through profit or loss	*Note 3.1*	*7,275*	*4,481*
o/w net gains and losses on available-for-sale financial assets[(1)]	*Note 3.3*	*949*	*738*
Income from other activities	Note 4.2	53,324	50,219
Expenses from other activities	Note 4.2	(51,893)	(48,351)
Net banking income		**25,639**	**23,561**
Personnel expenses	Note 5	(9,476)	(9,049)
Other operating expenses[(2)]		(6,477)	(6,081)
Amortisation, depreciation and impairment of tangible and intangible fixed assets	Note 8.2	(940)	(907)
Gross operating income		**8,746**	**7,524**
Cost of risk	Note 3.8	(3,065)	(2,967)
Operating income		**5,681**	**4,557**
Net income from investments accounted for using the equity method	Note 2.3	231	213
Net income/expense from other assets		197	109
Impairment losses on goodwill	Note 2.2	-	(525)
Earnings before tax		**6,109**	**4,354**
Income tax	Note 6	(1,714)	(1,376)
Consolidated net income		**4,395**	**2,978**
Non-controlling interests		394	299
Net income, Group share		**4,001**	**2,679**
Earnings per ordinary share	Note 7.2	**4.49**	**2.90**
Diluted earnings per ordinary share	Note 7.2	**4.49**	**2.90**

** Amounts restated relative to the financial statements published at 31 December 2014 according to the retrospective application of IFRIC 21 (see Note 1)*

(1) This amount now includes dividend income.

(2) Including EUR 137 million regarding the contributions to the Single Resolution Fund for 2015.

STATEMENT OF NET INCOME AND UNREALISED OR DEFERRED GAINS AND LOSSES

(In millions of euros)	2015	2014*
Net income	**4,395**	**2,978**
Unrealised or deferred gains and losses that will be reclassified subsequently into income	**1,059**	**1,058**
Translation differences[1]	797	402
Available-for-sale financial assets	425	636
Revaluation differences	*703*	*1,074*
Reclassified into income	*(278)*	*(438)*
Hedging derivatives	(174)	164
Revaluation differences	*(171)*	*39*
Reclassified into income	*(3)*	*125*
Unrealised gains and losses accounted for using the equity method and that will be reclassified subsequently into income	(117)	135
Tax on items that will be reclassified subsequently into income	128	(279)
Unrealised or deferred gains and losses that will not be reclassified subsequently into income	**80**	**(235)**
Actuarial gains and losses on post-employment defined benefits plans	125	(344)
Unrealised gains and losses accounted for using the equity method and that will not be reclassified subsequently into income	-	(2)
Tax on items that will not be reclassified subsequently into income	(45)	111
Total unrealised or deferred gains and losses	**1,139**	**823**
Net income and unrealised or deferred gains and losses	**5,534**	**3,801**
o/w Group share	*5,148*	*3,450*
o/w non-controlling interests	*386*	*351*

** Amounts restated relative to the financial statements published at 31 December 2014 according to the retrospective application of IFRIC 21 (see Note 1).*

(1) The variation in translation differences amounted to EUR 797 million and consisted of a:
+ EUR 769 million variation in Group translation differences, mainly due to the depreciation of the Euro against the US dollar (EUR 800 million), the pound sterling (EUR 34 million) and the yuan (EUR 29 million), partially offset by the appreciation of the Euro against the Russian rouble (EUR -46 million);
+ EUR 28 million variation in translation differences attributable to non-controlling interests, mainly due to the depreciation of the Euro against the Czech crown (EUR 29 million).

CHANGES IN SHAREHOLDERS' EQUITY

(In millions of euros)	Capital and associated reserves: Issued common stocks	Capital and associated reserves: Issuing premium and capital reserves	Capital and associated reserves: Elimination of treasury stock	Capital and associated reserves: Other equity instruments	Capital and associated reserves: Total	Retained earnings	Net income, Group Share
Shareholders' equity at 1 January 2014	**998**	**19,947**	**(639)**	**7,075**	**27,381**	**23,971**	
Increase in common stock	9	179			188	(2)	
Elimination of treasury stock			(92)		(92)	(55)	
Issuance / Redemption of equity instruments				1,994	1,994	205	
Equity component of share-based payment plans		15			15		
2014 Dividends paid					-	(1,355)	
Effect of acquisitions and disposals on non-controlling interests					-	(94)	
Sub-total of changes linked to relations with shareholders	***9***	***194***	***(92)***	***1,994***	***2,105***	***(1,301)***	
Unrealised or deferred gains and losses					-	(230)	
Other changes					-	24	
Effect of retrospective application of IFRIC 21[1]					-	74	(13)
2014 Net income for the period					-		2,692
Sub-total	***-***	***-***	***-***	***-***	***-***	***(132)***	***2,679***
Change in equity of associates and joint ventures accounted for by the equity method					-	(1)	
Shareholders' equity at 31 December 2014	**1,007**	**20,141**	**(731)**	**9,069**	**29,486**	**22,537**	**2,679**
Appropriation of net income[1]						2,679	(2,679)
Shareholders' equity at 1 January 2015	**1,007**	**20,141**	**(731)**	**9,069**	**29,486**	**25,216**	
Increase in common stock (see Note 7.1)	1	4			5	(1)	
Elimination of treasury stock (see Note 7.1)			282		282	151	
Issuance / Redemption of equity instruments (see Note 7.1)				(297)	(297)	229	
Equity component of share-based payment plans [2]		61			61		
2015 Dividends paid (see Note 7.2)					-	(1,658)	
Effect of acquisitions and disposals on non-controlling interests[3]					-	(95)	
Sub-total of changes linked to relations with shareholders	***1***	***65***	***282***	***(297)***	***51***	***(1,374)***	
Unrealised or deferred gains and losses					-	80	
Other changes					-	(17)	
2015 Net income for the period					-		4,001
Sub-total	***-***	***-***	***-***	***-***	***-***	***63***	***4,001***
Change in equity of associates and joint ventures accounted for by the equity method					-	-	
Shareholders' equity at 31 December 2015	**1,008**	**20,206**	**(449)**	**8,772**	**29,537**	**23,905**	**4,001**

Unrealised or deferred gains and losses (net of tax) that will be reclassified subsequently into income					Non-controlling interests				
Translation reserves	**Change in fair value of assets available-for-sale**	**Change in fair value of hedging derivatives**	**Total**	**Shareholders' equity, Group share**	**Capital and Reserves**	**Other Equity instruments issued by subsidiaries**	**Unrealised or deferred gains and losses**	**Total**	**Total consolidated shareholders' equity**
(1,139)	**609**	**55**	**(475)**	**50,877**	**3,082**		**11**	**3,093**	**53,970**
			-	186				-	186
			-	(147)				-	(147)
			-	2,199		800		800	2,999
			-	15	-			-	15
			-	(1,355)	(182)			(182)	(1,537)
			-	(94)	(357)			(357)	(451)
-	***-***	***-***	***-***	***804***	***(539)***	***800***	***-***	***261***	***1,065***
382	335	178	895	665	(4)		56	52	717
				24	(60)			(60)	(36)
				61					61
				2,692	299			299	2,991
382	***335***	***178***	***895***	***3,442***	***235***	***-***	***56***	***291***	***3,733***
	83	24	107	106				-	106
(757)	**1,027**	**257**	**527**	**55,229**	**2,778**	**800**	**67**	**3,645**	**58,874**
				-				**-**	**-**
(757)	**1,027**	**257**	**527**	**55,229**	**2,778**	**800**	**67**	**3,645**	**58,874**
			-	4				-	4
			-	433				-	433
			-	(68)				-	(68)
			-	61	-			-	61
			-	(1,658)	(233)			(233)	(1,891)
			-	(95)	(168)			(168)	(263)
-	***-***	***-***	***-***	***(1,323)***	***(401)***	***-***	***-***	***(401)***	***(1,724)***
769	556	(170)	1,155	1,235	-		(8)	(8)	1,227
				(17)	8			8	(9)
				4,001	394			394	4,395
769	***556***	***(170)***	***1,155***	***5,219***	***402***	***-***	***(8)***	***394***	***5,613***
	(88)	-	(88)	(88)				-	**(88)**
12	**1,495**	**87**	**1,594**	**59,037**	**2,779**	**800**	**59**	**3,638**	**62,675**

(1) Amounts restated relative to the financial statements published at 31 December 2014 according to the retrospective application of IFRIC 21 (see Note 1).

(2) Share-based payments settled in equity instruments in respect of fiscal year 2015 amounted to EUR 61 million: EUR 60 million for free share plans and EUR 1 million for payments in ordinary shares.

(3) The effects of acquisitions and disposals on non-controlling interests can notably be attributed to the purchase of non-controlling interests: mainly Boursorama and its Spanish and German subsidiaries, Selftrade Bank and OnVista, for EUR -253 million, of which EUR -96 million Group share.

CASH FLOW STATEMENT

(In millions of euros)	2015	2014*
Net income (I)	**4,395**	**2,978**
Amortisation expense on tangible fixed assets and intangible assets (include operational leasing)	3,597	3,421
Depreciation and net allocation to provisions	4,507	6,247
Net income/loss from investments accounted for using the equity method	(231)	(213)
Change in deferred taxes	651	184
Net income from the sale of long-term available-for-sale assets and subsidiaries	(337)	(317)
Change in deferred income	44	(147)
Change in prepaid expenses	150	(20)
Change in accrued income	672	903
Change in accrued expenses	(158)	(794)
Other changes	3,747	3,825
Non-monetary items included in net income and others adjustments not including income on financial instruments at fair value through Profit or Loss (II)	**12,642**	**13,089**
Income on financial instruments at fair value through Profit or Loss(1)	(7,275)	(4,481)
Interbank transactions	14,659	7,856
Customers transactions	(5,724)	(5,805)
Transactions related to other financial assets and liabilities	(1,541)	(25,982)
Transactions related to other non financial assets and liabilities	3,959	(1,240)
Net increase/decrease in cash related to operating assets and liabilities (III)	**4,078**	**(29,652)**
NET CASH INFLOW (OUTFLOW) RELATED TO OPERATING ACTIVITIES (A) = (I) + (II) + (III)	**21,115**	**(13,585)**
Net cash inflow (outflow) related to acquisition and disposal of financial assets and long-term investments	1,997	4,133
Net cash inflow (outflow) related to tangible and intangible fixed assets	(4,502)	(3,407)
NET CASH INFLOW (OUTFLOW) RELATED TO INVESTMENT ACTIVITIES (B)	**(2,505)**	**726**
Cash flow from/to shareholders	(1,522)	1,501
Other net cash flows arising from financing activities	4,404	1,175
NET CASH INFLOW (OUTFLOW) RELATED TO FINANCING ACTIVITIES (C)	**2,882**	**2,676**
NET INFLOW (OUTFLOW) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**21,492**	**(10,183)**
Net balance of cash accounts and accounts with central banks	52,458	63,032
Net balance of accounts, demand deposits and loans with banks	8,858	8,467
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	**61,316**	**71,499**
Net balance of cash accounts and accounts with central banks	71,615	52,458
Net balance of accounts, demand deposits and loans with banks	11,193	8,858
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**82,808**	**61,316**
NET INFLOW (OUTFLOW) IN CASH AND CASH EQUIVALENTS	**21,492**	**(10,183)**

** Amounts restated relative to the financial statements published at 31 December 2014 according to the retrospective application of IFRIC 21 (see Note 1).*

(1) Income on financial instruments at fair value through Profit or Loss includes realised and unrealised income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on 10th February 2016.

NOTE 1 - SIGNIFICANT ACCOUNTING PRINCIPLES

1. INTRODUCTION

In accordance with European Regulation 1606/2002 of 19 July 2002 on the application of International Accounting Standards, the Societe Generale Group ("the Group") prepared its consolidated financial statements for the year ended 31 December 2015 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in force at that date (these standards are available on the European Commission website at: *http://ec.europa.eu/finance/accounting/ias/index_en.htm*).

The Group also continued to make use of the provisions of IAS 39, as adopted by the European Union, for applying macro-fair value hedge accounting (IAS 39 "carve-out").

As the IFRS accounting framework does not specify a standard model, the format used for the financial statements is consistent with the format proposed by the French Accounting Standards Setter, the ANC, under Recommendation 2013-04 of 7 November 2013.

The presentation currency of the consolidated financial statements is the Euro.

The presentation of the notes to the consolidated financial statements has been reorganized in order to improve their readability and consistency, in line with the Public Statement issued on 27 October 2015 by the European Securities and Markets Authority on improving the quality of disclosures in the financial statements, and with the Recommendations for 2015 financial statements issued on 28 October 2015 by the Autorité des Marchés Financiers (AMF), which also referred to its guide published on 1 July 2015 on the relevance, consistency and readability of financial statements.

The disclosures provided in the notes to the consolidated financial statements focus on information that is both relevant and material to the financial statements of the Societe Generale Group, its activities and the circumstances in which it conducted its operations over the period.

The following table cross-references the new notes with their former presentation in the consolidated financial statements for financial year 2014.

Reference 2015	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	Reference 2014
Note 1	**Significant Accounting Principles**	Note 1
Note 2	**Consolidation**	
Note 2.1	Consolidation scope	Note 2
Note 2.2	Goodwill	Note 16
Note 2.3	Additional disclosures for consolidated entities and investments accounted for using the equity method	Note 44
Note 2.4	Unconsolidated structured entities	Note 45
Note 3	**Financial Instruments**	
Note 3.1	Financial assets and liabilities at fair value through profit or loss	Notes 6 and 35
Note 3.2	Financial derivatives	Notes 6, 7, 27 and 30
Note 3.3	Available-for-sale financial assets	Notes 8, 33 and 36
Note 3.4	Faire value of financial instruments measured at fair value	Notes 3, 6 and 8
Note 3.5	Loans and receivables	Notes 9, 10 and 11
Note 3.6	Debts	Notes 17, 18 and 19
Note 3.7	Interest income and expense	Note 33
Note 3.8	Provisions and impairment	Notes 21, 22 and 40
Note 3.9	Fair value of financial instruments measured at amortised cost	Notes 9, 10, 11, 12, 17, 18, 19 and 24
Note 3.10	Commitments and assets pledged and received as securities	Notes 27 and 28
Note 3.11	Transferred financial assets	Note 29
Note 3.12	Offsetting financial assets and financial liabilities	Note 25
Note 3.13	Contractual maturities of financial liabilities	Note 30
Note 4	**Other Activities**	
Note 4.1	Fee income and expense	Note 34
Note 4.2	Income and expenses from other activities	Note 37
Note 4.3	Insurance activities	Note 32
Note 4.4	Other assets and liabilities	Notes 14 and 20
Note 5	**Personnel expenses and employee benefits**	
Note 5.1	Personnel expenses and related party transactions	Notes 38 and 43
Note 5.2	Employee benefits	Note 23
Note 5.3	Share-based payment plans	Note 39
Note 6	**Income Tax**	Notes 13 and 41
Note 7	**Shareholder's equity**	
Note 7.1	Treasury shares and shareholders' equity issued by the group	Note 26
Note 7.2	Earnings per share and dividends	Note 42
Note 8	**Additional disclosures**	
Note 8.1	Segment reporting	Note 47
Note 8.2	Tangible and intangible fixed assets	Note 15
Note 8.3	Foreign exchange transactions	Note 31
Note 8.4	Companies included in the consolidation scope	Note 46
Note 8.5	Provisions	Note 22
Note 8.6	Fees paid to statutory auditors	Note 48

2. NEW ACCOUNTING STANDARDS APPLIED BY THE GROUP

IFRS AND IFRIC INTERPRETATIONS APPLIED BY THE GROUP AS OF 1 JANUARY 2015

Accounting standards or Interpretations	Publication date by IASB	Adoption date by European Union
IFRIC 21 “Levies”	20 May 2013	13 June 2014
Improvements to IFRSs (2011-2013) - December 2013	12 December 2013	18 December 2014

IFRIC INTERPRETATION 21 “LEVIES”

This interpretation of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” clarifies the accounting for a liability to pay a levy. For an entity, the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation. The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time. Furthermore, if an obligation to pay a levy is triggered when a minimum activity threshold is reached, the corresponding liability is recognised when that minimum activity threshold is reached.

The main related taxes are as follows:

- The bank levy related to systemic risk and contributions for ACPR control costs (French Prudential Supervisory and Resolution Authority) are no longer accrued but rather fully recognised in the income statement at 1 January of the current year.
- The company social solidarity contribution (C3S in French), based on income generated during the previous financial year, is fully recognised in the income statement at 1 January of the current year.
- The annual contribution to the Single Resolution Fund, which entered into force in 2015, is fully recognised in the income statement at 1 January of the current year.

The retrospective application of this interpretation at 31 December 2014 led to an adjustement of EUR 74 million recorded in *Retained earnings*, and a decrease of EUR 13 million in *Net income, Group share*.

The following tables show the impacts of the retrospective application of IFRIC 21 on the consolidated balance sheet and income statement for the financial year ended 31 December 2014.

ASSETS

(In millions of euros)	31 December 2014 After IFRIC 21	31 December 2014 Before IFRIC 21	Impact IFRIC 21
Cash, due from central banks	57,065	57,065	
Financial assets at fair value through profit or loss	530,536	530,536	
Hedging derivatives	19,448	19,448	
Available-for-sale financial assets	143,722	143,722	
Due from banks	80,709	80,709	
Customer loans	370,367	370,367	
Revaluation differences on portfolios hedged against interest rate risk	3,360	3,360	
Held-to-maturity financial assets	4,368	4,368	
Tax assets	7,415	7,447	(32)
Other assets	65,238	65,238	
Non-current assets held for sale	866	866	
Investments accounted for using the equity method	2,796	2,796	
Tangible and intangible fixed assets	17,917	17,917	
Goodwill	4,331	4,331	
Total	**1,308,138**	**1,308,170**	**(32)**

LIABILITIES

(In millions of euros)	31 December 2014 After IFRIC 21	31 December 2014 Before IFRIC 21	Impact IFRIC 21
Due to central banks	4,607	4,607	
Financial liabilities at fair value through profit or loss	480,330	480,330	
Hedging derivatives	10,902	10,902	
Due to banks	91,290	91,290	
Customer deposits	349,735	349,735	
Debt securities issued	108,658	108,658	
Revaluation differences on portfolios hedged against interest rate risk	10,166	10,166	
Tax liabilities	1,416	1,416	
Other liabilities	75,031	75,124	(93)
Non-current liabilities held for sale	505	505	
Underwriting reserves of insurance companies	103,298	103,298	
Provisions	4,492	4,492	
Subordinated debt	8,834	8,834	
Total liabilities	**1,249,264**	**1,249,357**	**(93)**
SHAREHOLDERS' EQUITY			
Shareholders' equity, Group share			
Issued common stocks, equity instruments and capital reserves	29,486	29,486	
Retained earnings	22,537	22,463	74
Net income	2,679	2,692	(13)
Sub-total	**54,702**	**54,641**	**61**
Unrealised or deferred capital gains and losses	527	527	
Sub-total equity, Group share	**55,229**	**55,168**	**61**
Non-controlling interests	3,645	3,645	
Total equity	**58,874**	**58,813**	**61**
Total	**1,308,138**	**1,308,170**	**(32)**

INCOME STATEMENT

(In millions of euros)	2014 After IFRIC 21	2014 Before IFRIC 21	Impact IFRIC 21
Net banking income	**23,561**	**23,561**	
Personnel expenses	(9,049)	(9,049)	
Other operating expenses	(6,081)	(6,060)	(21)
Amortisation, depreciation and impairment of tangible and intangible fixed assets	(907)	(907)	
Gross operating income	**7,524**	**7,545**	**(21)**
Cost of risk	(2,967)	(2,967)	
Operating income	**4,557**	**4,578**	**(21)**
Net income from investments accounted for using the equity method	213	213	
Net income/expense from other assets	109	109	
Impairment losses on goodwill	(525)	(525)	
Earnings before tax	**4,354**	**4,375**	**(21)**
Income tax	(1,376)	(1,384)	8
Consolidated net income	**2,978**	**2,991**	**(13)**
Non-controlling interests	299	299	
Net income, Group share	**2,679**	**2,692**	**(13)**
Earnings per ordinary share	**2.90**	**2.92**	**(0.02)**
Diluted earnings per ordinary share	**2.90**	**2.91**	**(0.01)**

IMPROVEMENTS TO IFRSS (2011-2013)

As part of the annual Improvements to International Financial Reporting Standards, the IASB has published amendments to some accounting standards. These amendments had no impact on the Group consolidated financial statements.

ACCOUNTING STANDARDS AND INTERPRETATIONS TO BE APPLIED BY THE GROUP IN THE FUTURE

Not all of the accounting standards published by the IASB had been adopted by the European Union at 31 December 2015. These accounting standards and interpretations are required to be applied from annual periods beginning on 1 February 2015 at the earliest or on the date of their adoption by the European Union. They were therefore not applied by the Group as of 31 December 2015.

1. ACCOUNTING STANDARDS, AMENDMENTS OR INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION

Accounting standards or Interpretations	European Union adoption date	Effective date: annual periods beginning on or after
Amendments to IAS 19 "Defined Benefit Plans : Employee Contributions"	17 December 2014	1 February 2015
Improvements to IFRSs (2010-2012)	17 December 2014	1 February 2015
Amendments to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”	24 November 2015	1 January 2016
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortisation"	2 December 2015	1 January 2016
Annual Improvements to IFRSs (2012-2014)	15 December 2015	1 January 2016
Amendments to IAS 1 "Disclosure Initiative"	18 December 2015	1 January 2016

The future application of these amendements and improvements is not expected to have significant impacts on the Group’s net income and equity.

AMENDMENTS TO IAS 19 “DEFINED BENEFIT PLANS: EMPLOYEE CONTRIBUTIONS”

These amendments apply to contributions from employees to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent from the number of years of employee service.

ANNUAL IMPROVEMENTS TO IFRSS (2010-2012)

As part of the annual Improvements to International Financial Reporting Standards, the IASB has published amendments to some accounting standards.

AMENDMENTS TO IFRS 11 “ACCOUNTING FOR ACQUISITIONS OF INTERESTS IN JOINT OPERATIONS”

These amendments clarify the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business as defined in IFRS 3 “Business combinations”. It requires the application of all IFRS 3 principles to the acquisition of an interest.

AMENDMENTS TO IAS 16 AND IAS 38 “CLARIFICATION OF ACCEPTABLE METHODS OF DEPRECIATION AND AMORTISATION”

In these amendments, the IASB clarifies that using a revenue-based method to calculate the depreciation and the amortisation of an asset is not appropriate, with few exceptions. Revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

ANNUAL IMPROVEMENTS TO IFRSS (2012-2014)

As part of the annual Improvements to International Financial Reporting Standards, the IASB has published amendments to some accounting standards.

AMENDMENTS TO IAS 1 “DISCLOSURE INITIATIVE”

These amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements. The IASB clarifies that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.

2. AMENDMENTS OR INTERPRETATIONS NOT YET ADOPTED BY THE EUROPEAN UNION AT 31 DECEMBER 2015

Accounting standards or Interpretations	**Publication date by IASB**	**Effective date: annual periods beginning on or after**
IFRS 9 "Financial Instruments"	12 November 2009, 28 October 2010, 16 December 2011, 19 November 2013, and 24 July 2014	1 January 2018
IFRS 15 "Revenue from Contracts with Customers"	28 May 2014	1 January 2018
Amendments to IFRS 10, IFRS 12 and IAS 28 " Investment entities: Applying the Consolidation Exception "	18 December 2014	1 January 2016

IFRS 9 "FINANCIAL INSTRUMENTS"

This standard aims to replace IAS 39. IFRS 9 determines new requirements for classifying and measuring financial assets and financial liabilities, the new credit risk impairment methodology for financial assets, and hedge accounting treatment, except macro hedge accounting, which is currently being developed by the IASB as a separate project.

Subject to the adoption of IFRS 9 by the European Union, the following treatments will be applicable to accounting periods beginning on or after 1 January 2018, replacing the accounting principles currently applied for financial instruments and which are described in note 3.

- Classification and measurement :

Financial assets are required to be classified in one of three categories according to the measurement methods applied (amortised cost, fair value through profit or loss and fair value through other comprehensive income). Classification will depend on the contractual cash flow characteristics of the instruments and the entity's business model for managing its financial instruments.

By default, financial assets will be classified as subsequently measured at fair value through profit or loss.

Debt instruments (loans, receivables and bonds) will be measured at amortised cost only if the objective of the entity (business model) is to collect the contractual cash flows and if these cash flows consist solely of payments of principal and interest. Debt instruments will be measured at fair value through other comprehensive income (with cumulative gain or loss reclassified in profit or loss when the instruments are derecognised) if the objective of the entity (business model) is to collect the contractual cash flows or to sell the instruments and if these contractual cash flows consist solely of payments of principal and interest.

Equity instruments will be measured at fair value through profit or loss except in case of irrevocable election made at initial recognition to measure equity instruments at fair value through other comprehensive income (provided these financial assets are not held for trading purposes and not classified as such as financial assets measured at fair value through profit or loss) without subsequent reclassification to income.

Embedded derivatives will no longer be recognised separately when their host contracts are financial assets and the hybrid instrument in its entirety will then be measured at fair value through profit or loss.

Requirements for the classification and measurement of financial liabilities contained in IAS 39 have been incorporated into IFRS 9 without any modification, except for financial liabilities designated at fair value through profit or loss (using the fair value option). For these financial liabilities, the amount of change in their fair value attributable to changes in credit risk will be recognised in other comprehensive income without subsequent reclassification to income.

Derecognition rules for financial assets and financial liabilities have been carried forward unchanged from IAS 39 to IFRS 9.

- Credit risk:

All debt instruments classified as financial assets measured at amortised cost or at fair value through other comprehensive income, as well as lease receivables, loan commitments and issued financial guarantee contracts, will be systematically subject to impairment or a provision for expected credit losses since their initial recognition.

Thus, the financial assets in question will be allocated to three categories according to the gradual deterioration of their credit risk since their initial recognition, and an impairment will be booked to each of these categories as follows:

Stage 1

- All financial assets in question are initially recognised in this category.
- A loss allowance will be recorded at an amount equal to 12-month expected credit losses.
- Interest income will be recognised in the income statement using the effective interest rate method applied to the gross carrying amount of the asset before impairment.

Stage 2

- If the credit risk on a financial asset has significantly increased since its initial recognition, the asset will be transferred to this category.
- The loss allowance for the financial asset will then be increased to the level of its lifetime expected credit losses.
- Interest income will be recognised in the income statement using the effective interest rate method applied to the gross carrying amount of the asset before impairment.

Stage 3

- Financial assets identified as being credit-impaired will be transferred to this category.
- The loss allowance for credit risk will continue to be measured at an amount equal to the lifetime expected credit losses and its will be adjusted if necessary to take into account any additional deterioration in credit risk.
- Interest income will be then recognised in the income statement using the effective interest rate method applied to the net carring amount of the asset after impairment.

The significant increase in credit risk will be assessed on an instrument-by-instrument basis, but it will also be possible to assess it on the basis of consistent portfolios of similar assets, where individual assessment is not relevant. A counterparty-based approach (applying the default contagion principle to all of the counterparty's outstanding loans) will also be possible if it gives similar results.

The Group will have to take into account all available past due and forward-looking information as well as the potential consequences of a change in macro-economic factors at a portfolio level, so that any significant increase in the credit risk on a financial asset may be assessed as early as possible.

There will be a rebuttable presumption that the credit risk on a financial asset has increased significantly where the contractual payments on the asset are more than 30 days past due. However, this is an ultimate indicator, as the Group may have determined that there have been significant increases in credit risk before contractual payments are more than 30 days past due.

The application of IFRS 9 will not alter the definition of default currently used to determine whether or not there is objective evidence of impairment of a financial asset. As asset will notably be presumed in default if one or more contractual payments ar more than 90 days past due.

The expected credit losses will be measured in a way that reflects past events but also current conditions as well as reasonable forecasts of future economic conditions.

- Hedge accounting (excluding macro-hedges):

This new standard will align hedge accounting more closely with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures.

The standard expands the scope of non-derivative financial instruments that could be considered as hedging instruments. Similarly, the scope of items that could be considered as hedged items is expanded to include components of non-financial items. The standard also amends the approach for assessing hedge effectiveness.

However, the transition guidance for IFRS 9 allows entities to continue applying the provisions of IAS 39 on hedge accounting, in which case they must be applied to all hedging transactions.

Additional disclosures will also be required to explain both the effect that hedge accounting has had on the financial statements and the entity's risk management strategy..

ORGANISATION OF IFRS 9 IMPLEMENTATION

In 2013, the Group began preliminary assessments aimed at determining the potential consequences of the future IFRS 9 standard. To this end, a project structure was established by the Finance Division and a joint programme launched between the Risk Division and the Finance Division to review the parts of the standard dealing with credit risk.

As soon as IFRS 9 was published in July 2014, the Group Risk and Finance functions set up a special structure to organise the work to be performed in order to implement the new standard and to be ready to apply it on 1 January 2018.

Under the aegis of the governance bodies established for this purpose, the Group conducted analyses of the standard (banking implications) and performed a planning study concerning the adaptation of its information systems and processes.

- Classification and measurement:

The Group's portfolios of financial assets were reviewed to determine, based on the characteristics of their contractual cash flows and on how they are managed (business models), their future accounting treatment under IFRS 9. Another objective of this review is to identify the most significant impacts on the information systems and accounting consolidation tools.

These analyses and reviews will be finalised in 2016, along with the necessary specifications for the implementation of information system developments, which will also be initiated this year.

- Credit risk:

In 2015, the Group set up a framework methodology defining the rules for assessing the deterioration of credit risk and for determining 12-month and lifetime expected credit losses, factoring in macroeconomic projections reflecting the credit cycle. This framework will be calibrated and reviewed for approval over the course of 2016.

The necessary IT developments will also be carried out in 2016, both at the corporate division level and at Group entities. These developments will ultimately allow the calculation of provisions and impairments under the new rules as well as the collection of related additional data.

- Hedging:

Over the course of 2015, the Group analysed the various options under IFRS 9 for the first application of hedge accounting and aims to finalise its choice in 2016. The Group will also continue to closely follow the IASB's work on macro-hedging. Currently, the Group is not planning to change its macro-fair value hedge accounting currently applied in accordance with IAS 39, as adopted by the European Union, which may be maintained under IFRS 9.

At this point of the IFRS 9 implementation programme, the quantified impact of its application cannot be reasonably estimated.

IFRS 15 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

This standard sets out the requirements for recognising revenue that apply to all contracts with customers. To recognise revenue, the following five steps must be applied: identification of the contract with the customer, identification of the performance obligations in the contract, determination of the transaction price, allocation of the transaction price to each performance obligation and revenue recognition when a performance obligation is satisfied.

The Group is currently analysing the impact of this standard on its net income and equity.

AMENDMENTS TO IFRS 10, IFRS 12 AND IAS 28 "INVESTMENT ENTITIES: APPLYING THE CONSOLIDATION EXCEPTION"

These amendments confirm that the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.

3. USE OF ESTIMATES AND JUDGMENT

When applying the accounting principles disclosed in the following notes for the purpose of preparing the Group's consolidated financial statements, the Management makes assumptions and estimates that may have an impact on figures recorded in the income statement, on the valuation of assets and liabilities in the balance sheet, and on information disclosed in the notes to the consolidated financial statements.

In order to make these assumptions and estimates, the Management uses information available at the date of preparation of the consolidated financial statements and can exercise its judgment. By nature, valuations based on estimates include risks and uncertainties relating to their occurrence in the future. Consequently, actual future results may differ from these estimates and may then have a significant impact on the financial statements.

The use of estimates mainly concerns the following valuations:

- fair value in the balance sheet of financial instruments not quoted in an active market which are classified as *Financial assets and liabilities at fair value through profit or loss, Hedging derivatives* or *Available-for-sale financial assets* (described in Notes 3.1, 3.2, 3.3 and 3.4) and fair value of unlisted instruments for which this information must be disclosed in the notes to the financial statements (see. Note 3.9);
- the amount of impairment of financial assets (*Loans and receivables*, *Available-for-sale financial assets*, *Held-to-maturity financial assets*), tangible and intangible fixed assets and goodwill (see Notes 2.2, 3.8 and 8.2);
- provisions recognised under liabilities (in particular, provisions for disputes in a complex legal environment), including *Underwriting reserves of insurance companies* as well as deferred profit-sharing on the asset side of the balance sheet (see Notes 3.8, 4.3 and 5.2);
- the amount of deferred tax assets recognised in the balance sheet (see Note 6);
- the initial value of goodwill determined for each business combination (see Notes 2.1 and 2.2);
- in the event of the loss of control of a consolidated subsidiary, the fair value that is used to remeasure the portion retained by the Group in this entity, where applicable (see Note 2).

NOTE 2 - CONSOLIDATION

ACCOUNTING PRINCIPLES

The consolidated financial statements of Societe Generale include the financial statements of the parent company and of the French and foreign companies as well as foreign branches over which the Group exercises control, joint control or significant influence.

CONSOLIDATED ENTITIES

Subsidiaries

Subsidiaries are the entities over which the Group has exclusive control. The Group controls an entity if and only if the following conditions are met:

- the Group has power over the entity (ability to direct its relevant activities, i.e. the activities that significantly affect the entity's returns), through the holding of voting rights or other rights; and
- the Group has exposure or rights to variable returns from its involvement with the entity; and
- the Group has the ability to use its power over the entity to affect the amount of the Group's returns.

POWER

When determining voting rights for the purpose of establishing the Group's degree of control over an entity and the appropriate consolidation methods, potential voting rights are taken into account where they can be freely exercised at the time the assessment is made or at the latest when decisions about the direction of the relevant activities need to be made. Potential voting rights are instruments such as call options on ordinary shares outstanding on the market or rights to convert bonds into new ordinary shares.

When voting rights are not relevant to determine whether or not the Group controls an entity, the assessment of this control shall consider all the facts and circumstances, including the existence of one or more contractual arrangements. Power over an investee exists only if the investor has substantive rights that give it the current ability to direct relevant activities without barriers.

Some rights are designed to protect the interests of their holder (protective rights) without giving that party power over the investee to which those rights relate.

If several investors each have substantive rights that give them the unilateral ability to direct different relevant activities, the investor that has the current ability to direct the activities that most significantly affect the variable returns of the investee is presumed to have power over the investee.

EXPOSURE TO VARIABLE RETURNS

Control exists only if the Group is significantly exposed to the variability of variable returns generated by its investment or its involvement in the entity. These returns, which could be dividends, interest, fees, etc., can be only positive, only negative or both positive and negative.

LINK BETWEEN POWER AND RETURNS

Power over the relevant activities does not give control to the Group if this power does not allow it to affect its returns from its involvement with the entity. If the Group has been delegated decision-making rights that it exercises on behalf and for the benefit of third parties (the principals), it is presumed to act as an agent for these principals, and therefore it does not control the entity when it exercises its decision-making authority. In asset management activities, an analysis shall be performed in order to determine whether the asset manager is acting as agent or principal when managing the net assets of a fund; the fund is presumed to be controlled by the asset manager if the latter is considered as a principal.

Special case of structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. Such is the case, for example, when the relevant activities are directed by means of contractual arrangements.

A structured entity often presents certain characteristics such as a limited business activity, a specific and carefully defined purpose, or insufficient capital to fund its activities without the use of subordinated financing. Structured entities may assume different legal forms: stock companies, partnerships, securitisation vehicles, mutual funds, unincorporated entities, etc.

When assessing the existence of control over a structured entity, all facts and circumstances shall be considered, among which:

- the purpose and design of the entity;
- the structuring of the entity;
- risks to which the entity is exposed by way of its design and the Group's exposure to some or all of these risks;
- potential returns and benefits for the Group.

Unconsolidated structured entities are those that are not exclusively controlled by the Group.

Joint arrangements

Through a joint arrangement (either a joint operation or a joint venture) the Group exercises joint control over an entity if decisions about the direction of its relevant activities require the unanimous consent of the parties that collectively control the entity. Assessing joint control requires an analysis of the rights and obligations of all the parties.

In the case of a joint operation, the parties to the arrangement have rights to the assets and obligations for the liabilities.

In the case of a joint venture, the parties have rights to the net assets of the entity.

Associates

Associates are companies over which the Group exercises significant influence and are accounted for using the equity method in the Group's consolidated financial statements. Significant influence is the power to participate in the financial and operating policies of an entity without exercising control. In particular, significant influence can result from Societe Generale being represented on the Board of Directors or Supervisory Board, from its involvement in strategic decisions, from the existence of significant intercompany transactions, from the exchange of management staff, or from the company's technical dependency on Societe Generale. The Group is assumed to exercise significant influence over the financial and operating policies of an entity when it directly or indirectly holds at least 20% of the voting rights in this entity.

CONSOLIDATION RULES AND METHODS

The consolidated financial statements are built up from the financial statements of the entities that are included in the consolidation scope. Companies with a fiscal year ending more than three months before or after that of Societe Generale prepare pro-forma statements for a twelve-month period ended 31 December. All significant balances, profits and transactions between Group companies are eliminated.

The results of newly acquired subsidiaries are included in the consolidated financial statements from the date the acquisition became effective and results of subsidiaries disposed of during the fiscal year are included up to the date where the Group relinquished control.

Consolidation methods

These subsidiaries, which may include structured entities over which the Group has exclusive control, are fully consolidated.

In the consolidated balance sheet, full consolidation consists in replacing the value of the subsidiary's equity securities held by the Group with each of the subsidiary's assets and liablities, in addition to the goodwill recognised when the Group assumed control over the entity (see Note 2.2).

In the income statement and the statement of net income and unrealised or deferred gains and losses, the subsidiary's expense and income items are aggregated with those of the Group.

The share of non-controlling interests in the subsidiary is presented separately in the consolidated balance sheet and income statement. However, in consolidating structured entities that are controlled by the Group, the shares of said entities not held by the Group are recognised as Debt in the balance sheet.

In the case of a joint operation, the Group distinctly recognises in its consolidated financial statements its share in the assets and liabilities as well as its share in the related revenue and expense.

Associates and joint ventures are accounted for using the equity method in the consolidated financial statements of the Group. Under the equity method, on initial recognition the investment in an associate is recognised under *Investments accounted for using the equity method* at the cost of the Group's investment in the joint venture or associate, including goodwill and after the date of acquisition the carrying amount is increased or decreased to recognise the changes in the investor's share in the net asset value of the investee.

These investments are tested for impairment if there is objective evidence of impairment. If the recoverable amount of the investment (value in use or market value net of selling costs, whichever is higher) is lower than its carrying amount, an impairment loss is recorded on the balance sheet at the carrying amount of the investment. Impairment allowances and reversals are recorded under *Net income from investments accounted for using the equity method*.

The Group's share in the entity's net income and unrealised or deferred gains and losses is presented on separate lines in the consolidated income statement and the consolidated statement of net income and unrealised or deferred gains and losses. If the Group's share in the losses of an entity consolidated using the equity method becomes greater than or equal to its ownership interest in the company, the Group ceases to recognise its share in subsequent losses unless it is required to do so by legal or implied obligations, in which case it records a provision for said losses.

Capital gains and losses generated on disposal of companies accounted for using the equity method are recorded under Net income/expense from other assets.

Translation of foreign entity financial statements

The balance sheet items of consolidated companies reporting in foreign currencies are translated into euros at the official exchange rates prevailing at the closing date. Income statement items of these companies are translated into euros at the average month-end exchange rates. Gains and losses arising from the translation of capital, reserves, retained earnings and income are recognised under Unrealised or deferred gains and losses – Translation differences. Gains and losses arising from the translation of the capital contribution of foreign branches of Group banks are also included in changes in consolidated shareholders' equity under the same heading.

In accordance with the option allowed under IFRS 1, the Group allocated all differences arising on translation of foreign entity financial statements at 1 January 2004 to consolidated reserves. As a result, if any of these entities are sold, the proceeds from the sale will only include write-backs of those translation differences arising since 1 January 2004.

Changes in Group stakes in consolidated entities

In the event of an increase in Group stakes in entities over which it already exercises control: the difference between the price paid for the additional stake and the assessed fair value of the proportion of net assets acquired at this date is recorded under *Consolidated reserves, Group share*.

Also, in the event of a reduction in the Group's stake in an entity over which it keeps control, the difference between the selling price and the carrying amount of the share of interests sold is accounted for under *Consolidated reserves, Group share*.

The cost relative to these transactions is recognised directly in equity.

At the date when the Group loses control of a consolidated subsidiary, any investment retained in the former subsidiary is then remeasured at fair value through profit or loss, at the same time the capital gain or loss is recorded under *Net income/expense from other assets* in the consolidated income statement. The gain or loss on disposal includes a share of goodwill previously allocated to the cash-generating units to which the subsidiary belongs. This share is determined using a relative approach based on the normative capital allocated to the subsidiary that is sold and to the portion of cash-generating unit that is retained.

COMMITMENTS TO BUY OUT MINORITY SHAREHOLDERS IN FULLY CONSOLIDATED SUBSIDIARIES

The Group has awarded minority shareholders in some fully consolidated Group subsidiaries commitments to buy out their stakes. For the Group, these buyout commitments are put option sales. The exercise price for these options can be established using a formula agreed upon at the time of the acquisition of the shares in the subsidiary that takes into account its future performance. It can also be set as the fair value of these shares at the exercise date of the options.

The commitments are recorded as follows:

- in accordance with IAS 32, the Group records a financial liability for the put options granted to minority shareholders of the subsidiaries over which it exercises control. This liability is initially recognised at the present value of the estimated exercise price of the put options under *Other Liabilities;*
- the obligation to recognise a liability even though the put options have not been exercised means that, in order to be consistent, the Group must use the same accounting treatment as that applied to transactions in *Non-controlling interests*. As a result, the counterpart of this liability is a write-down in value of non-controlling interests underlying the options, with any balance deducted from *Retained earnings, Group share;*
- subsequent variations in this liability linked to changes in the estimated exercise price of the options and the carrying value of *Non-controlling interests* are recorded in full in *Retained earnings, Group share*;
- if the buy-out takes place, the liability is settled by the cash payment linked to the acquisition of *non-controlling interests* in the subsidiary in question. However if, when the commitment reaches its term, the buy-out has not occurred, the liability is written off against *Non-controlling interests* and *Retained earnings, Group share* for their respective portions;
- as long as the options have not been exercised, the results linked to *Non-controlling interests* with a put option are recorded under *Non-controlling interests* on the Group's consolidated income statement.

NOTE 2.1 - CONSOLIDATION SCOPE

The consolidation scope is presented by location in Note 8.4.

The consolidation scope includes subsidiaries and structured entities under the Group's exclusive control, joint arrangements (joint ventures and joint operations) and associates whose financial statements are material relative to the Group's consolidated financial statements, notably regarding Group consolidated total assets and gross operating income.

The main changes to the consolidation scope at 31 December 2015, compared with the scope applicable at the closing date of 31 December 2014, are as follows:

BOURSORAMA

- As of June 2015, the Group's equity interest in Boursorama increased from 79.51% to 100% following the purchase of the entire stake held by Caixa Group. In addition, Boursorama purchased the non-controlling interests in its subsidiaries, Selftrade Bank and Onvista. Through these transactions, the Group became the sole shareholder of Boursorama, which in turn became the sole shareholder of its subsidiaries.
- Boursorama also acquired IT and software solutions developer Fiducéo. This wholly-owned entity has been fully consolidated since the first quarter.

DESCARTES TRADING

- In accordance with the law governing the separation and regulation of banking activities of 26 July 2013, which notably calls for the separation of speculative activities and activities necessary for the funding of the economy, Societe Generale's proprietary activities were transferred to Descartes Trading and its two branches, located in London and Hong Kong. This wholly-owned entity has been fully consolidated since the second quarter.

AMUNDI

- On 11 November 2015, the Group sold all its shares in Amundi following its IPO, decided by Societe Generale and Crédit Agricole SA, pursuant to the shareholders' agreement established at the time Amundi was created. This transaction resulted in a gain in *Net income/expense from other assets* of EUR 161 million.

NEWEDGE

- On 2 January 2015, Newedge USA was absorbed by SG Americas Securities.
- On 28 October 2015, Newedge Group transferred all its assets to Societe Generale.

ALD AUTOMOTIVE

- ALD Axus Finland acquired fleet management company Easy KM OY. This wholly-owned entity has been fully consolidated since the first quarter.

In accordance with IFRS 5 Non-current assets held for sale and discontinued operations, the main items classified in *Non-current assets and liabilities held for sale* are assets and liabilities relating to:

- Private Banking activities in Switzerland;
- consumer finance operations in Brazil. The discontinuation of Consumer Finance activities in Brazil, initiated at the beginning of the year, will be gradually implemented to ensure that all commitments to customers, employees, regulators and trade partners are honoured.

UPCOMING EVENTS

- On 25 February 2015, the Group terminated the memorandum of understanding binding Credit du Nord and Aviva France in Antarius, the Credit du Nord network insurance company currently jointly owned by Credit du Nord and Aviva France. This termination resulted in the exercise of a call option on the 50% stake in Antarius owned by Aviva France. At the end of the two–year period provided for in the memorandum to ensure the transfer of the subsidiary's operational management to Sogecap, Antarius will be wholly-owned by the Group jointly by Sogecap and Credit du Nord.

NOTE 2.2 - GOODWILL

ACCOUNTING PRINCIPLES

The Group uses the acquisition method to recognise its business combinations.

At the acquisition date, all assets, liabilities, off-balance sheet items and contingent liabilities of the acquired entities that are identifiable under the provisions of IFRS 3 “Business Combinations” are measured individually at their fair value regardless of their purpose. The analyses and professional appraisals required for this initial valuation must be carried out within 12 months of the acquisition date, as must any corrections to the value based on new information related to facts and circumstances existing at the acquisition date. At the same time, *Non-controlling interests* are valued according to their share of the fair value of the identifiable assets and liabilities of the acquired entity. However, for each business combination, the Group may also choose to measure Non-controlling interests initially at their fair value, in which case a fraction of goodwill is allocated.

The acquisition cost is calculated as the total fair value, at the date of acquisition, of all assets given, liabilities incurred or assumed and equity instruments issued in exchange for the control of the acquired entity. The costs directly linked to business combinations are recognised in the income statement for the period except those related to the issuance of equity instruments.

Any contingent consideration is included in the acquisition cost at its fair value on the acquisition date, even if its occurrence is only potential. It is recognised under equity or debt in the balance sheet depending on the settlement alternatives; if recognised as debt, any subsequent adjustments are recorded under income for financial liabilities in accordance with IAS 39 and within the scope of the appropriate standards for other debts. For equity instruments, these subsequent adjustments are not recognised. Any excess of the price paid over the assessed fair value of the proportion of net assets acquired is recorded on the asset side of the consolidated balance sheet under *Goodwill*. Any deficit is immediately recognised in the income statement. On the date of acquisition of an entity, any stake in this entity already held by the Group is remeasured at fair value through profit or loss. In the case of a step acquisition, goodwill is therefore determined by referring to the fair value on the acquisition date.

At the acquisition date, each item of goodwill is allocated to one or more cash-generating units expected to derive benefits from the acquisition. When the Group reorganises its reporting structure in a way that changes the composition of one or more cash-generating units, goodwill previously allocated to modified units is reallocated to the units affected (new or existing). This reallocation is generally performed using a relative approach based on the normative capital requirements of each cash-generating unit affected.

Goodwill is reviewed regularly by the Group and tested for impairment whenever there is any indication that its value may have diminished, and at least once a year. Any impairment of goodwill is calculated based on the recoverable value of the relevant cash-generating unit(s).

If the recoverable amount of the cash-generating unit(s) is less than its (their) carrying amount, an irreversible impairment is recorded in the consolidated income statement for the period under *Impairment losses on goodwill*.

The table below shows the changes in the net values of goodwill recorded by the Cash Generating Units (CGUs) since 31 December 2014:

(in millions of euros)	Net book value at 31 December 2014	Acquisitions and other increases	Disposals	Impairment losses	Transfer	Net book value at 31 December 2015
French Retail Banking	**798**	**14**	**-**	**-**	**3**	**815**
Societe Generale Network	287	14	-	-	3	304
Credit du Nord	511	-	-	-	-	511
International Retail Banking & Financial Services	**2,686**	**13**	**-**	**-**	**(23)**	**2,676**
Europe	1,910	-	-	-	-	1,910
Russia	-	-	-	-	-	-
Africa, Asia, Mediterranean Basin and Overseas	254	-	-	-	(23)	231
Insurance	10	-	-	-	-	10
Equipment and Vendor Finance	335	-	-	-	-	335
Auto Leasing Financial Services	177	13	-	-	-	190
Global Banking and Investor Solutions	**847**	**-**	**-**	**-**	**20**	**867**
Global Markets and Investor Services(1)	501	-	-	-	-	501
Financing and Advisory(1)	19	-	-	-	20	39
Asset and Wealth Management	327	-	-	-	-	327
TOTAL	**4,331**	**27**	**-**	**-**	**-**	**4,358**

(1) Amounts restated relative to the financial statements published in 2014 according to the restructuring of the Global Banking and Investor Solutions pillar.

Following the restructuring of the Global Banking and Investor Solutions pillar into three business lines, the CGUs comprising this pillar were overhauled, with the three former CGUs (“Corporate and Investment Banking", "Securities Services" and "Private Banking") replaced by three new CGUs:

- “Financing and Advisory“ combines the financing and advisory activities of the former "Corporate and Investment Banking" CGU;
- “Global Markets and Investor Services" consists of the market activities and post-trade services of the former "Corporate and Investment Banking" CGU and all activities of the former "Securities Services" CGU;
- “Asset and Wealth Management" combines the activities of the former "Private Banking" CGU and the Lyxor Asset Management activities that were part of the former "Corporate and Investment Banking" CGU.

The table below gives a detailed breakdown of the reallocation of the net values of goodwill within the Global Banking and Investor Solutions pillar between the former CGUs (columns) and the new CGUs (lines):

(In millions of euros)	Private Banking	Securities Services	Corporate and Investment Banking	**Net value at 31 December 2014**
Global Markets and Investor Services	-	471	30	**501**
Financing and Advisory	-	-	19	**19**
Asset and Wealth Management	327	-	-	**327**
Total	**327**	**471**	**49**	**847**

At 31 December 2015, goodwill recorded by the 11 CGUs was distributed as follows:

Pillar	**Activities**
French Retail Banking	
Societe Generale Network	Societe Generale's retail banking network, online banking activities (Boursorama), consumer and equipment financing in France and transaction and payment management services
Credit du Nord	Retail banking network of Credit du Nord and its 7 regional banks
International Retail Banking and Financial Services	
Europe	Retail banking and consumer finance services in Europe, notably in Germany (Hanseatic Bank, BDK), Italy (Fiditalia), the Czech Republic (KB, Essox), Romania (BRD) and Poland (Eurobank)
Russia	Integrated banking group including Rosbank and its subsidiaries DeltaCredit and Rusfinance
Africa, Asia, Mediterranean Basin and Overseas	Retail banking and consumer finance in Africa, Asia, the Mediterranean Basin and Overseas, including in Morocco (SGMB), Algeria (SGA), Tunisia (UIB), Cameroon (SGBC), Côte d'Ivoire (SGBCI) and Senegal (SGBS)
Insurance	Life and non-life insurance activities in France and abroad (including Sogecap, Sogessur and Oradea Vie)
Equipment and Vendor Finance	Financing of sales and professional equipment by Societe Generale Equipment Finance
Auto Leasing Financial Services	Operational vehicle leasing and fleet management services (ALD Automotive)
Global Banking and Investor Solutions	
Global Markets and Investor Services	Market solutions for businesses, financial institutions, the public sector, family offices and a full range of securities services, clearing services, execution, prime brokerage and custody
Financing and Advisory	Advisory and financing for businesses, financial institutions and the public sector
Asset and Wealth Management	Asset and Wealth Management Solutions in France and abroad

The Group performed an annual impairment test at 31 December 2015 for each CGU to which goodwill has been allocated. A CGU is defined as the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from the Group's other assets or groups of assets. Impairment tests consist in assessing the recoverable value of each CGU and comparing it with the CGU's carrying value. An impairment loss is recorded in the income statement if the carrying value of a CGU, including goodwill, exceeds its recoverable value. This loss is primarily booked to the impairment of goodwill.

The recoverable amount of a cash-generating unit is calculated using the most appropriate method, generally the discounted cash flow (DCF) method applied to the entire cash-generating unit. The cash flows used in this calculation are income available for distribution generated by all the entities included in the cash-generating unit, taking into account the target equity allocated to each CGU. These cash flows are determined on the basis of the CGU's business plan, which is derived from the prospective three-year budgets, extrapolated over a period of sustainable growth (usually six more years), which is consistent with the economic cycle of the banking industry, then extended to infinity using a long-term growth rate (terminal value):

- allocated equity at 31 December 2015 amounted to 11% of risk-weighted assets;
- the discount rate is calculated using a risk-free interest rate grossed up by a risk premium based on the CGU's underlying activities. This risk premium, specific to each activity, is calculated from a series of equity risk premiums published by SG Cross Asset Research and from its specific estimated volatility (beta). Where appropriate, the risk-free interest rate is also grossed up by a sovereign risk premium, representing the difference between the risk-free interest rate available in the area of monetary assignment (mainly US dollar area or Euro area) and the interest rate observed on liquid long-term treasury bonds issued in the currency of assignment, or their average weighted by normative equity for CGUs covering several countries;
- the growth rate used to calculate the terminal value is determined using forecasts on long-term economic growth and sustainable inflation.

No goodwill impairment was recorded at 31 December 2015 as a result of the annual CGU impairment test.

The table below presents specific discount rates and long-term growth rates for the CGUs of the Group's three core businesses:

Assumptions at 31 December 2015	**Discount rate**	**Long-term growth rate**
French Retail Banking		
Societe Generale Network and Credit du Nord	8%	2%
International Retail Banking and Financial Services		
Retail Banking and Consumer Finance	9.8% to 15.4%	3% to 3.5%
Insurance	8.1%	2.5%
Equipment and Vendor Finance and Auto Leasing Financial Services	9.4%	2%
Global Banking and Investor Solutions		
Global Markets and Investor Services	10.7%	2%
Financing and Advisory	9.3%	2%
Asset and Wealth Management	9.0%	2%

Budget projections are based on the following main business line and macroeconomic assumptions:

French Retail Banking	
Societe Generale Network and Credit du Nord	▪ Development of the retail banking customer bases through targeted customer acquisition initiatives and activation of growth drivers (New Private Banking, financial savings, protection of people and property), despite challenging economic conditions ▪ Acceleration of the operational transformation in France ▪ Strict discipline applied to management of operating expenses and risks
International Retail Banking & Financial Services	
Europe	▪ Continued adaptation of our models to capture growth potential in the region and consolidate the competitive positions of our operations ▪ Normalisation of cost of risk and strict discipline applied to operating expenses
Russia	▪ Continued transformation of Rosbank despite challenging economic conditions, with a focus on the efficiency of the retail banking arm, information system, quality of customer service and pooling of resources ▪ Strict discipline applied to operating expenses and cost of risk
Africa, Asia, Mediterranean Basin and Overseas	▪ Development of our sales network in order to capture the potential of an emerging middle class ▪ Continued focus on operating efficiency
Insurance	▪ Dynamic growth maintained and international development of the bank insurance model, in synergy with the retail banking network, New Private Banking and financial services to businesses
Equipment and Vendor Finance	▪ Leadership consolidated in these corporate financing businesses ▪ Consolidation of profitability by continuing to focus on activities at the best risk/ profitability ratio
Auto Leasing Financial Services	▪ Solid momentum in a highly competitive international environment
Global Banking and Investor Solutions	
Global Markets and Investor Services	▪ Adaptation of market activities to a competitive environment, further business and regulatory investments ▪ Consolidation of market-leading franchises in equities ▪ Stronger sales momentum of SGSS in Europe and investments in information systems
Financing and Advisory	▪ Development of growth drivers, particularly customer income and synergies ▪ Consolidation of market-leading franchises in commodity and structured financing ▪ Solid management of cost of risk despite challenging economic conditions
Asset and Wealth Management	▪ Growth in Private Banking driven by positive inflows and a persistently solid margin ▪ Development of synergies with French and International Retail Banking as well as Corporate and Investment Banking

Sensitivity tests are carried out to measure in particular the impact on each CGU's recoverable value of the variation in certain assumptions such as profitability, long-term growth or discount rate.

At 31 December 2015, in light of the risks associated with business activity in the current environment, impairment tests were carried out based on a series of conservative assumptions or sensitivity tests.

Accounting for the impairment losses recorded, recoverable values are not very sensitive to additional changes in assumptions on discount rates, long-term growth rates and operational growth rates. Accordingly:

- an increase of 50 basis points applied to all discount rates for the CGUs disclosed in the table above would lead to a decrease of 7.4% in recoverable value and would not generate any additional impairment;
- similarly, a decrease of 50 basis points in long-term growth rates would lead to a decrease of 2.2% in recoverable value and would not generate any additional impairment.

NOTE 2.3 - ADDITIONAL DISCLOSURES FOR CONSOLIDATED ENTITIES AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The disclosures described in this note concern consolidated structured entities, non-controlling interests, associates and joint ventures.

This note covers entities over which Societe Generale exercices exclusive control, joint control or significant influence, provided these entities have a material impact on the Group's consolidated financial statements. The significance of the impact is notably considered regarding Group consolidated total assets and gross operating income.

1. CONSOLIDATED STRUCTURED ENTITIES

Consolidated structured entities include:

- collective investment vehicles such as SICAVs (open-ended investment funds) and mutual funds managed by the Group's asset management subsidiaries;
- securitisation funds and conduits issuing financial instruments that can be subscribed for by investors and that generate credit risks inherent in an exposure or basket of exposures which can be divided into tranches;
- and asset financing vehicles (aircraft, rail, shipping or real estate finance facilities).

At 31 December 2015, the Group had not provided any financial support to these structured entities outside of normal market conditions.

2. NON-CONTROLLING INTERESTS

Non-controlling interests refer to equity holdings in fully consolidated subsidiaries that are neither directly nor indirectly attributable to the Group. They include equity instruments issued by these subsidiaries and not held by the Group as well as the share of income and cumulative reserves, and of unrecognised or deferred gains and losses attributable to the holders of these instruments.

Non-controlling interests amounted to EUR 3,638 million at 31 December 2015 (vs. EUR 3,645 million at 31 December 2014) and accounted for 6% of Group shareholders' equity at 31 December 2015 (vs. 6% at 31 December 2014). The Group's main non-controlling interests amounted to EUR 2,972 million at 31 December 2015 (vs. EUR 2,851 million at 31 December 2014), related to:

- listed subsidiaries Komercni Banka, BRD - Groupe Societe Generale SA and SG Marocaine de Banques;
- perpetual subordinated notes issued in December 2014 by Sogecap.

Group ownership interests and Group voting interests in these entities are disclosed in Note 8.4.

3. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (ASSOCIATES AND JOINT VENTURES)

SUMMARISED FINANCIAL INFORMATION FOR JOINT VENTURES AND ASSOCIATES

(In millions of euros)	Joint ventures		Associates		Total investments accounted for using the equity method	
Group share:	2015	2014	2015	2014	2015	2014
Net income	72	42	159	171	231	**213**
Unrealised or deferred gains and losses (net of tax)	-	22	(88)	*85*	(88)	**106**
Net income and unrealised or deferred gains and losses	**72**	**64**	**71**	**256**	**143**	**319**

The activities of joint ventures mainly include real estate development, asset and wealth management and insurance.

The main associate was Amundi Group until its disposal by the Group. The variations over the period are due to the disposal of Societe Generale's stake in Amundi in November 2015 and to portfolio management operations.

COMMITMENTS TO RELATED PARTIES

(In millions of euros)	31 December 2015	31 December 2014
Loan commitments granted	-	-
Guarantee commitments granted	33	30
Forward financial instrument commitments	279	1,761

The decrease in forward financial instrument commitments can be primarily attributed to the disposal of Amundi in 2015.

NOTE 2.4 - UNCONSOLIDATED STRUCTURED ENTITIES

The information provided hereafter concerns entities structured but not controlled by the Group. This information is grouped by main type of similar entities, such as Financing activities, Asset management and Others (including Securitisation and Issuing vehicules).

Asset financing includes lease finance partnerships and similar vehicles that provide aircraft, rail, shipping or real estate finance facilities.

Asset management includes mutual funds managed by the Group's asset management subsidiaries.

Securitisation includes securitisation funds or similar vehicles issuing financial instruments that can be subscribed for by investors and that generate credit risks inherent in an exposure or basket of exposures which can be divided into tranches.

The Group's interests in unconsolidated entities that have been structured by third parties are classified among financial instruments in the consolidated balance sheet according to their nature (*Financial assets at fair value through profit or loss* or *Liabilities at fair value through profit or loss*, *Available-for-sale financial assets*, *Loans and Deposits, Debts,* etc.).

1. INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

The Group's interests in an unconsolidated structured entity refer to contractual and non-contractual involvement that exposes the Group to the variability of returns from the performance of this structured entity.

Such interests can be evidenced by:

- the holding of equity or debt instruments (regardless of their rank of subordination);
- other funding (loans, cash facilities, loan commitments, liquidity facilities);
- credit enhancement (guarantees, subordinated instruments, credit derivatives);
- issuance of guarantees (guarantee commitments);
- derivatives that absorb all or part of the risk of variability of the structured entity's returns, except Credit Default Swap (CDS) and options purchased by the Group;
- contracts earnings indexed to the structured entity's performance;
- tax consolidation agreements.

	Asset financing		Asset management		Others	
(In millions of euros)	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Entity balance sheet total[(1)]	**8,748**	**9,062**	**70,292**	**60,206**	**14,544**	**16,919**
Net carrying amount of Group interests in unconsolidated structured entities:	**-**	**-**	**-**	**-**	**-**	**-**
Assets :	**4,480**	**4,691**	**10,104**	**9,822**	**3,986**	**3,363**
Financial assets at fair value through profit or loss	586	573	9,278	6,109	425	639
Available for sale financial assets	117	125	24	357	3	80
Bank and customer loans and receivables	3,768	3,984	802	173	3,553	2,618
Others	9	9	-	3,183	5	26
Liabilities :	**1,853**	**2,000**	**9,457**	**10,065**	**1,580**	**1,323**
Financial liabilities at fair value through profit or loss	188	173	8,081	5,369	662	664
Due to banks and customer deposits	1,593	1,819	1,371	1,259	909	654
Others	72	8	5	3,437	9	5

(1) For Asset management: NAV (Net Asset Value) of funds.

As of 31 December 2015, the Group had not provided any financial support to unconsolidated structured entities outside of normal market conditions.

The maximum exposure to loss related to interests in unconsolidated structured entities is measured as
- the amortised cost or fair value[1] for non-derivative financial assets entered into with the structured entity depending on how they are measured on the balance sheet;
- the fair value[1] of derivative financial assets recognised in the balance sheet;
- the notional amount of written Credit Default Swaps (maximum amount to pay);
- the notional amount of loan commitments or guarantee commitments granted.

	Asset financing		Asset management		Others	
(In millions of euros)	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Amortised cost or fair value[1] (according to the measurement of the financial instrument) of non derivative financial assets entered into with the structured entity	3,849	4,077	5,173	7,525	1,236	2,099
Fair value[1] of derivative financial assets recognised in the balance sheet	412	413	4,124	1,792	526	299
Notional amount of CDS sold (maximum amount to be paid)	-	-	-	-	-	-
Notional amount of loan or guarantee commitments granted	663	674	1,780	2,417	1,256	334
Maximum exposure to loss	**4,924**	**5,164**	**11,077**	**11,734**	**3,018**	**2,732**

The amount of maximum exposure to loss can be mitigated by:
- the notional amount of guarantee commitments received;
- the fair value[1] of collateral received;
- the carrying amount of surety deposits received.

These mitigating amounts must be capped in case of legal or contractual limitation of their realisable or recoverable amounts. They amounted to EUR 1,639 million and mainly concern Financing activities.

(1) Fair value at the closing date, which may fluctuate in subsequent periods.

2. INFORMATION ON UNCONSOLIDATED STRUCTURED ENTITIES SPONSORED BY THE GROUP

The Group may have no ownership interest in a structured entity, but still be considered as a sponsor of this structured entity if it acts or has acted as:
- a structurer;
- an originator for potential investors;
- an asset manager;
- an implicit or explicit guarantor of the entity's performance (in particular *via* capital or return guarantees granted to mutual fund unit holders).

A structured entity is also considered to be sponsored by the Group if its name includes the name of the Group or the name of one of its subsidiaries.

Conversely, entities that are structured by the Group according to specific needs expressed by one or more customers or investors are considered to be sponsored by said customers or investors.

The total amount of the balance sheet of these unconsolidated structured entities, sponsored by the Group, and in which the Group does not have any interest, was EUR 1,679 million (including EUR 806 million for Asset financing).

The amount of income from these structured entities (mainly Asset financing) was EUR 2 million mainly on derecognition of interests in structured entities.

NOTE 3 - FINANCIAL INSTRUMENTS

ACCOUNTING PRINCIPLES

CLASSIFICATION OF FINANCIAL INSTRUMENTS

When initially recognised, financial instruments are booked on the balance sheet to categories that determine their accounting treatment and their subsequent valuation method. This classification depends on the type of financial instrument and purpose of ownership.

Financial assets are booked to one of the following four categories:

- *Financial assets at fair value through profit or loss*: these are financial assets held for trading purposes, which by default include derivative financial assets not qualifying as hedging instruments and non-derivative financial assets designated by the Group upon initial recognition to be carried at fair value through profit or loss in accordance with the fair value option;
- *Loans and receivables*: these include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading purposes, or held for sale from the time they are originated or acquired, or designated upon initial recognition to be carried at fair value through profit or loss (in accordance with the fair value option). They are measured at amortised cost, and impairment, determined on an individual or a collective basis, may be recorded if appropriate;
- *Held-to-maturity financial assets*: these are non-derivative financial assets with fixed or determinable payments and a fixed maturity, that are quoted in an active market and which the Group has the intention and ability to hold to maturity. They are measured at their amortised cost and may be subject to impairment as appropriate. Amortised cost includes premiums and discounts as well as transaction costs;
- *Available–for-sale financial assets*: these are non-derivative financial assets held for an indeterminate period which the Group may sell at any time. By default, they are any assets that do not fall into one of the above three categories. These instruments are measured at fair value against *Unrealised or deferred gains and losses*. Interest accrued or paid on debt securities is recognised in the income statement using the effective interest rate method while dividend income earned on equity securities is recorded in the income statement under Dividend income;

Financial liabilities are booked to one of the following two categories:

- *Financial liabilities at fair value through profit or loss*: these are financial liabilities held for trading purposes, which by default include derivative financial liabilities not qualifying as hedging instruments and non-derivative financial liabilities designated by the Group upon initial recognition to be carried at fair value through profit or loss in accordance with the fair value option;
- *Debts*: these include non-derivative financial assets and are measured at amortised cost.

Derivative financial assets and liabilities qualifying as hedging instruments are carried on separate lines of the balance sheet (See Note 3.2).

RECLASSIFICATION OF FINANCIAL ASSETS

After their initial recognition, financial assets may not be later reclassified as *Financial assets at fair value through profit or loss*.

A non-derivative financial asset, initially recognised as an asset held for trading purposes under *Financial assets at fair value through profit or loss*, may be reclassified out of this category when it meets the following conditions:

- if a financial asset with fixed or determinable payments initially held for trading purposes can no longer, after acquisition, be quoted in an active market and the Group has the intention and ability to hold it for the foreseeable future or until maturity, then this financial asset may be reclassified as *Loans and receivables*, provided that the eligibility criteria for this category are met at the date of transfer;
- if rare circumstances generate a change in the holding purpose of non-derivative financial assets initially held for trading, then these assets may be reclassified as *Available-for-sale financial assets* or *as Held-to-maturity financial assets*, provided that the eligibility criteria for the category in question are met at the date of transfer.

In any case, financial derivatives and financial assets measured using the fair value option may not be reclassified out of *Financial assets at fair value through profit or loss*.

A financial asset initially recognised under *Available-for-sale financial assets* may be reclassified to *Held-to-maturity financial assets*, provided that the eligibility criteria for this category are met. Furthermore, if a financial asset with fixed or determinable payments initially recognised under *Available-for-sale financial assets* can subsequently no longer be quoted in an active market and if the Group has the intention and ability to hold it for the foreseeable future or until maturity, then this financial asset may be reclassified to *Loans and receivables* provided that the eligibility criteria for this category are met at the transfer date.

These reclassified financial assets are transferred to their new category at their fair value at the date of reclassification and are subsequently measured according to the rules that apply to the new category. The amortised cost of financial assets reclassified out of *Financial assets at fair value through profit or loss* or *Available-for-sale financial assets* to *Loans and receivables* and the amortised cost of financial assets reclassified out of *Financial assets at fair value through profit or loss* to *Available-for-sale financial assets* are determined on the basis of estimated future cash flows measured at the date of reclassification. The estimated future cash flows must be reviewed at each closing date. In the event of an increase in estimated future cash flows resulting from an increase in their recoverability, the effective interest rate is adjusted prospectively. However, if there is objective evidence that the financial asset has been impaired as a result of an event occurring after reclassification, and the loss event in question has a negative impact on the estimated future cash flows of the financial asset, the impairment of this financial asset is recognised under *Cost of risk* in the income statement.

FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation methods used by the Group to establish the fair value of financial instruments are detailed in Note 3.4.

INITIAL RECOGNITION

Purchases and sales of non-derivative financial assets recorded under *Financial assets at fair value through profit or loss*, *Held-to-maturity financial assets* and *Available-for-sale financial assets* are recognised in the balance sheet at the delivery-settlement date, while derivatives are recognised at the trade date. Changes in fair value between the trade and settlement dates are recorded in the income statement or booked to shareholders' equity depending on the accounting category of the relevant financial assets. Loans and receivables are recorded in the balance sheet on the date they are paid or at the maturity date for invoiced services.

When initially recognised, financial assets and liabilities are measured at fair value including transaction costs directly attributable to their acquisition or their issuance, except for financial instruments recognised at fair value through profit or loss, for which these costs are booked directly to the income statement.

If the initial fair value is based on observable market data, any difference between the fair value and the transaction price, i.e. the sales margin, is immediately recognised in the income statement. However, if valuation inputs are not observable or if the valuation models are not recognised by the market, the initial fair value of the financial instrument is deemed to be the transaction price and the sales margin is then generally recognised in the income statement over the life of the instrument. For some instruments, due to their complexity, this margin is recognised at their maturity or in the event of early sale. When valuation inputs become observable, any portion of the sales margin that has not yet been recorded is recognised in the income statement at that time.

DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

The Group derecognises all or part of a financial asset (or group of similar assets) when the contractual rights to the cash flows on the asset expire or when the Group has transferred the contractual rights to receive the cash flows and substantially all of the risks and rewards linked to ownership of the asset.

The Group also derecognises financial assets over which it has retained the contractual rights to the associated cash flows but is contractually obligated to pass these same cash flows through to a third party ("pass-through agreement") and for which it has transferred substantially all the risks and rewards.

Where the Group has transferred the cash flows of a financial asset but has neither transferred nor retained substantially all the risks and rewards of its ownership and has effectively not retained control of the financial asset, the Group derecognises it and, where necessary, recognises a separate asset or liability to cover any rights and obligations created or retained as a result of the asset's transfer. If the Group has retained control of the asset, it continues to recognise it in the balance sheet to the extent of its continuing involvement in that asset.

When a financial asset is derecognised in its entirety, a gain or loss on disposal is recorded in the income statement for an amount equal to the difference between the carrying value of the asset and the payment received for it, adjusted where necessary for any unrealised profit or loss previously recognised directly in equity and for the value of any servicing asset or servicing liability.

The Group only derecognises all or part of a financial liability when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expired.

A financial liability may also be derecognised in the event of a substantial amendment to its contractual conditions or where an exchange is made with the lender for an instrument whose contractual conditions are substantially different.

NOTE 3.1 - FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2015		31 December 2014	
(In millions of euros)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Trading portfolio	462,775	400,931	488,899	436,050
Financial instruments measured using the fair value option through profit or loss	56,558	54,050	41,637	44,280
Total	**519,333**	**454,981**	**530,536**	**480,330**
o/w securities purchased/sold under resale/repurchase agreements	*136,157*	*141,265*	*118,870*	*141,545*

1. TRADING BOOK

ACCOUNTING PRINCIPLES

The trading book contains financial assets and liabilities which, upon initial recognition, are:

- acquired or incurred with the intention of selling or repurchasing them in the short term;
- held for market making purposes;
- acquired or incurred for the purposes of the specialised management of a trading portfolio including derivative financial instruments, securities or other financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking.

By default, derivative financial instruments are booked to the trading portfolio, unless they qualify as hedging instruments (see Note 3.2).

The financial instruments comprising the trading portfolio are recorded at fair value at the balance sheet date and recognised in the balance sheet under *Financial assets or liabilities at fair value through profit or loss*. Changes in their fair value are recorded in the income statement as *Net gains and losses on financial instruments at fair value through profit or loss.*

ASSETS

(In millions of euros)	31 December 2015	31 December 2014
Bonds and other debt securities	54,628	67,734
Shares and other equity securities	79,297	90,164
Other non-derivative financial assets	140,521	121,222
Trading derivatives (1)	188,329	209,779
Total	**462,775**	**488,899**
o/w securities loaned	*15,670*	*11,001*

(1) *See Note 3.2 Financial derivatives.*

LIABILITIES

(In millions of euros)	31 December 2015	31 December 2014
Debt securities issued	15,524	17,944
Amounts payable on borrowed securities	37,271	54,931
Bonds and other debt instruments sold short	14,142	3,143
Shares and other equity instruments sold short	1,407	1,586
Other non-derivative financial liabilities	142,359	143,214
Trading derivatives(2)	190,228	215,232
Total	**400,931**	**436,050**

(2) See Note 3.2 Financial derivatives.

2. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS USING FAIR VALUE OPTION

ACCOUNTING PRINCIPLES

Financial assets and liabilities held for trading purpose include, under the same headings of the financial statements, non-derivative financial assets and liabilities designated by the Group upon initial recognition to be carried at fair value through profit or loss in accordance with the fair value option. Changes in the fair value of these items are recognised through profit or loss under *Net gains and losses on financial instruments at fair value through profit or loss*.

- This option is only applied in the following cases:
- when it eliminates or significantly reduces discrepancies in the accounting treatment of certain financial assets and liabilities;
- when it applies to a hybrid instrument containing one or more embedded derivatives calling for separate recognition;
- when a group of financial assets and/or liabilities is managed and its performance is measured on a fair value basis.

The Group thus recognises some structured bonds issued by Societe Generale Corporate and Investment Banking at fair value through profit or loss. These issues are purely commercial and the associated risks are hedged on the market using financial instruments managed in trading portfolios. By using the fair value option, the Group can ensure consistency between the accounting treatment of these bonds and that of the derivatives hedging the associated market risks, which have to be carried at fair value.

The Group also recognises the financial assets held to guarantee the unit-linked policies of its life insurance subsidiaries at fair value through profit or loss to ensure that their accounting treatment matches that of the corresponding insurance liabilities. Under IFRS 4, insurance liabilities must be recognised according to local accounting principles. Revaluations of underwriting reserves on unit-linked policies, which are directly linked to revaluations of the financial assets underlying their policies, are therefore recognised in the income statement. The fair value option thus allows the Group to record changes in the fair value of the financial assets through profit or loss so that they match fluctuations in value of the insurance liabilities associated with these unit-linked policies.

Furthermore, in order to simplify their accounting treatment by avoiding the separate recognition of embedded derivatives, the Group applies the fair value option to convertible bonds that are not held for trading purposes.

ASSETS

(In millions of euros)	31 December 2015	31 December 2014
Bonds and other debt securities	20,704	10,082
Shares and other equity securities	18,537	16,071
Other fiancial assets	17,027	15,209
Separate assets for employee benefit plans	290	275
Total	**56,558**	**41,637**

LIABILITIES

Financial liabilities measured at profit or loss in accordance with the fair value option predominantly consist of structured bonds issued by the Societe Generale Group. The change in fair value attributable to the Group's own credit risk generated profit of EUR 782 million at 31 December 2015. The revaluation differences attributable to the Group's issuer credit risk are determined using valuation models taking into account the Societe Generale Group's actual financing terms and conditions on the markets and the residual maturity of the related liabilities.

At 31 December 2015, the difference between fair value of financial liabilities measured using the fair value option through profit or loss (EUR 54,050 million versus EUR 44,280 million at 31 December 2014) and the amount repayable at maturity (EUR 53,769 million versus EUR 43,767 million at 31 December 2014) was EUR 281 million (EUR 513 million at 31 December 2014).

3. NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

(In millions of euros)	2015	2014
Net gain/loss on trading portfolio	712	4,121
Net gain/loss on financial instruments measured using fair value option	1,879	(2,415)
Net gain/loss on derivative instruments	3,421	2,038
Net gain/loss on hedging transactions	244	696
Net gain/loss on fair value hedging derivatives	*(2,004)*	*6,533*
Revaluation of hedged items attributable to hedged risks	*2,248*	*(5,839)*
Ineffective portion of cash flow hedge	*-*	*2*
Net gain/loss on foreign exchange transactions	1,019	41
Total(1)	**7,275**	**4,481**

(1) Insofar as income and expenses booked in the income statement are classified by type of instrument rather than by purpose, the net income generated by activities in financial instruments at fair value through P&L must be assessed as a whole. It should be noted that the income shown here does not include the refinancing cost of these financial instruments, which is shown under interest expense and interest income.

NOTE 3.2 - FINANCIAL DERIVATIVES

ACCOUNTING PRINCIPLES

Derivatives are financial instruments meeting the following three criteria:

- their value changes in response to the change in a specified interest rate, foreign exchange rate, share price, index of prices, commodity price, credit rating, etc.;
- they require little to no initial investment;
- they are settled at a future date.

All financial derivatives are recognised at fair value in the balance sheet as financial assets or financial liabilities. They are considered to be trading derivatives by default, unless they are designated as hedging instruments for accounting purposes.

SPECIAL CASE - FINANCIAL DERIVATIVES HAVING SOCIETE GENERALE SHARES AS THEIR UNDERLYING INSTRUMENT

Financial derivatives having Societe Generale shares as their underlying instrument or shares in Group subsidiaries and whose liquidation entails the payment of a fixed amount in cash (or another financial asset) against a fixed number of Societe Generale shares (other than derivatives) are initially recognised as equity. These instruments, and any related premiums paid or received, are recognised directly in equity, and any changes in the fair value of these derivatives are not recorded. For sales of put options on Societe Generale shares, a debt is recognised in equity for the present value of the strike price.

Other financial derivatives having Societe Generale shares as their underlying instrument are recorded in the balance sheet at fair value in the same manner as derivatives with other underlying instruments.

EMBEDDED DERIVATIVES

An embedded derivative is a component of a hybrid instrument. If this hybrid instrument is not measured at fair value through profit or loss, the Group separates the embedded derivative from its host contract if, at the inception of the transaction, the economic characteristics and risks of the derivative are not closely related to the economic characteristics and risk profile of the host contract and it would separately meet the definition of a derivative. Once separated, the derivative is recognised at its fair value in the balance sheet under *Financial assets or liabilities at fair value through profit or loss* and accounted for as above. The host contract is classified and measured according to its accounting category.

1. TRADING DERIVATIVES

ACCOUNTING PRINCIPLES

Trading derivatives are recorded in the balance sheet under Financial assets or liabilities at fair value through profit or loss. Changes in fair value are recorded in the income statement under Net gains and losses on financial instruments at fair value through profit or loss.

Changes in the fair value of financial derivatives involving counterparties which subsequently went into default are recorded under *Net gains and losses on financial instruments at fair value through profit or loss* until the termination date of these instruments. At this termination date, receivables and debts on these counterparties are recognised at fair value in the balance sheet. Any further impairment of these receivables is recognised under *Cost of risk* in the income statement

BREAKDOWN OF TRADING DERIVATIVES

	31 December 2015		31 December 2014	
(In millions of euros)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Interest rate instruments	126,002	124,931	144,511	145,024
Foreign exchange instruments	23,713	24,725	22,999	23,862
Equity and index instruments	18,589	20,727	23,503	27,584
Commodity instruments	12,604	11,690	8,896	8,409
Credit derivatives	7,108	7,265	9,563	9,495
Other forward financial instruments	313	890	308	858
Total	**188,329**	**190,228**	**209,779**	**215,232**

The Group uses credit derivatives to manage its corporate loan book, primarily to reduce concentration of individual counterparties, sectors and geographic areas, and to actively manage risks and allocated capital. Regardless of their management intent, all credit derivatives are measured at fair value through profit or loss and may not be recognised as hedging derivatives. Consequently, they are recorded at fair value as trading derivatives.

2. HEDGING DERIVATIVES

ACCOUNTING PRINCIPLES

In order to protect against certain market risks, the Group sets up hedging derivatives. From an accounting standpoint, the Group designates the derivative as a fair value hedge, cash flow hedge, or currency risk hedge for a net foreign investment, depending on the risk hedged.

To designate an instrument as a hedging derivative, the Group must document the hedging relationship in detail, from the inception of the hedge. This documentation specifies the asset, liability, or future transaction hedged, the risk to be hedged and the associated risk management strategy, the type of financial derivative used and the valuation method that will be used to measure its effectiveness.

A derivative designated as a hedging instrument must be highly effective in offsetting the change in fair value or cash flows arising from the hedged risk, both when the hedge is first set up and throughout its life. This effectiveness is verified when changes in the fair value or cash flow of the hedged instrument are almost entirely offset by changes in the fair value or cash flow of the hedging instrument, with the expected ratio between the two changes in fair value ranging from 80% to 125%. Effectiveness is measured each quarter on a prospective (discounted over future periods) and retrospective (booked in past periods) basis. Where the effectiveness falls outside the range specified above, hedge accounting is discontinued.

Hedging derivatives are recognised in the balance sheet under *Hedging derivatives*.

FAIR VALUE HEDGES

The purpose of these hedges is to protect the Group against an adverse fluctuation in the fair value of an instrument which does not affect the income statement in principle but would do so if the instrument were derecognised from the balance sheet.

Changes in the fair value of the hedging derivative are recorded in the income statement under *Net gains and losses on financial instruments at fair value through profit or loss*; for interest rate derivatives, however, accrued interest income and expenses on the derivative are recorded in the income statement under *Interest income and expense – Hedging derivatives* at the same time as accrued interest income and expenses related to the hedged item.

In the balance sheet, the carrying value of the hedged item is adjusted for gains and losses attributable to the hedged risk, which are reported in the income statement under *Net gains and losses on financial instruments at fair value through profit or loss*. To the extent that the hedge is highly effective, changes in the fair value of the hedged item and changes in the fair value of the hedging derivative are accurately offset through profit or loss, the difference corresponding to an ineffectiveness gain or loss.

Prospective effectiveness is assessed via a sensitivity analysis based on probable market trends or via a regression analysis of the statistical relationship (correlation) between certain components of the hedged item and the hedging instrument.

Retrospective effectiveness is assessed by comparing any changes in the fair value of the hedging instrument with any changes in the fair value of the hedged item.

If it becomes apparent that the derivative has ceased to meet the effectiveness criteria for hedge accounting or if it is terminated or sold, hedge accounting is discontinued prospectively. Thereafter, the carrying amount of the hedged asset or liability ceases to be adjusted for changes in fair value and the cumulative adjustments previously recognised under hedge accounting are amortised over its remaining life. Hedge accounting is discontinued automatically if the hedged item is sold prior to maturity or redeemed early.

CASH FLOW HEDGES

The purpose of interest rate cash flow hedges is to protect against changes in future cash flows associated with a financial instrument on the balance sheet (loans, securities or floating-rate notes) or with a highly probable future transaction (future fixed rates, future prices, etc.).

The purpose of these hedges is to protect the Group against adverse fluctuations in the future cash-flows of an instrument liable to would affect the income statement.

The effective portion of changes in the fair value of hedging derivatives is booked to *Unrealised or deferred gains and losses*, while the ineffective portion is recognised in the income statement under *Net gains and losses on financial instruments at fair value through profit or loss*. For interest rate derivatives, accrued interest income and expenses on the derivative are recorded in the income statement under *Interest income and expense – Hedging derivatives* at the same time as accrued interest income and expenses related to the hedged item.

The effectiveness of the hedge is assessed using the hypothetical derivative method, which consists in i) creating a hypothetical derivative bearing exactly the same characteristics as the instrument being hedged (in notional terms, in terms of the date on which the rates are reset, in terms of the rates themselves, etc.), but which moves in the opposite direction and whose fair value is nil when the hedge is set up, then ii) comparing the expected changes in the fair value of the hypothetical derivative with those of the hedging instrument (sensitivity analysis) or performing a regression analysis on the prospective effectiveness of the hedge. Here, only any “over-hedging” is deemed ineffective.

Amounts directly recognised in equity in respect of the revaluation of cash flow hedging derivatives are subsequently reclassified to *Interest income and expense* in the income statement at the same time as the cash flows being hedged.

Whenever the hedging derivative ceases to meet the effectiveness criteria for hedge accounting or is terminated or sold, hedge accounting is discontinued prospectively.

Amounts previously recognised directly in equity are reclassified under *Interest income and expense* in the income statement over the periods during which interest income is affected by cash flows arising from the hedged item. If the hedged item is sold or redeemed earlier than expected or if the hedged forecast transaction ceases to be highly probable, unrealised gains and losses recognised in equity are immediately reclassified in the income statement.

HEDGING OF A NET INVESTMENT IN A FOREIGN OPERATION

The purpose of a hedge of a net investment in a foreign company is to protect against exchange rate risk.

The hedged item is an investment in a country whose currency differs from the Group’s functional currency. The hedge therefore serves to protect the net position of a foreign subsidiary or branch against an exchange rate risk linked to the entity’s functional currency.

The effective portion of the changes in the fair value of a hedging derivative designated for accounting purposes as a hedge of a net investment is recognised in equity under *Unrealised or deferred gains and losses,* while the ineffective portion is recognised in the income statement.

MACRO-FAIR VALUE HEDGES

In this type of hedge, interest rate derivatives are used to globally hedge against structural interest rate risks usually arising from Retail Banking activities. When accounting for these transactions, the Group applies the IAS 39 “carve-out” standard as adopted by the European Union, which facilitates:

- the application of fair value hedge accounting to macro-hedges used for asset-liability management, including customer demand deposits in the fixed-rate positions being hedged;
- the performance of effectiveness tests required by IAS 39 as adopted by the European Union.

The accounting treatment of financial derivatives designated as macro-fair value hedges is similar to that of other fair value hedging instruments. Changes in the fair value of the portfolio of macro-hedged instruments are reported on a separate line in the balance sheet under *Revaluation differences on portfolios hedged against interest rate risk* through profit or loss.

BREAKDOWN OF HEDGING DERIVATIVES

	31 December 2015		31 December 2014	
(In millions of euros)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Fair value hedge				
Interest rate instruments	15,448	9,199	18,476	10,261
Foreign exchange instruments	79	4	162	22
Equity and index instruments	5	-	1	10
Cash flow hedge				
Interest rate instruments	589	135	704	301
Foreign exchange instruments	384	183	61	273
Other financial instruments	33	12	44	35
Total	**16,538**	**9,533**	**19,448**	**10,902**

The Group sets up hedging relationships recognised for accounting purposes as fair value hedges in order to protect its fixed-rate financial assets and liabilities (primarily loans/borrowings, securities issued and fixed-rate securities) against changes in long-term interest rates. The hedging instruments used mainly consist of interest rate swaps.

Through some of its Corporate and Investment Banking operations, the Group is exposed to future cash flow changes in its short and medium-term funding requirements, and sets up hedging relationships recognised for accounting purposes as cash flow hedges. Highly probable funding requirements are determined using historic data established for each activity and representative of balance sheet outstandings. These data may be increased or decreased with changes in management methods.

The following table specifies the amount of cash flow that is subject to a cash flow hedge relationship (broken down by expected due date) and the amount of highly probable hedged forecast transactions.

(In millions of euros)	**Less than 3 months**	**From 3 months to 1 year**	**From 1 year to 5 years**	**Over 5 years**	**31 December 2015**
Floating cash flows hedged (rates…)	368	890	744	911	2,913
Highly probable forecast transaction	2	164	178	110	454
Other (Forex…)	1	2	-	-	3
Total flows covered by cash flow hedge	**371**	**1,056**	**922**	**1,021**	**3,370**

(In millions of euros)	**Less than 3 months**	**From 3 months to 1 year**	**From 1 year to 5 years**	**Over 5 years**	**31 December 2014**
Floating cash flows hedged (rates…)	119	344	570	1,029	2,062
Highly probable forecast transaction	391	332	521	42	1,286
Other (Forex…)	74	281	32	-	386
Total flows covered by cash flow hedge	**584**	**957**	**1,123**	**1,071**	**3,734**

3. FORWARD FINANCIAL INSTRUMENT COMMITMENTS (NOTIONAL AMOUNTS)

	31 December 2015		**31 December 2014**	
(In millions of euros)	**Trading**	**Hedging**	**Trading**	**Hedging**
Interest rate instruments				
Firm instruments				
Swaps	9,464,657	388,205	10,452,500	238,867
FRAs	1,401,505	291	2,391,210	562
Options	2,519,669	542	2,783,298	2,347
Foreign exchange instruments				
Firm instruments	2,429,059	9,635	2,130,738	8,790
Options	612,156	-	629,126	-
Equity and index instruments				
Firm instruments	85,632	-	76,862	-
Options	1,806,733	35	939,917	33
Commodity instruments				
Firm instruments	183,023	-	161,871	-
Options	57,682	-	62,807	-
Credit derivatives	675,181	-	900,268	-
Other forward financial instruments	33,260	342	55,446	372
TOTAL	**19,268,557**	**399,050**	**20,584,043**	**250,971**

4. MATURITIES OF FINANCIAL DERIVATIVES (NOTIONAL AMOUNTS)

(In millions of euros)	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	31 December 2015
Interest rate instruments	1,500,494	3,958,253	4,888,426	3,427,696	13,774,869
Foreign exchange instruments	1,272,237	799,888	710,835	267,890	3,050,850
Equity and index instruments	259,813	826,521	762,570	43,496	1,892,400
Commodity instruments	115,528	79,820	40,796	4,561	240,705
Credit derivatives	39,180	167,116	442,855	26,030	675,181
Other forward financial instruments	5,317	8,915	19,212	158	33,602
Total	**3,192,569**	**5,840,513**	**6,864,694**	**3,769,831**	**19,667,607**

These items are presented acoording to the contractual maturity of the financial instruments.

NOTE 3.3 - AVAILABLE-FOR-SALE FINANCIAL ASSETS

ACCOUNTING PRINCIPLES

Available-for-sale financial assets are non-derivative financial assets held for an indeterminate period which the Group may sell at any time. By default, they are any assets that are not classified under *Loans and receivables*, *Financial assets at fair value through profit or loss*, or *Held to maturity financial assets*.

Interest accrued or paid on fixed-income securities is recognised in the income statement using the effective interest rate method under *Interest and similar income* – Transactions in financial instruments. Dividend income earned on these securities is recorded in the income statement under *Dividend income*.

At the balance sheet date, available-for-sale financial assets are measured at fair value, and any changes in fair value, excluding income, are booked to *Unrealised or deferred capital gains and losses*, except for foreign exchange losses or gains on foreign-currency money market assets, which are taken to the income statement.

If these financial assets are sold, the unrealised gains and losses booked to equity are reclassified as *Net gains and losses on available-for-sale financial assets*.

If, at the balance sheet date, there is objective evidence of impairment of an available-for-sale financial asset arising from one or more events subsequent to its initial recognition, the unrealised loss previously accumulated in equity is reclassified under *Cost of risk* for debt instruments and under *Net gains and losses on available-for-sale financial assets* for equity instruments. The impairment rules applied by the Group are described in Note 3.8.

1. AVAILABLE FOR SALE FINANCIAL ASSETS

	31 December 2015		31 December 2014	
(In millions of euros)	**Net**	*o/w allowances for impairment*	**Net**	*o/w allowances for impairment*
Debt instruments	119,467	*(266)*	128,521	*(268)*
Equity instruments(1)	12,091	*(363)*	13,181	*(1,245)*
Long-term equity investments	2,629	*(510)*	2,020	*(525)*
Total	**134,187**	***(1,139)***	**143,722**	***(2,038)***
o/w securities on loan	*1*	-	*19*	-

(1) Including UCITS

CHANGES IN AVAILABLE-FOR-SALE FINANCIAL ASSETS

(In millions of euros)	2015
Balance at 1 January	**143,722**
Acquisitions	105,812
Disposals / redemptions(1)	(114,185)
Change in scope and others	(1,165)
Gains and losses on changes in fair value recognised directly in equity during the period	(2,538)
Change in impairment on debt instruments recognised in P&L	2
O/w: increase	*(10)*
write-backs	*38*
others	*(26)*
Impairment losses on equity instruments recognised in P&L	(126)
Change in related receivables	(77)
Translation differences	2,742
Balance at 31 December	**134,187**

(1) *Disposals are valued according to the weighted average cost method.*

2. NET GAINS AND LOSSES ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

(In millions of euros)	2015	2014
Dividend income	722	432
Gains and losses on sale of debt instruments[1]	133	242
Gains and losses on sale of equity instruments[2]	995	217
Impairment losses on equity instruments[3]	(102)	(8)
Profit-sharing on available-for-sale financial assets of insurance companies	(893)	(166)
Gains and losses on sale of long-term equity investments	118	46
Impairment losses on long-term equity investments	(24)	(25)
Total net gains and losses on available-for-sale assets	**949**	**738**
Interest income on available-for-sale assets	**2,811**	**3,042**

(1) O/w EUR 4 million for Insurance activities in 2015.
(2) O/w EUR 994 million for Insurance activities in 2015.
(3) O/w EUR -98 million for Insurance activities in 2015.

3. BREAKDOWN OF UNREALISED GAINS AND LOSSES ON AVAILABLE-FOR-SALE ASSETS

	2015		
(In millions of euros)	Unrealised gains	Unrealised losses	Net revaluation
Unrealised gains and losses on available-for-sale equity instruments[1]	1,119	(62)	1,057
Unrealised gains and losses on available-for-sale debt instruments	1,047	(679)	368
Unrealised gains and losses of insurance companies	550	(119)	431
Total	**2,716**	**(860)**	**1,856**

(1*) O/w EUR 552 million for Visa Europe shares (see Note 3.4.4).*

NOTE 3.4 - FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

ACCOUNTING PRINCIPLES

DEFINITION OF FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In the absence of observable prices for identical assets or liabilities, the fair value of financial instruments is determined using another measurement technique that maximises the use of observable market input based on assumptions that market operators would use to set the price of the instrument in question.

FAIR VALUE HIERARCHY

For information purposes, in the notes to the consolidated financial statements, the fair value of financial instruments is classified using a fair value hierarchy that reflects the significance of the inputs used, according to the following levels:

Level 1 (L1): instruments valued on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 1 instruments carried at fair value on the balance sheet include in particular shares listed in an active market, government or corporate bonds priced directly by external brokers/dealers, derivatives traded on organised markets (futures, options), and units of funds (including UCITS) whose net asset value is available on the balance sheet date.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and they reflect actual and regular market transactions on an arm's length basis.

Determining whether a market is inactive requires the use of indicators such as a sharp decline in trading volume and the level of activity in the market, a sharp disparity in prices over time and among the various above-mentioned market participants, or the fact that the latest transactions conducted on an arm's length basis did not take place recently enough.

Where a financial instrument is traded in several markets to which the Group has immediate access, its fair value is represented by the market price at which volumes and activity levels are highest for the instrument in question.

Transactions resulting from involuntary liquidations or distressed sales are usually not taken into account to determine the market price.

Level 2 (L2): instruments valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Instruments quoted in an insufficiently liquid market and those traded over-the-counter belong to this level. Prices published by an external source derived from the valuation of similar instruments are considered as data derived from prices.

Level 2 instruments include in particular securities carried at fair value on the balance sheet that are not directly quoted (e.g. corporate bonds, mortgage-backed securities, units of funds), and firm derivatives and options traded over-the-counter: interest rate swaps, caps, floors, swaptions, equity options, index options, foreign exchange options, commodity options and credit derivatives. The maturities of these instruments are linked to ranges of terms commonly traded in the market, and the instruments themselves can be simple or offer a more complex remuneration profile (e.g. barrier options, products with multiple underlying instruments), with said complexity remaining limited however. The valuation techniques used in this category are based on common methods shared by the main market participants.

This category also includes the fair value of loans and receivables at amortised cost granted to counterparties whose credit risk is quoted via Credit Default Swap.

Level 3 (L3): instruments valued using inputs that are not based on observable market data (referred to as unobservable inputs).

Those carried at fair value on the balance sheet are predominantly instruments for which the sales margin is not immediately recognised in profit or loss (See Note 3).

Accordingly, Level 3 financial instruments include derivatives with longer maturities than those usually traded and/or with specifically-tailored return profiles. Similarly, debt measured at fair value is classified as Level 3 where the valuation of the associated embedded derivatives is also based on unobservable inputs.

The main L3 complex derivatives are:

- equity derivatives: options with long maturities and/or incorporating bespoke remuneration mechanisms. These instruments are sensitive to market inputs (volatility, dividend rates, correlations, etc.). In the absence of market depth and an objective approach made possible by regularly observed prices, their valuation is based on proprietary methods (e.g. extrapolation from observable data, historical analysis). Hybrid equity instruments (i.e. having at least one non-equity underlying instrument) are also classified as L3 insofar as correlations between the different underlyings are generally unobservable;

- interest rate derivatives: long-term and/or exotic options, products sensitive to correlation between different interest rates, different exchange rates, between interest rates and exchange rates or, for quanto products for example (in which the instrument is settled in a currency different from the currency of the underlying); they are liable to be classified as L3 because the valuation inputs are unobservable due to the liquidity of the correlated pair and the residual maturity of the transactions (e.g. exchange rate correlations are deemed unobservable for the USD/JPY);

- credit derivatives: L3 credit derivatives mainly include baskets of instruments exposed to time to default correlation ("N to default" products in which the buyer of the hedge is compensated as of the N^{th} default, which are exposed to the credit quality of the issuers comprising the basket and to their correlation, or CDO Bespoke products, which are Collateralised Debt Obligations created specifically for a group of investors and structured according to their needs), as well as products subject to credit spread volatility;

- commodity derivatives: this category includes products involving unobservable volatility or correlation inputs (e.g. options on commodity swaps, baskets of underlyings).

1. FINANCIAL ASSETS MEASURED AT FAIR VALUE

	31 December 2015				31 December 2014			
(In millions of euros)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Trading portfolio	**119,360**	**154,499**	**587**	**274,446**	**144,205**	**133,715**	**1,200**	**279,120**
Bonds and other debt securities	46,383	8,021	224	54,628	59,216	7,661	857	67,734
Shares and other equity securities	72,975	6,322	-	79,297	84,971	5,193	-	90,164
Other non-derivative financial assets	2	140,156	363	140,521	18	120,861	343	121,222
Financial assets measured using fair value option through P&L	**37,710**	**16,444**	**2,404**	**56,558**	**25,025**	**15,791**	**821**	**41,637**
Bonds and other debt securities	20,291	228	185	20,704	9,890	126	66	10,082
Shares and other equity securities	17,419	975	143	18,537	15,135	731	205	16,071
Other financial assets	-	14,951	2,076	17,027	-	14,659	550	15,209
Separate assets for employee benefit plans	-	290	-	290	-	275	-	275
Trading derivatives	**413**	**184,065**	**3,851**	**188,329**	**1,175**	**205,050**	**3,554**	**209,779**
Interest rate instruments	38	123,411	2,553	126,002	27	142,083	2,401	144,511
Foreign exchange instruments	298	23,142	273	23,713	848	22,039	112	22,999
Equity and index instruments	-	18,107	482	18,589	292	22,734	477	23,503
Commodity instruments	-	12,361	243	12,604	-	8,526	370	8,896
Credit derivatives	-	6,855	253	7,108	-	9,446	116	9,563
Other forward financial instruments	77	189	47	313	8	222	78	308
Hedging derivatives	**-**	**16,538**	**-**	**16,538**	**-**	**19,448**	**-**	**19,448**
Interest rate instruments	-	16,037	-	16,037	-	19,180	-	19,180
Foreign exchange instruments	-	463	-	463	-	223	-	223
Equity and index instruments	-	5	-	5	-	1	-	1
Other forward financial instruments	-	33	-	33	-	44	-	44
Available-for-sale financial assets	**123,718**	**8,200**	**2,269**	**134,187**	**125,442**	**16,413**	**1,867**	**143,722**
Fixed income securities	113,374	5,983	110	119,467	113,741	14,453	327	128,521
Variable income securities	10,153	1,827	111	12,091	11,543	1,556	82	13,181
Long-term equity investments	191	390	2,048	2,629	158	404	1,458	2,020
Total financial assets at fair value	**281,201**	**379,746**	**9,111**	**670,058**	**295,847**	**390,417**	**7,442**	**693,706**

2. FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

	31 December 2015				31 December 2014			
(In millions of euros)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Trading portfolio	**15,564**	**189,175**	**5,964**	**210,703**	**8,990**	**203,269**	**8,559**	**220,818**
Debt securities issued	-	9,728	5,796	15,524	67	9,579	8,298	17,944
Amounts payable on borrowed securities	52	37,219	-	37,271	4,203	50,728	-	54,931
Bonds and other debt instruments sold short	14,105	36	1	14,142	3,133	7	3	3,143
Shares and other equity instruments sold short	1,407	-	-	1,407	1,584	-	2	1,586
Other non-derivative financial liabilities	-	142,192	167	142,359	3	142,955	256	143,214
Financial liabilities measured using fair value option through P&L	**306**	**32,570**	**21,174**	**54,050**	**149**	**26,756**	**17,375**	**44,280**
Trading derivatives	**279**	**185,884**	**4,065**	**190,228**	**1,877**	**209,066**	**4,289**	**215,232**
Interest rate instruments	42	122,334	2,555	124,931	45	142,638	2,341	145,024
Foreign exchange instruments	221	24,470	34	24,725	1,103	22,709	50	23,862
Equity and index instruments	-	19,991	736	20,727	718	25,452	1,414	27,584
Commodity instruments	-	11,436	254	11,690	-	8,198	211	8,409
Credit derivatives	-	6,780	485	7,265	-	9,223	272	9,495
Other forward financial instruments	16	873	1	890	11	846	1	858
Hedging derivatives	**-**	**9,533**	**-**	**9,533**	**-**	**10,902**	**-**	**10,902**
Interest rate instruments	-	9,334	-	9,334	-	10,562	-	10,562
Foreign exchange instruments	-	187	-	187	-	295	-	295
Equity and index instruments	-	-	-	-	-	10	-	10
Other financial instruments	-	12	-	12	-	35	-	35
Total financial liabilities at fair value	**16,149**	**417,162**	**31,203**	**464,514**	**11,016**	**449,993**	**30,223**	**491,232**

3. VARIATION IN LEVEL 3 FINANCIAL INSTRUMENTS

FINANCIAL ASSETS AT FAIR VALUE

(In millions of euros)	Balance at 1 January 2015	Acquisitions	Disposals / redemptions	Transfer to Level 2	Transfer from Level 2	Gains and losses on changes in fair value during the period	Translation differences	Change in scope and others	Balance at 31 December 2015
Trading portfolio	**1,200**	**157**	**(800)**	**(29)**	**-**	**18**	**41**	**-**	**587**
Bonds and other debt securities	857	157	(778)	(29)	-	13	4	-	224
Shares and other equity securities	-	-	-	-	-	-	-	-	-
Other non-derivative financial assets	343	-	(22)	-	-	5	37	-	363
Financial assets measured using fair value option through profit or loss	**821**	**1,822**	**(117)**	**(18)**	**97**	**(221)**	**20**	**-**	**2,404**
Bonds and other debt securities	66	26	(4)	-	97	-	-	-	185
Shares and other equity securities	205	1	(41)	-	-	(28)	6	-	143
Other financial assets	550	1,795	(72)	(18)	-	(193)	14	-	2,076
Separate assets for employee benefit plans	-	-	-	-	-	-	-	-	-
Trading derivatives	**3,554**	**473**	**(1,430)**	**(81)**	**356**	**818**	**161**	**-**	**3,851**
Interest rate instruments	2,401	372	(1,185)	(38)	346	557	100	-	2,553
Foreign exchange instruments	112	21	(9)	(8)	-	157	-	-	273
Equity and index instruments	477	74	(54)	(33)	7	(34)	45	-	482
Commodity instruments	370	6	(175)	-	-	33	9	-	243
Credit derivatives	116	-	(7)	(2)	3	142	1	-	253
Other forward financial instruments	78	-	-	-	-	(37)	6	-	47
Hedging derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Available-for-sale financial assets	**1,867**	**138**	**(88)**	**(211)**	**4**	**566**	**19**	**(26)**	**2,269**
Fixed income securities	327	44	(51)	(209)	-	-	(2)	1	110
Variable income securities	82	16	(2)	-	-	(4)	4	15	111
Long-term equity investments	1,458	78	(35)	(2)	4	570	17	(42)	2,048
Total financial assets at fair value	**7,442**	**2,590**	**(2,435)**	**(339)**	**457**	**1,181**	**241**	**(26)**	**9,111**

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(In millions of euros)	Balance at 1 January 2015	Issues	Acquisitions / disposals	Redemptions	Transfer to Level 2	Transfer from Level 2	Gains and losses on changes in fair value during the period	Translation differences	Balance at 31 December 2015
Trading portfolio	**8,559**	**1,159**	**(540)**	**(1,972)**	**(1,325)**	**35**	**(99)**	**147**	**5,964**
Debt securities issued	8,298	1,159	(543)	(1,972)	(1,199)	4	(94)	143	5,796
Amounts payable on borrowed securities	-	-	-	-	-	-	-	-	-
Bonds and other debt instruments sold short	3	-	-	-	(2)	-	-	-	1
Shares and other equity instruments sold short	2	-	-	-	(2)	-	-	-	-
Other non-derivative financial liabilities	256	-	3	-	(122)	31	(5)	4	167
Financial liabilities measured using fair value option through P&L	**17,375**	**9,913**	**(251)**	**(3,425)**	**(2,845)**	**1,670**	**(1,853)**	**590**	**21,174**
Trading derivatives	**4,289**	**3**	**(217)**	**-**	**(436)**	**116**	**248**	**62**	**4,065**
Interest rate instruments	2,341	-	266	-	(255)	76	106	21	2,555
Foreign exchange instruments	50	-	5	-	(14)	-	(7)	-	34
Equity and index instruments	1,414	3	(406)	-	(136)	12	(189)	38	736
Commodity instruments	211	-	(70)	-	-	1	109	3	254
Credit derivatives	272	-	(12)	-	(31)	27	229	-	485
Other forward financial instruments	1	-	-	-	-	-	-	-	1
Hedging derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total financial liabilities at fair value	**30,223**	**11,075**	**(1,008)**	**(5,397)**	**(4,606)**	**1,821**	**(1,704)**	**799**	**31,203**

4. VALUATION METHODS OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE ON THE BALANCE SHEET

For financial instruments recognised at fair value on the balance sheet, fair value is determined primarily on the basis of the prices quoted in an active market. These prices can be adjusted if none are available on the balance sheet date or if the clearing value does not reflect transaction prices.

However, due notably to the varied characteristics of financial instruments traded over-the-counter on the financial markets, a large number of financial products traded by the Group does not have quoted prices in the markets.

For these products, fair value is determined using models based on valuation techniques commonly used by market participants to measure financial instruments, such as discounted future cash flows for swaps or the Black & Scholes formula for certain options, and using valuation parameters that reflect current market conditions at the balance sheet date. These valuation models are validated independently by the experts from the Market Risk Department of the Group's Risk Division.

Furthermore, the inputs used in the valuation models, whether derived from observable market data or not, are checked by the Finance Division of GBIS (Global Banking and Investor Solutions), in accordance with the methodologies defined by the Market Risk Department.

If necessary, these valuations are supplemented by additional reserves (such as bid-ask spreads and liquidity) determined reasonably and appropriately after an analysis of available information.

Derivatives and security financing transactions are subject to a Credit Valuation Adjustment (CVA) or Debt Valuation Adjustment (DVA). The Group includes all clients and clearing houses in this adjustment, which also reflects the netting agreements existing for each counterparty. CVA is determined on the basis of the Group entity's positive expected exposure to the counterparty, the counterparty's probability of default (conditional to the entity not defaulting) and the loss given default. The DVA is determined symmetrically based on the negative expected exposure. These calculations are carried out over the life of the potential exposure, with a focus on the use of relevant and observable market data.
Similarly, an adjustment to take into account the costs or profits linked to the financing of these transactions (FVA, Funding Value Adjustment) is also performed.

Observable data must be: independent, available, publically distributed, based on a narrow consensus and/or backed up by transaction prices.

For example, consensus data provided by external counterparties are considered observable if the underlying market is liquid and if the prices provided are confirmed by actual transactions. For high maturities, these consensus data are not observable. This is the case for the implied volatility used for the valuation of equity options with maturities of more than five years. However, when the residual maturity of the instrument falls below five years, its fair value becomes sensitive to observable inputs.

In the event of unusual tensions on the markets, leading to a lack of the usual reference data used to measure a financial instrument, the Risk Division may implement a new model in accordance with pertinent available data, similar to methods used by other market players.

SHARES AND OTHER EQUITY SECURITIES

For listed shares, fair value is taken to be the quoted price on the balance sheet date. For unlisted shares, fair value is determined depending on the type of financial instrument and according to one of the following methods:

- valuation based on a recent transaction involving the issuing company (third party buying into the issuing company's capital, appraisal by a professional valuation agent, etc.);
- valuation based on a recent transaction in the same sector as the issuing company (income multiple, asset multiple, etc.);
- proportion of net asset value held.

For unlisted securities in which the Group has significant holdings, valuations based on the above methods are supplemented by a discounted future cash flow valuation based on business plans or on valuation multiples of similar companies.

Given the lack of recent transactions in similar securities, the unlisted Visa Europe shares held by the Group and recorded under *Available-for-sale financial assets* were remeasured at 31 December 2015, based on the terms of the agreement governing the entity's takeover by Visa Inc, signed on 2 November 2015 and taking into account the uncertainties regarding the conditions of implementation and settlement of the deal. This acquisition, which will take place in 2016, subject to its approval by the appropriate European authorities, will be partially settled in cash and partially in Visa Inc preference shares, accompanied by a subsequent price revision clause.

The Visa Inc preference shares will be convertible into ordinary shares over a period of 4 to 12 years, subject to conditional terms. They will not be listed and will be subject to limited transferability. At 31 December 2015, the main uncertainties factored in by the Group in adjusting the valuation of the Visa Europe shares concerned any conditions of the deal's approval by the appropriate European authorities, the illiquidity of the preference shares receivable and the factors that will be used to determine the final conversion rate of the preference shares into ordinary Visa Inc shares, as well as the implementation of the earn-out clause.

Based on estimates and assumptions, the Visa Europe shares were valued at an amount representing 78% of the nominal amount of cash and preference shares proposed in the takeover agreement, generating an unrealised capital gain of EUR 552 million before tax booked to shareholders' equity.

DEBT INSTRUMENTS HELD IN PORTFOLIO, ISSUES OF STRUCTURED SECURITIES MEASURED AT FAIR VALUE AND FINANCIAL DERIVATIVES

The fair value of these financial instruments is determined based on the quoted price on the balance sheet date or prices provided by brokers on the same date, when available. For unlisted financial instruments, fair value is determined using valuation techniques. Concerning liabilities measured at fair value, the on-balance sheet amounts include changes in the Group's issuer credit risk.

OTHER DEBTS

For listed financial instruments, fair value is taken as their closing quoted price on the balance sheet date. For unlisted financial instruments, fair value is determined by discounting future cash flows to present value at market rates (including counterparty risks, non-performance and liquidity risks).

5. ESTIMATES OF MAIN UNOBSERVABLE INPUTS

The following table provides the valuation of level 3 instruments on the balance sheet and the range of values of the most significant unobservable inputs by main product type.

Cash instruments and derivatives [1]	Value in balance sheet (in millions of euros) Assets	Liabilities	Main products	Valuation techniques used	Significant unobservable inputs	Range of inputs min & max
Equities/funds	3 035	19 079	Simple and complex instruments or derivatives on funds, equities or baskets of stocks	Various option models on funds, equities or baskets of stocks	Equity volatilities	11.1% ; 157.3%
					Equity dividends	0% ; 12.0%
					Correlations	-100% ; 100%
					Hedge fund volatilities	7.5% ; 16.7%
					Mutual fund volatilities	2% ; 46.4%
Rates and Forex	3 346	11 385	Hybrid forex / interest rate or credit / interest rate derivatives	Hybrid forex interest rate or credit interest rate option pricing models	Correlations	-68.1% ; 90%
			Forex derivatives	Forex option pricing models	Forex volatilities	4% ; 31%
			Interest rate derivatives whose notional is indexed to prepayment behaviour in European collateral pools	Prepayement modeling	Constant prepayment rates	0% ; 45%
			Inflation instruments and derivatives	Inflation pricing models	Inflation/inflation correlations	65.8% ; 90%
Credit	439	485	Collateralized Debt Obligations and index tranches	Recovery and base correlation projection models	Time to default correlations	0% ; 100%
					Recovery rate variance for single name underlyings	0% ; 100%
			Other credit derivatives	Credit default models	Time to default correlations	0% ; 100%
					Quanto correlations	-50 % ; 40%
					Credit spreads	0 bps ; 1 000 bps
Commodities	243	254	Derivatives on commodities baskets	Option models on commodities	Commodities correlations	10.8% ; 98.8%

(1) Hybrid instruments are broken down by main unobservable inputs.

6. SENSITIVITY OF FAIR VALUE FOR LEVEL 3 INSTRUMENTS

Unobservable inputs are assessed carefully, particularly in this persistently uncertain economic environment and market. However, by their very nature, unobservable inputs inject a degree of uncertainty into the valuation of Level 3 instruments.

To quantify this, fair value sensitivity was estimated at 31 December 2015 on instruments whose valuation requires some unobservable inputs. This estimate was based: either on a “standardised” variation in unobservable inputs, calculated for each input on a net position, or on assumptions in line with the additional valuation adjustment policies for the financial instruments in question.

The "standardised" variation is:

- either the standard deviation of consensus prices (TOTEM, etc.) used to measure an input nevertheless considered as unobervable;

- or the standard deviation of historic data used to measure the input.

SENSITIVITY OF LEVEL 3 FAIR VALUE TO A REASONABLE VARIATION IN UNOBSERVABLE INPUTS

	31 December 2015	
(in millions of euros)	Negative impact	Positive impact
Shares and other equity instruments and derivatives	**-39**	**116**
Equity volatilities	0	27
Dividends	-3	8
Correlations	-36	70
Hedge Fund volatility	0	6
Mutual Fund volatility	0	5
Rates and Forex instruments and derivatives	**-6**	**65**
Correlations between exchange rates and / or interest rates	-3	56
Forex volatilities	-1	4
Constant prepayment rates	0	0
Inflation / inflation correlations	-2	5
Credit instruments and derivatives	**-36**	**46**
Time to default correlations	-2	2
Recovery rate variance for single name underlyings	-34	34
Quanto correlations	0	10
Credit spreads	0	0
Commodity derivatives	**-1**	**3**
Commodities correlations	-1	3

It should be noted that, given the already conservative valuation levels, this sensitivity is higher for a favourable impact on results than for an unfavourable impact. Moreover, the amounts shown above illustrate the uncertainty of the valuation as of the computation date.

On the basis of a reasonable variation in inputs future variations in fair value or consequences of extreme market conditions cannot be deduced or forecast from these estimates.

7. DEFERRED MARGIN RELATED TO MAIN UNOBSERVABLE INPUTS

The remaining amount to be recorded in the income statement, resulting from the difference between the transaction price and the amount determined at this date using valuation techniques, minus the amounts recorded in the income statement after initial recognition, is shown in the table below. This amount is recorded in the income statement over time, or when the inputs become observable.

(In millions of euros)	2015	2014
Remaining amount to be recorded in the income statement at 1 January	1,031	1,012
Amount generated by new transactions during the period	634	564
Amount recorded in the income statement during the period	(636)	(545)
O/w amortisation	*(251)*	*(216)*
O/w switch to observable inputs	*(79)*	*(28)*
O/w disposed, expired or terminated	*(307)*	*(302)*
O/w translation differences	*1*	*1*
Remaining amount to be recorded in the income statement at 31 December	**1,029**	**1,031**

NOTE 3.5 - LOANS AND RECEIVABLES

ACCOUNTING PRINCIPLES

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading purposes, held for sale from the time they are originated or acquired. or designated by the Group upon initial recognition to be measured at fair value through profit or loss in accordance with the fair value option.

Loans and receivables are recognised in the balance sheet under *Due from banks* or *Customer loans* depending on the type of counterparty. After their initial recognition, they are measured at amortised cost using the effective interest rate method and impairment, determined on an individual or a collective basis, may be recorded if appropriate (see Note 3.8)

Loans and receivables may be renegotiated provided that the borrowing customer is not experiencing financial difficulties and is not insolvent. Such transactions involve customers whose debt the Group is willing to renegotiate in the interest of maintaining or developing a commercial relationship, in accordance with the credit approval procedures in force, and without relinquishing any principal or accrued interest. Renegotiated loans and receivables are derecognised at the renegotiation date and replaced with the new loans, taken out under renegotiated conditions, which are recorded on the balance sheet at the same date. These new loans subsequently measured at amortised cost, based on the effective interest rate arising from the new contractual conditions.

Customer loans include lease receivables where they are classified as finance leases. Leases granted by the Group are classified as finance leases if they transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. Otherwise, they are classified as operating leases (see Notes 4.2 and 8.2).

As lessor, the Group recognises finance lease receivables under *Lease financing* and similar agreements in its consolidated balance sheet. These receivables represent the Group's net investment in the lease, calculated as the present value of the minimum payments to be received from the lessee discounted at the interest rate implicit in the lease, plus any unguaranteed residual value. In the event of a subsequent reduction in the estimated unguaranteed residual value used to calculate the lessor's investment in the finance lease, the present value of this reduction is recognised as a loss under *Expenses from other activities* in the income statement and as a reduction of finance lease receivables on the asset side of the balance sheet.

1. DUE FROM BANKS

(In millions of euros)	31 December 2015	31 December 2014
Current accounts	26,113	23,625
Deposits and loans (1)	21,291	24,387
Subordinated and participating loans	458	482
Securities purchased under resale agreements	23,699	32,050
Related receivables	122	153
Due from banks before impairment	**71,683**	**80,697**
Impairment of individually impaired loans	(37)	(27)
Revaluation of hedged items	36	39
Net due from banks	**71,682**	**80,709**

(1) At 31 December 2015, the amount of receivables with incurred credit risk was EUR 82 million compared to EUR 89 million at 31 December 2014.

2. CUSTOMER LOANS

(In millions of euros)	31 December 2015	31 December 2014
Overdrafts	22,653	20,113
Other customer loans(1)	348,619	322,327
Lease financing agreements(1)	27,972	26,751
Related receivables	1,661	2,072
Securities purchased under resale agreements	19,131	14,526
Customer loans before impairment	**420,036**	**385,789**
Impairment of individually impaired loans	(13,978)	(14,758)
Impairment of groups of homogenous receivables	(1,388)	(1,256)
Revaluation of hedged items	582	592
Net customer loans	**405,252**	**370,367**

(1) At 31 December 2015, the amount of receivables with incurred credit risk was EUR 24,411 million compared to EUR 25,689 million at 31 December 2014.

BREAKDOWN OF OTHER CUSTOMER LOANS

(In millions of euros)	31 December 2015	31 December 2014
Trade notes	9,582	9,616
Short-term loans	101,926	89,047
Export loans	11,499	10,815
Equipment loans	51,938	51,023
Housing loans	115,689	106,618
Loans secured by notes and securities	140	263
Other loans	57,845	54,945
Other customer loans	**348,619**	**322,327**

ADDITIONAL INFORMATION ON LEASE FINANCING AND SIMILAR AGREEMENTS

(In millions of euros)	31 December 2015	31 December 2014
Gross investments	**30,645**	**29,594**
less than one year	8,200	8,169
1-5 years	16,414	15,519
more than five years	6,031	5,906
Present value of minimum payments receivable	**26,510**	**25,317**
less than one year	7,501	7,458
1-5 years	14,450	13,421
more than five years	4,559	4,438
Unearned financial income	**2,617**	**2,784**
Unguaranteed residual values receivable by the lessor	**1,518**	**1,493**

NOTE 3.6 - DEBTS

ACCOUNTING PRINCIPLES

Debts include non-derivative financial liabilities that are not measured at fair value through profit or loss.

They are recognised in the balance sheet under Due to banks, Customer deposits, Debt securities issued and Subordinated debts.

Subordinated debts are all dated or undated borrowings, whether or not in the form of debt securities, which in the event of the liquidation of the borrowing company may only be redeemed after all other creditors have been paid.

Debts are initially recognised at cost, measured as the fair value of the amount borrowed net of transaction fees. These liabilities are measured at period-end and at amortised cost using the effective interest rate method. As a result, issue or redemption premiums on bonds are amortised using the actuarial method over the life of the instruments in question.

A provision is recorded in respect of CEL mortgage savings accounts and PEL mortgage savings plans (see Note 3.8). The Group's obligations arising from mortgage savings accounts and plans are recorded under *Customer deposits* – Regulated savings accounts.

1. DUE TO BANKS

(In millions of euros)	31 December 2015	31 December 2014
Demand deposits and current accounts	14,920	14,767
Overnight deposits and borrowings and others	4,807	2,560
Term deposits	63,418	50,007
Related payables	101	128
Revaluation of hedged items	158	188
Securities sold under repurchase agreements	12,048	23,640
Total	**95,452**	**91,290**

2. CUSTOMER DEPOSITS

(In millions of euros)	31 December 2015	31 December 2014
Regulated savings accounts	83,745	79,785
Demand	*59,923*	*57,550*
Term	*23,822*	*22,235*
Other demand deposits(1)	184,853	157,343
Other term deposits(1)	90,591	89,225
Related payables	528	889
Revaluation of hedged items	370	433
Total customer deposits	**360,087**	**327,675**
Borrowings secured by notes and securities	91	89
Securities sold to customers under repurchase agreements	19,453	21,971
Total	**379,631**	**349,735**

(1) Including deposits linked to governments and central administrations.

BREAKDOWN BY CUSTOMER TYPE

(In millions of euros)	31 December 2015	31 December 2014
Other demand deposits		
Businesses and sole proprietors	76,774	62,267
Individual customers	56,448	50,515
Financial customers	38,478	32,539
Others[1]	13,153	12,022
Sous-total	**184,853**	**157,343**

(1) Including deposits linked to governments and central administrations.

3. DEBT SECURITIES ISSUED

(In millions of euros)	31 December 2015	31 December 2014
Term savings certificates	850	947
Bond borrowings	23,350	22,255
Interbank certificates and negotiable debt instruments	79,256	81,890
Related payables	897	970
Sub-total	**104,353**	**106,062**
Revaluation of hedged items	2,059	2,596
Total	**106,412**	**108,658**
O/w floating-rate securities	*30,235*	*32,099*

NOTE 3.7 - INTEREST INCOME AND EXPENSE

ACCOUNTING PRINCIPLES

Interest income and expense are recognised in the income statement under *Interest and similar income* for all financial instruments measured at amortised cost using the effective interest rate method (loans and receivables, debts, held-to-maturity financial assets) and for debt securities classified as *Available-for-sale financial assets*.

The effective interest rate is taken to be the rate used to discount future cash inflows and outflows over the expected life of the instrument in order to establish the book value of the financial asset or liability. The calculation of this rate considers the future cash flows based on the contractual provisions of the financial instrument without taking account of possible future loan losses and also includes commissions paid or received between the parties where these may be assimilated to interest, directly linked transaction costs, and all types of premiums and discounts.

When a financial asset or group of similar financial assets has been impaired following an impairment of value, subsequent interest income is recorded on the basis of the effective interest rate used to discount the future cash flows when measuring the loss of value.

Moreover, except for those related to employee benefits, provisions recognised as balance sheet liabilities generate interest expenses that are calculated using the same interest rate used to discount the expected outflow of resources.

	2015			2014		
(In millions of euros)	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Transactions with banks	**1,349**	**(1,678)**	**(329)**	**1,281**	**(1,129)**	**152**
Demand deposits and interbank loans	1,102	(1,600)	(498)	1,073	(994)	79
Securities purchased under resale agreements and borrowings secured by notes and securities	247	(78)	169	208	(135)	73
Transactions with customers	**12,860**	**(5,721)**	**7,139**	**13,844**	**(6,118)**	**7,725**
Trade notes	583	-	583	570	-	570
Other customer loans	11,562	(2)	11,560	12,520	-	12,520
Demand deposits and current accounts	678	-	678	703	-	703
Regulated savings accounts	-	(1,061)	(1,061)	-	(1,231)	(1,231)
Overdrafts	-	(4,629)	(4,629)	-	(4,778)	(4,778)
Securities purchased under resale agreements and borrowings secured by notes and securities	37	(29)	8	51	(109)	(59)
Transactions in financial instruments	**10,020**	**(8,726)**	**1,294**	**8,151**	**(7,286)**	**866**
Available-for-sale financial assets	2,811	-	2,811	3,042	-	3,042
Held-to-maturity financial assets	188	-	188	141	-	141
Debt securities issued	-	(1,992)	(1,992)	-	(2,179)	(2,179)
Subordinated and convertible debt	-	(487)	(487)	-	(508)	(508)
Securities lending/borrowing	15	(21)	(6)	16	(24)	(7)
Hedging derivatives	7,006	(6,226)	780	4,952	(4,575)	377
Lease financing agreements	**1,202**	**-**	**1,202**	**1,256**	**-**	**1,256**
Real estate lease financing agreements	236	-	236	250	-	250
Non-real estate lease financing agreements	966	-	966	1,006	-	1,006
Total Interest income and expense	**25,431**	**(16,125)**	**9,306**	**24,532**	**(14,533)**	**9,999**
Including interest income from impaired financial assets	*436*			*476*		

These interest expenses include the refinancing cost of financial instruments at fair value through P&L, which results are classified in net gains or losses on these instruments (See Note 3.1). Given that income and expenses booked in the income statement are classified by type of instrument rather than by purpose, the net income generated by activities in financial instruments at fair value through P&L must be assessed as a whole.

BREAKDOWN OF OTHER CUSTOMER LOANS INCOME

(In millions of euros)	2015	2014
Short-term loans	4,116	4,398
Export loans	278	251
Equipment loans	1,856	2,025
Housing loans	4,018	4,359
Other customer loans	1,294	1,487
Total	**11,562**	**12,520**

NOTE 3.8 - IMPAIRMENT AND PROVISIONS

1. IMPAIRMENT OF FINANCIAL ASSETS

ACCOUNTING PRINCIPLES

FINANCIAL ASSETS MEASURED AT AMORTISED COST

At each balance sheet date, the Group assesses whether there is objective evidence that any financial asset or group of financial assets has been impaired as a result of one or more events occurring since they were initially recognised (a "loss event") and whether that loss event (or events) has (have) an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Notwithstanding the existence of a guarantee, the criteria used to assess objective evidence of credit risk include the following conditions:

- a significant decline in the counterparty's financial situation leads to a high probability of said counterparty being unable to fulfill its overall commitments (credit obligations); hence a risk of loss to the bank;
- concessions are granted to the clauses of the loan agreement, in light of the borrower's financial difficulties, that would not have been granted in other circumstances;
- one or more over 90-day past-due payments are recorded (with the exception of restructured loans on probation, which are considered in default at the first missed payment) and/or a collection procedure is initiated;
- or, regardless of whether or not any past-due payments are recorded, there is objective evidence of credit risk or legal proceedings have been initiated (bankruptcy, legal settlement, compulsory liquidation).

The Group applies the impairment contagion principle to all of a counterparty's outstanding loans. When a debtor belongs to a group, all of the group's outstanding loans are generally impaired as well.

If there is objective evidence that loans or other receivables, or financial assets classified as *Held-to-maturity financial assets*, are impaired, an impairment is recognised for the difference between the carrying amount and the present value of estimated future recoverable cash flows, taking into account any guarantees, this discount is calculated using the financial assets' original effective interest rate. The impairment is deducted from the carrying value of the impaired financial asset. Allocations to and reversals of impairments are recorded in the income statement under *Cost of risk*. The impaired loans or receivables are remunerated for accounting purposes by the reversal over time of the discounting to present value, which is recorded under *Interest and similar income* in the income statement.

Where there is no objective evidence that an impairment loss has been incurred on a financial asset considered individually, be it significant or not, the Group includes that financial asset in a group of financial assets having similar characteristics in terms of credit risk and tests the whole group for impairment. In a homogenous portfolio, as soon as a credit risk is incurred on a group of financial instruments, impairment is recognised without waiting for the risk to individually affect one or more receivables. Homogeneous portfolios thus impaired can include:

- receivables on counterparties which have encountered financial difficulties since these receivables were initially recognised, without any objective evidence of impairment having yet been identified at the individual level (sensitive receivables); or
- receivables on counterparties linked to economic sectors considered as being in crisis further to the occurrence of loss events; or
- receivables on geographical sectors or countries in which a deterioration of credit risk has been assessed.
- The amount of impairment on a group of homogeneous assets is calculated on the basis of assumptions on default rates and loss given default.
- These assumptions are calibrated for each homogeneous group based on its specific characteristics, sensitivity to the economic environment and historical data. They are reviewed periodically by the Risk Division and then adjusted to reflect any relevant current economic conditions. Allocations to and reversals of such impairment are recorded under *Cost of risk.*

Probable losses incurred by the Group in identifying objective evidence of credit risk related to off-balance sheet loan and guarantee commitments are recorded in the income statement under *Cost of risk* against a provision booked to liabilities.

RESTRUCTURING OF LOANS AND RECEIVABLES

When an asset recorded under *Loans and receivables* is restructured, contractual changes are made to the amount, term or financial conditions of the initial transaction approved by the Group, due to the financial difficulties or insolvency of the borrower (whether insolvency has already occurred or will definitely occur unless the debt is restructured), and these changes would not have been considered in other circumstances.

Restructured financial assets are classified as impaired and the borrowers are considered to be in default. These classifications are maintained for at least one year and for as long as any uncertainty remains for the Group as to whether or not the borrowers can meet their commitments.

At the restructuring date, the carrying amout of the restructured financial asset is decreased to the present amount of the initial effective interest rate on the estimated new future recoverable cash flows. This loss is booked to profit or loss under *Cost of risk*.

Restructured financial assets do not include loans and receivables subject to commercial renegotiations and involving customers whose debt the Group has agreed to renegotiate in the interest of maintaining or developing a commercial relationship, in acordance with the credit approval procedures in force and without relinquishing any principal or accrued interest.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

An available-for-sale financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of this asset.

For listed equity instruments, a significant or prolonged decline in their price below their acquisition cost constitutes objective evidence of impairment. For this purpose, the Group considers as impaired listed shares showing an unrealised loss greater than 50% of their acquisition price on the balance sheet date, as well as listed shares for which the quoted prices have been below their acquisition price on every trading day for at least the last 24 months before the balance sheet date. Further factors, such as the financial situation of the issuer or its development outlook, can lead the Group to consider that the cost of its investment may not be recovered even if the above-mentioned criteria are not met. An impairment loss is then recorded through profit or loss equal to the difference between the last quoted price of the security on the balance sheet date and its acquisition price.

For unlisted equity instruments, the criteria used to assess the evidence of impairment are identical to those mentioned above. The value of these instruments at the balance sheet date is determined using the valuation methods described in Note 3.

The criteria for the impairment of debt instruments are similar to those for the impairment of financial assets measured at amortised cost.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in shareholders' equity under *Unrealised or deferred gains and losses* and subsequent objective evidence of impairment emerges, the Group recognises the total accumulated unrealised loss previously recorded in shareholders' equity in the income statement under *Cost of risk* for debt instruments and under *Net gains and losses on available-for-sale financial assets* for equity securities.

This cumulative loss is measured as the difference between the acquisition cost (net of any repayments of principal and amortisation) and the present fair value, less any impairment of the financial asset that has already been recorded through profit or loss.

Impairment losses recognised through profit or loss on an equity instrument classified as available-for-sale are only reversed through profit or loss when the instrument is sold. Once an equity instrument has been recognised as impaired, any further loss of value is recorded as an additional impairment loss. For debt instruments, however, an impairment loss is reversed through profit or loss if they subsequently recover in value following an improvement in the issuer's credit risk.

BREAKDOWN OF ASSET IMPAIRMENTS

(In millions of euros)	**Asset impairments at 31 December 2014**	**Allocations**	**Write-backs available**	**Net impairment losses**	**Reversals used**	**Currency and scope effects**	**Asset impairments at 31 December 2015**
Banks	27	2	(10)	**(8)**	(4)	22	**37**
Customer loans	13,949	5,435	(3,536)	**1,899**	(3,165)	475	**13,158**
Lease financing and similar agreements	809	459	(339)	**120**	(87)	(22)	**820**
Groups of homogeneous assets	1,256	509	(374)	**135**	-	(3)	**1,388**
Available-for-sale assets(1)(2)	2,038	136	(1,026)	**(890)**	(7)	(2)	**1,139**
Others(1)	534	259	(155)	**104**	(116)	18	**540**
Total	**18,613**	**6,800**	**(5,440)**	**1,360**	**(3,379)**	**488**	**17,082**

(1) Including a EUR 29 million net allowance for counterparty risks.

(2) O/w write-down on variable-income securities, excluding insurance activities, of EUR 28 million, which can be broken down as follows:

- *EUR 12 million: impairment loss on securities not written down at 31 December 2015;*
- *EUR 16 million: additional impairment loss on securities already written down at 31 December 2015.*

2. PROVISIONS

ACCOUNTING PRINCIPLES

Provisions include provisions for credit risk related to off-balance sheet loan and guarantee commitments granted to third parties by the Group, provisions related to PEL/CEL commitments, and provisions representing liabilities whose timing or amount cannot be precisely determined (primarily legal disputes and restructuring). Provisions may be recorded where, by virtue of a commitment to a third-party, the Group will probably or certainly incur an outflow of resources to this third-party without receiving at least the equivalent value in exchange.

The expected outflows are then discounted to present value to determine the amount of the provision, where this discounting has a significant impact. Allocations to and reversals of provisions are recorded through profit or loss under the items corresponding to the future expense.

Information on the nature and the amount of the associated risks is not disclosed when the Group considers that such disclosure could seriously undermine its position in a dispute with other parties on the object of the provision.

(In millions of euros)	Provisions at 31 December 2014	Allocations	Write-backs available	Net allocation	Write-backs used	Currency and scope effects	Provisions at 31 December 2015
Provisions for off-balance sheet commitments to banks	12	22	(7)	**15**	-	(12)	**15**
Provisions for off-balance sheet commitments to customers	304	420	(378)	**42**	(8)	15	**353**
Provision for disputes	1,321	654	(57)	**597**	(59)	10	**1,869**
Other provisions(1)	746	310	(94)	**216**	(44)	(7)	**911**
Provisions on financial instruments and disputes	**2,383**	**1,406**	**(536)**	**870**	**(111)**	**6**	**3,148**

(1) *Including a EUR 64 million net allocation for PEL/CEL provisions at 31 December 2015 (see Note 3.8.3).*

3. COMMITMENTS UNDER MORTGAGE SAVINGS AGREEMENTS

ACCOUNTING PRINCIPLES

In France, comptes d'épargne-logement (CEL or mortgage savings accounts) and plans d'épargne-logement (PEL or mortgage savings plans) are special savings schemes for individual customers which are governed by Law 65-554 of 10 July 1965. These products combine an initial deposit phase in the form of an interest-earning savings account, followed by a lending phase where the deposits are used to provide mortgage loans. The lending phase is subject to the prior existence of the savings phase and is therefore inseparable from it. The savings deposits collected and loans granted are measured at amortised cost.

These instruments create two types of commitments for the Group: the obligation to pay interest on customer savings for an indeterminate future period at an interest rate established at the inception of the mortgage savings agreement, and the obligation to subsequently lend to the customer at an interest rate also established at the inception of the savings agreement.

If it is clear that commitments under the PEL/CEL agreements will have negative consequences for the Group, a provision is recorded on the liabilities side of the balance sheet. Any changes in these provisions are recognised as *Net banking income* under net interest income. These provisions only relate to commitments arising from PEL/CEL that are outstanding at the date of calculation.

Provisions are calculated for each generation of mortgage savings plans (PEL), with no netting between different PEL generations, and for all mortgage saving accounts (CEL) making up a single generation.

During the deposit phase, the underlying commitment used to determine the amount to be provisioned is calculated as the difference between the average expected amount of deposits and the minimum expected amount. These two amounts are determined statistically on the basis of the historical observations of past customer behaviour.

During the lending phase, the underlying commitment to be provisioned includes loans already granted but not yet drawn at the date of calculation, and future loans that are considered statistically probable on the basis of deposits that are currently recognised in the balance sheet at the date of calculation and on the basis of historical observations of past customer behaviour.

A provision is recognised if the discounted value of expected future earnings for a given generation of PEL/CEL is negative. Earnings are estimated on the basis of interest rates available to individual customers for equivalent savings and loan products, with a similar estimated life and date of inception.

OUTSTANDING DEPOSITS IN PEL/CEL ACCOUNTS

(In millions of euros)	31 December 2015	31 December 2014
PEL accounts	**18,231**	**16,514**
less than 4 years old	7,938	7,023
between 4 and 10 years old	5,338	4,281
more than 10 years old	4,955	5,210
CEL accounts	**1,440**	**1,502**
Total	**19,671**	**18,016**

OUTSTANDING HOUSING LOANS GRANTED WITH RESPECT TO PEL/CEL ACCOUNTS

(In millions of euros)	31 December 2015	31 December 2014
less than 4 years old	31	64
between 4 and 10 years old	82	101
more than 10 years old	8	12
Total	**121**	**177**

PROVISIONS FOR COMMITMENTS LINKED TO PEL/CEL ACCOUNTS

(In millions of euros)	31 December 2014	Allocations	Reversals	31 December 2015
PEL accounts	**224**	**62**	**-**	**286**
less than 4 years old	2	4	-	6
between 4 and 10 years old	4	24	-	28
more than 10 years old	218	34	-	252
CEL accounts	**-**	**2**	**-**	**2**
Total	**224**	**64**	**-**	**288**

The level of provisions is sensitive to long-term interest rates. Since long-term rates were low during 2015, the provisions for PEL and CEL mortgage savings accounts were mainly linked to the risks attached to the commitment to pay interest on the deposits. Provisioning for PEL/CEL savings amounted to 1.46% of total outstandings at 31 December 2015.

METHODS USED TO ESTABLISH PROVISION VALUATION INPUTS

The inputs used to estimate future customer behaviour are derived from historical observations of customer behaviour patterns over a long period (more than 10 years). The values of these inputs can be adjusted whenever changes are made to regulations that may undermine the effectiveness of past data as an indicator of future customer behaviour.

The values of the different market inputs used, notably interest rates and margins, are calculated on the basis of observable data and constitute a best estimate, at the date of valuation, of the future value of these items for the period in question, in line with the retail banking division's policy of interest rate risk management.

The discount rates used are derived from the zero coupon swaps vs. Euribor yield curve at the valuation date, averaged over a 12-month period.

4. COST OF RISK

ACCOUNTING PRINCIPLES

Cost of risk includes allocations, net of reversals, for provisions and impairments for credit risk, the amount of the loan considered uncollectible and the amount collected on loans written off, as well as allocations to and reversals of provisions for other risks.

(In millions of euros)	2015	2014
Counterparty risk		
Net allocation to impairment losses	(2,232)	(2,496)
Losses not covered	(293)	(266)
on bad loans	*(245)*	*(229)*
on other risks	*(48)*	*(37)*
Amounts recovered	164	167
on bad loans	*161*	*163*
on other risks	*3*	*4*
Other risks		
Net allocation to other provisions(1)	(704)	(372)
Total	**(3,065)**	**(2,967)**

(1) To take into account the developments in a number of legal risks, including in particular the ongoing judicial investigations and proceedings with the US and European authorities, as well as the French "Conseil d'État" ruling on the " précompte", the Group has recognised a provision for disputes among its liabilities, adjusted in 2015 by an additional allowance of EUR 600 million to raise it to EUR 1,700 million (including an estimate of the related legal costs).

NOTE 3.9 - FAIR VALUE OF FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

ACCOUNTING PRINCIPLES

DEFINITION OF FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In the absence of observable prices for identical assets or liabilities, the fair value of financial instruments is determined using another measurement technique that maximises the use of observable market inputs based on assumptions that market operators would use to set the price of the instrument in question.

For financial instruments that are not recognised at fair value on the balance sheet, the figures given in the notes and broken down according to the fair value hierarchy, as described in Note 3.4, should not be taken as an estimate of the amount that would be realised if all such financial instruments were to be settled immediately.

The fair values of financial instruments include accrued interest as applicable.

1. FINANCIAL ASSETS MEASURED AT AMORTISED COST

	31 December 2015				
(In millions of euros)	Carrying amount	Fair value	Level 1	Level 2	Level 3
Due from banks	71,682	72,357	-	60,528	11,829
Customer loans	405,252	406,975	-	142,999	263,976
Held-to-maturity financial assets	4,044	4,268	4,139	95	34
Total financial assets measured at amortised cost	**480,978**	**483,600**	**4,139**	**203,622**	**275,839**

	31 December 2014				
(In millions of euros)	Carrying amount	Fair value	Level 1	Level 2	Level 3
Due from banks	80,709	81,742	-	70,534	11,208
Customer loans	370,367	375,049	-	115,361	259,688
Held-to-maturity financial assets	4,368	4,451	4,341	91	19
Total financial assets measured at amortised cost	**455,444**	**461,242**	**4,341**	**185,986**	**246,165**

2. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

	31 December 2015				
(In millions of euros)	Carrying amount	Fair value	Level 1	Level 2	Level 3
Due to banks	95,452	95,739	139	91,667	3,933
Customer deposits	379,631	380,263	-	370,918	9,345
Debt securities issued	106,412	109,227	22,546	85,649	1,032
Subordinated debt	13,046	14,040	-	14,040	-
Total financial liabilities measured at amortised cost	**594,541**	**599,269**	**22,685**	**562,274**	**14,310**

(In millions of euros)	31 December 2014 Carrying amount	Fair value	Level 1	Level 2	Level 3
Due to banks	91,290	91,577	-	88,146	3,431
Customer deposits	349,735	349,810	-	335,914	13,896
Debt securities issued	108,658	110,261	19,411	89,371	1,479
Subordinated debt	8,834	9,649	-	9,649	-
Total financial liabilities measured at amortised cost	**558,518**	**561,297**	**19,411**	**523,080**	**18,806**

3. VALUATION METHODS

LOANS, RECEIVABLES AND LEASE FINANCING AGREEMENTS

The fair value of loans, receivables and lease financing transactions for large corporates and banks is calculated, in the absence of an actively traded market for these loans, by discounting expected cash flows to present value based on the market rates (the benchmark maturity yield published by the Banque de France and the zero-coupon yield) prevailing on the balance sheet date for loans with broadly similar terms and maturities. These discount rates are adjusted for borrower credit risk.

The fair value of loans, receivables and lease financing transactions for retail banking customers, essentially comprised of individuals and small or medium-sized companies, is determined, in the absence of an actively traded market for these loans, by discounting the associated expected cash flows to present value at the market rates prevailing on the balance sheet date for similar types of loans and similar maturities.
For all floating-rate loans, receivables and lease financing transactions and fixed-rate loans with an initial maturity of less than or equal to one year, fair value is taken to be the same as book value net of impairment, assuming there has been no significant change in credit spreads on the counterparties in question since they were recognised in the balance sheet.

DEBTS

The fair value of debts, in the absence of an actively traded market for these liabilities, is taken to be the same as the value of future cash flows discounted to present value at the market rates prevailing on the balance sheet date. When the debt is a listed instrument, its fair value is its market value.

For floating-rate deposits, demand deposits and borrowings with an initial maturity of less than or equal to one year, fair value is taken to be the same as book value. Similarly, the individual fair value of demand deposit accounts is equal to their book value.

NOTE 3.10 - COMMITMENTS AND ASSETS PLEDGED AND RECEIVED AS SECURITIES

ACCOUNTING PRINCIPLES

LOAN COMMITMENTS

Loan commitments that are not considered as financial derivatives are initially recognised at fair value. Thereafter, they are provisioned as necessary in accordance with the accounting principles for *Provisions* (See Note 3.8).

GUARANTEE COMMITMENTS

When considered as non-derivative financial instruments, financial guarantees issued by the Group are initially recognised in the balance sheet at fair value. Thereafter, they are measured at either the amount of the obligation or the amount initially recognised (whichever is higher) less, when appropriate, the cumulative amortisation of a guarantee commission. Where there is objective evidence of a loss of value, a provision for financial guarantees given is recognised on the liabilities side of the balance sheet (See Note 3.8).

SECURITIES COMMITMENTS

Securities bought and sold, which are booked to *Financial assets at fair value through profit or loss, Held-to-maturity financial assets* and *Available-for-sale financial assets* are recognised on the balance sheet at the settlement-delivery date. Between the trade date and the settlement-delivery date, securities receivable or deliverable are not recognized on the balance sheet. Changes in the fair value of securities measured at fair value through profit or loss and available-for-sale securities between the trade date and the settlement-delivery date are booked to profit or loss or equity, depending on the accounting classification of the securities in question.

1. COMMITMENTS

COMMITMENTS GRANTED

(In millions of euros)	31 December 2015	31 December 2014
Loan commitments		
To banks	26,164	11,251
To customers	149,207	121,019
Issuance facilities	-	-
Confirmed credit lines	*145,802*	*118,483*
Others	*3,405*	*2,536*
Guarantee commitments		
On behalf of banks	9,349	17,461
On behalf of customers(1)	54,855	52,412
Securities commitments		
Securities to be delivered	30,015	25,870

(1) Including capital and performance guarantees given to the holders of UCITS managed by entities of the Group.

COMMITMENTS RECEIVED

(In millions of euros)	31 December 2015	31 December 2014
Loan commitments		
From banks	82,631	56,235
Guarantee commitments		
From banks	92,439	74,982
Other commitments(1)	103,133	79,236
Securities commitments		
Securities to be received	30,332	26,228

(1) Including guarantees granted by government and official agencies and other guarantees granted by customers for EUR 44,878 million at 31 December 2015 versus 36,841 million at 31 December 2014.

2. ASSETS PLEDGED AND RECEIVED AS SECURITY

ASSET PLEDGED

(In millions of euros)	31 December 2015	31 December 2014
Book value of assets pledged as security for liabilities[(1)]	235,130	190,168
Book value of assets pledged as security for transactions in financial instruments[(2)]	38,302	31,728
Book value of assets pledged as security for off-balance sheet commitments	763	742
Total	**274,195**	**222,638**

(1) Assets pledged as security for liabilities mainly include loans given as guarantees for liabilities (guarantees notably provided to the central banks).
(2) Assets pledged as security for transactions in financial instruments mainly include surety deposits.

ASSETS RECEIVED AS SECURITY AND AVAILABLE FOR THE ENTITY

(In millions of euros)	31 December 2015	31 December 2014
Fair value of securities purchased under resale agreements	**178,937**	**165,790**

NOTE 3.11 - TRANSFERRED FINANCIAL ASSETS

ACCOUNTING PRINCIPLES

Transferred financial assets that are not derecognised include securities lending and repurchase agreements as well as certain loans transferred to consolidated securitisation vehicles.

The tables below show securities lending and repurchase agreements that only concern securities recognised on the asset side of the balance sheet.

Securities involved in a repurchase agreement or securities lending transaction are held in their original position on the asset side of the Group's balance sheet. For repurchase agreements, the obligation to return the amounts deposited is recorded under *Liabilities* on the liabilities side of the balance sheet, with the exception of transactions initiated under trading activities, which are recorded under *Financial liabilities at fair value through profit or loss*.

Securities involved in a reverse repurchase agreement or securities borrowing transaction are not recorded in the Group's balance sheet. However, in the event the borrowed securities are subsequently sold, a debt representing the return of these securities to their lender is recorded on the liabilities side of the Group's balance sheet, under *Financial liabilities at fair value through profit or loss*. For securities received under a reverse repurchase agreement, the right to recover the amounts delivered by the Group is recorded under *Loans and receivables* on the asset side of the balance sheet, with the exception of transactions initiated under trading activities, which are recorded under *Financial assets at fair value through profit or loss*.

Securities lending and securities borrowing transactions that are fully matched by cash are assimilated to repurchase and reverse repurchase agreements and are recorded and recognised as such in the balance sheet.

The Group remains exposed to the majority of the risks and rewards associated with these loans. Furthermore, the loans can neither be used as collateral nor sold outright in other transactions.

1. TRANSFERRED FINANCIAL ASSETS NOT DERECOGNISED

REPURCHASE AGREEMENTS

	31 December 2015		31 December 2015	
(In millions of euros)	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carring amount of transferred assets	Carrying amount of associated liabilities
Available-for-sale securities	16,106	12,249	7,752	6,567
Securities at fair value through profit or loss	43,009	33,174	39,864	34,916
Total	**59,115**	**45,423**	**47,616**	**41,483**

SECURITIES LENDING

	31 December 2015		31 December 2015	
(In millions of euros)	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carring amount of transferred assets	Carrying amount of associated liabilities
Securities at fair value through profit or loss	5,832	180	7,194	130
Total	**5,832**	**180**	**7,194**	**130**

SECURITISATION ASSETS FOR WHICH THE COUNTERPARTIES TO THE ASSOCIATED LIABILITIES HAVE RECOURSE ONLY TO THE TRANSFERRED ASSETS

CUSTOMER LOANS

(In millions of euros)	**31 December 2015**	**31 December 2015**
Carrying amount of transferred assets	1,062	874
Carrying amount of associated liabilities	946	665
Fair value of transferred assets (A)	1,060	908
Fair value of associated liabilities (B)	944	666
Net position (A)-(B)	**116**	**242**

In 2015, one securitisation of customer loans was partially refinanced with external investors. The vehicles carrying these loans are consolidated by the Group.

The Group remains exposed to the majority of the risks and rewards associated with these receivables; furthermore, these receivables may not be used as collateral or sold outright as part of another transactions.

2. TRANSFERRED FINANCIAL ASSETS PARTIALLY OR FULLY DERECOGNISED

The Group has no material transferred financial assets that are either partially or fully derecognised.

NOTE 3.12 - OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

ACCOUNTING PRINCIPLES

A financial asset and a financial liability are offset and the net amount presented on the balance sheet when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously. The legal right to set off the recognised amounts must be enforceable in all circumstances, in both the normal course of business and in the event of default of one of the counterparties. In this respect, the Group recognises in its balance sheet the net amount of derivative financial instruments traded with certain clearing houses where they achieve net settlement through a daily cash margining process, or where their gross settlement system has features that eliminate or result in insignificant credit and liquidity risk, and that process receivables and payables in a single settlement process or cycle.

The following tables present the amounts of financial assets and financial liabilities set off on the Group's consolidated balance sheet. The gross outstanding amounts of these financial assets and financial liabilities are matched with the consolidated outstanding amounts presented in the balance sheet (net balance sheet amounts), after indicating the amounts set off on the balance sheet for these various instruments (amounts offset) and aggregating them with the outstanding amounts of other financial assets and financial liabilities not subject to a Master Netting Agreement or similar agreement (amounts of assets and liabilities not eligible for offsetting).

These table also indicate the amounts which could be offset, as they are subject to a Master Netting Agreement or similar agreement, but whose characteristics make them ineligible for offsetting in the consolidated financial statements under IFRS. This information is provided in comparison with the accounting treatment applied under US GAAP.

Net positions resulting from these various offsettings are not intended to represent the Group's actual exposure to counterparty risk through these financial instruments, insofar as counterparty risk management uses other risk mitigation strategies in addition to netting and collateral agreements.

1. AT 31 DECEMBER 2015

ASSETS

		Impact of offsetting on the balance sheet			Impact of Master Netting Agreements (MNA) and similar agreements[1]			
(In millions of euros)	Amount of assets not subject to offsetting	Gross amount	Amount offset	Net amount presented on the balance sheet	Financial instruments recognised in the balance sheet	Cash collateral received	Financial instruments received as collateral	Net amount
Derivative financial instruments (see Note 3.2)	30,149	271,252	(96,534)	204,867	(142,350)	(16,311)	(158)	46,048
Securities borrowed (See Notes 3.1 and 3.3)	1,724	13,947	-	15,671	(12,631)	-	(659)	2,381
Securities purchased under resale agreements (see Notes 3.1 and 3.5)	45,413	173,089	(39,515)	178,987	(49,829)	(587)	(78,783)	49,788
Guarantee deposits pledged (see Note 4.4)	22,967	16,132	-	39,099	-	(16,132)	-	22,967
Other assets not subject to offsetting	895,767	-	-	895,767	-	-	-	895,767
Total assets	**996,020**	**474,420**	**(136,049)**	**1,334,391**	**(204,810)**	**(33,030)**	**(79,600)**	**1,016,951**

(1) Fair value of financial instruments and collateral, capped at the net book value of the balance sheet exposure, so as to avoid any over-collateralisation effect.

LIABILITIES

(In millions of euros)	Amount of liabilities not subject to offsetting	Impact of offsetting on the balance sheet		Net amount presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements[(2)]			Net amount
		Gross amount	Amount offset		Financial instruments recognised in the balance sheet	Cash collateral pledged	Financial instruments pledged as collateral	
Derivative financial instruments (see Notes 3.1 and 3.2)	29,946	266,349	(96,534)	199,761	(142,350)	(16,102)	-	41,309
Securities loaned (see Note 3.1)	11,921	25,350	-	37,271	(12,631)	-	(15,947)	8,693
Securities sold under repurchase agreements (see Notes 3.1 and 3.6)	61,191	151,090	(39,515)	172,766	(49,829)	(30)	(51,417)	71,490
Guarantee deposits received (see Note 4.4)	27,590	16,898	-	44,488	-	(16,898)	-	27,590
Other liabilities not subject to offsetting	817,430	-	-	817,430	-	-	-	817,430
Total liabilities	**948,078**	**459,687**	**(136,049)**	**1,271,716**	**(204,810)**	**(33,030)**	**(67,364)**	**966,512**

(2) Fair value of financial instruments and collateral, capped at the net book value of the balance sheet exposure, so as to avoid any over-collateralisation effect.

2. AT 31 DECEMBER 2014

ASSETS

(In millions of euros)	Amount of assets not subject to offsetting*	Impact of offsetting on the balance sheet		Net amount presented on the balance sheet*	Impact of Master Netting Agreements (MNA) and similar agreements[(3)]			Net amount*
		Gross amount	Amount offset		Financial instruments recognised in the balance sheet	Cash collateral received	Financial instruments received as collateral	
Derivative financial instruments (see Note 3.2)	29,612	371,273	(171,658)	229,227	(164,717)	(17,690)	(162)	46,658
Securities loaned (see Notes 3.1 and 3.3)	2,800	8,220	-	11,020	(6,635)	-	(65)	4,320
Securities purchased under resale agreements (see Notes 3.1 and 3.5)	43,469	151,180	(29,203)	165,446	(36,835)	(242)	(84,655)	43,714
Guarantee deposits pledged (see Note 4.4)	15,850	17,644	-	33,494	-	(17,644)	-	15,850
Other assets not subject to offsetting	868,951	-	-	868,951	-	-	-	868,951
Total assets	**960,682**	**548,317**	**(200,861)**	**1,308,138**	**(208,187)**	**(35,576)**	**(84,882)**	**979,493**

** Amounts restated relative to the financial statements published at 31 December 2014 according to the retrospective application of IFRIC 21 (see Note 1).*

(3) Fair value of financial instruments and collateral, capped at the net book value of the balance sheet exposure, so as to avoid any over-collateralisation effect.

LIABILITIES

(In millions of euros)	Amount of liabilities not subject to offsetting*	Impact of offsetting on the balance sheet		Net amount presented on the balance sheet*	Impact of Master Netting Agreements (MNA) and similar agreements[(4)]			Net amount*
		Gross amount	Amount offset		Financial instruments recognised in the balance sheet	Cash collateral pledged	Financial instruments pledged as collateral	
Derivative financial instruments (see Notes 3.1 and 3.2)	29,416	368,376	(171,658)	226,134	(164,717)	(17,582)	(3)	43,832
Securities loaned (see Notes 3.1 and 3.3)	38,542	16,389	-	54,931	(6,635)	-	(9,743)	38,553
Securities sold under repurchase agreements (see Notes 3.1 and 3.6)	57,832	158,527	(29,203)	187,156	(36,835)	(62)	(91,973)	58,286
Guarantee deposits received (see Note 4.4)	23,290	17,932	-	41,222	-	(17,932)	-	23,290
Other liabilities not subject to offsetting	739,821	-	-	739,821	-	-	-	739,821
Total liabilities	**888,901**	**561,224**	**(200,861)**	**1,249,264**	**(208,187)**	**(35,576)**	**(101,719)**	**903,782**

** Amounts restated relative to the financial statements published at 31 December 2014 according to the retrospective application of IFRIC 21 (see Note 1).*

(4) Fair value of financial instruments and collateral, capped at the net book value of the balance sheet exposure, so as to avoid any over-collateralisation effect.

NOTE 3.13 - CONTRACTUAL MATURITIES OF NON-DERIVATIVE FINANCIAL LIABILITIES

The shown amounts are the contractual amounts excluding provisional interest.

In millions of euros	**Less than 3 months**	**3 months to 1 year**	**1 to 5 years**	**More than 5 years**	**31 December 2015**
Due to central banks	6,915	3	41	-	6,959
Financial liabilities at fair value through profit or loss, except derivatives	225,464	20,323	27,268	41,581	314,636
Due to banks	63,893	6,300	22,302	2,869	95,364
Customer deposits	298,375	29,355	29,079	24,199	381,008
Debt securities issued	22,547	22,519	37,277	13,145	95,488
Subordinated debt	311	1,125	2,546	8,728	12,710
Total Liabilities	**617,504**	**79,625**	**118,514**	**90,522**	**906,165**
Loan commitment granted	65,668	19,159	75,608	14,568	175,003
Guarantee commitments granted	22,044	8,948	12,000	23,770	66,762
Total commitments granted	**87,713**	**28,106**	**87,608**	**38,338**	**241,765**

NOTE 4 - OTHER ACTIVITIES

NOTE 4.1 - FEE INCOME AND EXPENSE

ACCOUNTING PRINCIPLES

Fee income and expense fees combine fees on services rendered and received, and commitments that cannot be assimilated as interest. Fees that can be assimilated as interest are integrated into the effective interest rate on the associated financial intrument and are recorded under *Interest and similar income* and *Interest and similar expense* (See Note 3.7).

The Group recognises fee income and expense for services provided and received in different ways depending on the type of service.

- Fees for ongoing services, such as some payment services, custody fees, or digital service subscriptions are recognised as income over the life of the service.
- Fees for one-off services, such as fund activity, finder's fees received, arbitrage fees, or penalties on payment incidents are recognised as income when the service is provided.

In syndication deals, the effective interest rate for the share of the issuance retained on the Group's balance sheet is comparable to that applied to the other members of the syndicate including, when needed, a share of the underwriting fees and participation fees; the balance of these fees for services rendered is then recorded under *Fee income* at the end of the syndication period. Arrangement fees are recorded as income when the placement is legally complete.

	2015			2014		
(In millions of euros)	Income	Expense	Net	Income	Expense	Net
Transactions with banks	**138**	**(128)**	**10**	**120**	**(113)**	**7**
Transactions with customers	**2,611**	**-**	**2,611**	**2,595**	**-**	**2,595**
Financial instruments operations	**2,364**	**(2,148)**	**216**	**1,803**	**(1,486)**	**317**
Securities transactions	*680*	*(1,006)*	*(326)*	*618*	*(669)*	*(51)*
Primary market transactions	*280*	*-*	*280*	*255*	*-*	*255*
Foreign exchange transactions and financial derivatives	*1,404*	*(1,142)*	*262*	*930*	*(817)*	*113*
Loan and guarantee commitments	**768**	**(91)**	**677**	**731**	**(78)**	**653**
Services	**3,963**	**-**	**3,963**	**3,623**	**-**	**3,623**
Others	**300**	**(1,099)**	**(799)**	**287**	**(1,007)**	**(720)**
Total	**10,144**	**(3,466)**	**6,678**	**9,159**	**(2,684)**	**6,475**

FEE INCOME AND EXPENSE INCLUDES:

(In millions of euros)	2015	2014
Fee income excluding the effective interest rate linked to financial instruments which are not booked at fair value through profit or loss	3,789	3,705
Fee income linked to trust or similar activities	1,976	1,925
Fee expense excluding the effective interest rate linked to financial instruments which are not booked at fair value through profit or loss	(91)	(78)
Fee expense linked to trust or similar activities	(1,432)	(1,000)

NOTE 4.2 - INCOME AND EXPENSES FROM OTHER ACTIVITIES

ACCOUNTING PRINCIPLES

LEASING ACTIVITIES

Leases granted by the Group which do not transfer to the lessee virtually all the risks and benefits associated with ownership of the leased asset are classifed as operating leases.

Assets held under operating leases, including investment property, are recorded on the balance sheeet under *Tangible and intangible fixed assets* at their acquisition cost, less depreciation and impairment (See Note 8.2).

Leased assets are depreciated, excluding residual value, over the life of the lease. Lease income is booked to P&L according to the straight line method over the term of the lease. Meanwhile, the purpose of the accounting treatment of income invoiced in respect of maintenance services related to operating lease activities is to reflect a constant margin between this income and the expenses incurred in providing the service over the term of the service agreement.

Investment property is depreciated using the component based-method. Each component is depreciated over its own useful life, ranging from 10 to 50 years.

Income and expenses, and capital gains or losses on investment property and leased assets, are recorded under *Income and expenses from other activities* on the Real estate leasing and Equipment leasing lines.

These lines also include losses incurred in the event of a decline in the unguaranteed residual value of lease finance transactions, and capital gains or losses on disposal related to unleased assets once the lease finance agreements are terminated.

OTHER ACTIVITIES

The accounting principles applied by the Group to insurance activities are presented in Note 4.3.

Other activities also include income and expenses related to physical commodity inventories held by the Group for commodity trading purposes.

	2015			2014		
(In millions of euros)	**Income**	**Expense**	**Net**	**Income**	**Expense**	**Net**
Real estate development	76	(4)	**72**	75	-	**75**
Real estate leasing	47	(66)	**(19)**	109	(34)	**75**
Equipment leasing	7,496	(5,130)	**2,366**	7,025	(4,762)	**2,263**
Other activities	45,705	(46,693)	**(988)**	43,010	(43,555)	**(545)**
O/w Insurance activities	*11,556*	*(11,344)*	***212***	*12,440*	*(12,012)*	***428***
Total	**53,324**	**(51,893)**	**1,431**	**50,219**	**(48,351)**	**1,869**

NOTE 4.3 - INSURANCE ACTIVITIES

ACCOUNTING PRINCIPLES

FINANCIAL ASSETS AND LIABILITIES

The financial assets and liabilities of the Group's insurance companies are recognised and measured according to the rules governing financial instruments explained in Note 3.

UNDERWRITING RESERVES OF INSURANCE COMPANIES

Underwriting reserves correspond to the commitments of insurance companies with respect to policyholders and the beneficiaries of policies.

In accordance with IFRS 4 on insurance policies, life and non-life underwriting reserves continue to be measured under the same local regulations.

Risks covered by life insurance policies are principally death, invalidity and incapacity for work. Life insurance underwriting reserves mainly comprise actuarial reserves, which correspond to the difference between the present value of commitments falling to the insurer and those falling to the policyholder, and the reserve for claims incurred but not settled.

Underwriting reserves for unit-linked policies with discretionary profit-sharing or any other significant feature (mortality, invalidity, etc.) are measured at the balance sheet date on the basis of the present value of the assets underlying these policies.

Risks covered by non-life insurance policies are principally linked to home, car and accident protection guarantees. Underwriting reserves comprise reserves for unearned premiums (share of premium income relating to subsequent financial years) and for outstanding claims.

Under the principles defined in IFRS 4, and in compliance with local regulations applicable with respect thereto, life insurance policies with discretionary profit-sharing features are subject to "mirror accounting", whereby any changes in the value of financial assets liable to affect policyholders are recorded in *Deferred profit-sharing.* This reserve is calculated to reflect the potential rights of policyholders to unrealised gains on financial instruments measured at fair value or their potential share of unrealised losses.

To demonstrate the recoverability of the deferred profit-sharing asset in the event of an unrealised net loss, two approaches are verified by the Group in order to show that the liquidity requirements caused by an unfavourable economic environment would not require assets to be sold in the event of unrealised losses:

- the first consists in simulating deterministic ("standardised" or extreme) stress scenarios. This is used to show that in these scenarios no significant losses would be realised on the assets existing at the balance sheet date for the scenarios tested;
- the aim of the second approach is to ensure that in the long or medium term, the sale of assets to meet liquidity needs would not generate any significant losses. The approach is verified for projections based on extreme scenarios;
- a liability adequacy test is also carried out quarterly using a stochastic model based on parameter assumptions consistent with those used for the MCEV (Market Consistent Embedded Value). This test takes into account all of the future cash flows from policies, including management charges, fees and policy options and guarantees.

INCOME AND EXPENSES

Income and expenses related to insurance policies issued by Group insurance companies are recognised in the income statement under *Income and expenses from other activities*. Other income and expenses are recorded under the related headings. Changes in provisions for deferred profit-sharing are booked to the income statement or to unrealised or deferred gains or losses under the headings reserved for the associated underlying assets.

1. UNDERWRITING RESERVES OF INSURANCE COMPANIES

UNDERWRITING RESERVES

(In millions of euros)	31 December 2015	31 December 2014
Underwriting reserves for unit-linked policies	20,043	18,087
Life insurance underwriting reserves	78,316	75,360
Non-life insurance underwriting reserves	1,175	1,098
Deferred profit-sharing booked in liabilities	7,723	8,753
Total	**107,257**	**103,298**
Attributable to reinsurers	(293)	(282)
Underwriting reserves of insurance companies (including provisions for deferred profit-sharing) net of the share attributable to reinsurers	**106,964**	**103,016**

STATEMENT OF CHANGES IN UNDERWRITING RESERVES

(In millions of euros)	Underwriting reserves for unit-linked policies	Life insurance underwriting reserves	Non-life insurance underwriting reserves
Reserves at 1 January 2015 (except provisions for deferred profit-sharing)	**18,087**	**75,360**	**1,098**
Allocation to insurance reserves	1,215	1,577	80
Revaluation of unit-linked policies	570	-	-
Charges deducted from unit-linked policies	(133)	-	-
Transfers and allocation adjustments	215	(217)	-
New customers	4	-	(1)
Profit-sharing	80	1,552	-
Others	5	44	(2)
Reserves at 31 December 2015 (except provisions for deferred profit-sharing)	**20,043**	**78,316**	**1,175**

In accordance with IFRS 4 and Group accounting standards, the Liability Adequacy Test (LAT) was performed at 31 December 2015. This test assesses whether recognised insurance liabilities are adequate, using current estimates of future cash flows under insurance policies. It is carried out on the basis of stochastic models similar to those used for asset/liability management. The result of the test at 31 December 2015 was conclusive.

UNDERWRITING RESERVES BY REMAINING MATURITY

(In millions of euros)	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	31 December 2015
Insurance company underwriting reserves	11,199	7,710	29,195	59,153	**107,257**

2. NET INVESTMENTS OF INSURANCE COMPANIES

(In millions of euros before elimination of intercompany transactions)	31 December 2015	31 December 2014
Financial assets at fair value through Profit or Loss	**41,930**	**27,350**
Debt instruments	23,451	11,342
Equity instruments	18,479	16,008
Due from Banks	**9,890**	**10,328**
Available-for-sale financial assets	**74,873**	**82,796**
Debt instruments	63,130	73,326
Equity instruments	11,743	9,470
Investment property	**591**	**477**
Total(1)	**127,284**	**120,951**

(1) Investments in other Group companies that are made in representation of unit-linked liabilities are kept in the Group's consolidated balance sheet without any significant impact thereon.

3. BREAKDOWN OF UNREALISED GAINS AND LOSSES ON AVAILABLE-FOR-SALE ASSETS

(In millions of euros)	Unrealised gains	Unrealised losses	Net Revaluation
Unrealised gains and losses of insurance subsidiaries	**550**	**(119)**	**431**
Including: *on available-for-sale equity instruments*	*928*	*(568)*	*360*
on available-for-sale debt instruments and assets reclassified as Loans and receivables	*7,908*	*(521)*	*7,387*
Deferred profit-sharing	*(8,286)*	*970*	*(7,316)*

4. UNDERWRITING INCOME OF INSURANCE COMPANIES

(In millions of euros)	2015	2014
Earned premiums	11,271	11,904
Cost of benefits (including changes in reserves)	(11,233)	(12,243)
Net income from investments	4,535	4,198
Other net technical income (expense)	(3,853)	(3,158)
Contribution to operating income before elimination of intercompany transactions	**720**	**701**
Elimination of intercompany transactions(1)	404	181
Contribution to operating income after elimination of intercompany transactions	**1,124**	**882**

(1) This essentially concerns the elimination of fees paid by the insurance companies to the distribution networks and the elimination of financial income on investments made in other Group companies.

5. NET FEE INCOME

(In millions of euros before elimination of intercompany transactions)	2015	2014
Fees Received		
Acquisition fees	737	531
Management fees	702	696
Others	38	35
Fees Paid		
Acquisition fees	(585)	(534)
Management fees	(394)	(336)
Others	(61)	(51)
Total Fees	**437**	**341**

6. MANAGEMENT OF INSURANCE RISKS

There are two main types of insurance risks:

- underwriting risks, mainly pricing risks and risks of discrepancies in total fluctuations in claim experience: in non-life insurance and individual personal protection alike, profits are exposed to risks of deterioration in claim rates observed compared to claim rates anticipated at the time the price schedule was established.
  Discrepancies can be linked to multiple complex factors such as changes in policyholder behaviour (lapses), changes in the macroeconomic environment, pandemics, natural disasters, mortality, morbidity, longevity, etc.;
- risks linked to the financial markets and ALM: in life insurance, insurers are exposed to the instabilities of the financial markets (changes in interest rates and stock market fluctuations) which can be made worse by policyholder behaviour.

Managing these risks is key to the insurance business line's activity. It is carried out by qualified and experienced teams, with major bespoke IT resources. Risks undergo regular monitoring and are reported to the General Management of both the entities concerned and the business lines.

In the area of pricing risks and risks of discrepancies in total loss experience, a number of guidelines are applied:

- heightened security for the risk acceptance process, with the aim of guaranteeing that the price schedule matches the policyholder's risk profile from the very beginning. Proper application of these procedures is verified *via* Quality Audits and multi-annual Internal Audits. These processes have been ISO-certified;
- regular monitoring of loss ratios, based on statistics developed per year of occurrence. This analysis (expansion of the portfolio, level of provisions for reported claims and for incurred but not reported claims) allows pricing adjustments to be made, where applicable, for subsequent financial years;
- implementation of a reinsurance plan to protect the Group from major/serial claims.

Management of risks linked to the financial markets is just as much an integral part of the investment strategy as the aim of long-term performance. The optimisation of these two factors is highly influenced by the asset/liability balance. Liability commitments (guarantees offered to customers, maturity of policies), as well as the amounts booked under the major items on the balance sheet (shareholders' equity, income, provisions, reserves, etc.) are analysed by the Finance and Risk Department of the insurance business line. Societe Generale's overall asset and liability management policy is validated by the Group's General Management at the ALM Committee meetings held every six months.

Risk management and analysis are based on the following key principles:

- asset/liability risk management:
  - monitoring of long-term cash flows: the term of a liability is matched against the term of an asset, and cash flow peaks are strictly controlled in order to minimise liquidity risks,
  - close monitoring of redemption flows and stress scenario simulations,
  - close monitoring of the equity markets and stress scenario simulations,
  - hedging of exchange rate risks (in the event of a rise or drop in the markets) using financial instruments;
- financial risk management *via* the establishment of limits:
  - counterparty limits (e.g. limits according to the issuer's country of domiciliation, distinction between sovereign issuers and private issuers),
  - rating limits by issuer,
  - limits by type of asset (e.g. equities, private equity).

All of these strategies are assessed by simulating various scenarios of financial market behaviour and policyholder behaviour using stress tests and stochastic modelling.

The Solvency 2 Directive, applicable to insurance and reinsurance groups and companies, mutual insurers and life insurance companies located in the European Union, entered into force on 1 January 2016. All Group's insurance and reinsurance companies are subject to this new regulation.

NOTE 4.4 - OTHER ASSETS AND LIABILITIES

1. OTHER ASSETS

(In millions of euros)	31 December 2015	31 December 2014
Guarantee deposits paid[1]	39,099	33,494
Settlement accounts on securities transactions	6,557	7,144
Prepaid expenses	569	556
Miscellaneous receivables	23,407	24,273
Gross amount	**69,632**	**65,467**
Impairment	(234)	(229)
Net amount	**69,398**	**65,238**

(1) Mainly relates to guarantee deposits paid on financial instruments.

2. OTHER LIABILITIES

(In millions of euros)	31 December 2015	31 December 2014*
Guarantee deposits received[1]	44,488	41,222
Settlement accounts on securities transactions	6,938	6,909
Other securities transactions	21	16
Expenses payable on employee benefits	2,818	2,761
Deferred income	1,605	1,558
Miscellaneous payables	27,213	22,565
Total	**83,083**	**75,031**

** Amounts restated relative to the financial statements published at 31 December 2014 according to the retrospective application of IFRIC 21 (see Note 1).*

(1) Mainly relates to guarantee deposits received on financial instruments.

NOTE 5 - PERSONNEL EXPENSES AND EMPLOYEE BENEFITS

ACCOUNTING PRINCIPLES

Employee benefits are divided into four categories:

- Short-term employee benefits are employee benefits that are expected to be settled within twelve months of the end of the annual reporting period in which the employees render the related service, such as fixed and variable compensation, annual leave, taxes and social security contributions, mandatory employer contributions and profit-sharing;
- Post-employment benefits, including defined contributions plans and defined benefit plans such as pension plans and retirement benefits;
- Long-term employee benefits are employee benefits that are not expected to be fully settled within twelve months, such as defined variable compensation paid in cash and not indexed to the Societe Generale share, long service awards and time saving accounts;
- Termination benefits.

NOTE 5.1 - PERSONNEL EXPENSES AND RELATED PARTY TRANSACTIONS

ACCOUNTING PRINCIPLES

Personnel expenses include all expenses related to personnel, including employee benefits and expenses related to payments based on Societe Generale shares.

Short-term employee benefits are recorded under *Personnel expenses* during the period according to the services provided by the employee.

The accounting principles relating to post-employment benefits and long-term benefits are described in Note 5.2. Those related to share-based payments are described in Note 5.3.

1. PERSONNEL EXPENSES

(In millions of euros)	**2015**	**2014**
Employee compensation	(6,817)	(6,504)
Social security charges and payroll taxes	(1,604)	(1,581)
Net pension expenses - defined contribution plans	(679)	(657)
Net pension expenses - defined benefit plans	(128)	(95)
Employee profit-sharing and incentives	(248)	(212)
Total	**(9,476)**	**(9,049)**

2. RELATED PARTY TRANSACTIONS

ACCOUNTING PRINCIPLES

Personnel expenses include related party transactions, within the meaning of IAS 24.

The Group's related parties include the members of the Board of Directors, corporate officers (the Chairman, the Chief Executive Officer and the two Deputy Chief Executive Officers), their respective spouses and any children residing in the family home, subsidiaries which are either controlled exclusively or jointly by the Group, and companies over which Societe Generale exercises significant influence.

REMUNERATION OF THE GROUP'S MANAGERS

This includes amounts effectively paid by the Group to Directors and corporate officers as remuneration (including employer contributions) and other benefits under IAS 24 - paragraph 17 - as indicated below.

(In millions of euros)	31 December 2015	31 December 2014
Short-term benefits	15.6	12.0
Post-employment benefits	0.5	0.4
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	1.5	3.1
Total	**17.6**	**15.5**

RELATED PARTY TRANSACTIONS

The transactions with members of the Board of Directors, Chief Executive Officers and members of their families included in this note only comprise loans and guarantees outstanding at 31 December 2015 for a total amount of EUR 16.5 million. All other transactions with these individuals are insignificant.

TOTAL AMOUNTS PROVISIONED OR BOOKED BY THE SOCIETE GENERALE GROUP FOR THE PAYMENT OF PENSIONS AND OTHER BENEFITS

The total amount provisioned or booked by the Societe Generale Group at 31 December 2015 under IAS 19, as restated for the payment of pensions and other benefits to Societe Generale's Chief Executive Officers (Mr. Cabannes, Mr. Sanchez Incera and the two staff-elected Directors) is EUR 4.1 million.

NOTE 5.2 - EMPLOYEE BENEFITS

Group companies, in France and abroad, may award their employees:

- post-employment benefits, such as pension plans or retirement benefits;
- long-term benefits such as deferred variable remuneration, long service awards or the *Compte Epargne Temps* (CET) flexible working provisions;
- termination benefits.

DETAIL OF PROVISIONS FOR EMPLOYEE BENEFITS

(In millions of euros)	Provisions at 31 December 2014	Allocations	Write-backs available	Net allocation	Write-backs used	Actuarial gains and losses	Currency and scope effects	Provisions at 31 December 2015
Provisions for employee benefits	**1,811**	314	(265)	49	-	(91)	15	**1,784**

1. POST-EMPLOYMENT BENEFITS

ACCOUNTING PRINCIPLES

Post-employment benefits can be broken down into two categories: defined contribution pension plans or defined benefit pension plans.

DEFINED CONTRIBUTION PLANS

Defined contribution plans limit the Group's liability to the subscriptions paid into the plan but do not commit the Group to a specific level of future benefits. Contributions paid are recorded as an expense for the year in question.

DEFINED BENEFIT PLANS

Defined benefit plans commit the Group, either formally or constructively, to pay a certain amount or level of future benefits and therefore bare the associated medium or long-term risk.

Provisions are recognised on the liabilities side of the balance sheet under *Provisions*, to cover the whole of these retirement obligations. These provisions are assessed regularly by independent actuaries using the projected unit credit method. This valuation technique incorporates assumptions about demographics, early retirement, salary rises and discount and inflation rates. When these plans are financed from external funds classified as plan assets, the fair value of these funds is subtracted from the provision to cover the obligations.

Differences arising from changes in calculation assumptions (early retirements, discount rates, etc.) and differences between actuarial assumptions and real performance are recognised as actuarial gains and losses. Actuarial gains and losses, as well as the return on plan assets excluding amounts expensed as net interest on the net defined benefit liability (or asset) and any change in the effect of the asset ceiling are components used to re-measure the net defined benefit liability (or asset). These components are immediately and fully recognised in *Unrealised or deferred gains and losses* and they may not be subsequently reclassified as income.

In the Group consolidated financial statements, these items, which may not be subsequently reclassified as income, are displayed separately in the Statement of net income and unrealised or deferred gains and losses, but are transferred immediately to retained earnings in the Statement of changes in shareholders' equity so that they are presented directly under *Retained earning* on the liabilities side of the balance sheet.

Where a new or amended plan comes into force, past service cost is immediately recognised in profit or loss.

An annual charge is recorded under *Personnel expenses* for defined benefit plans, consisting of:

- the additional entitlements vested by each employee (current service cost);
- past service cost resulting from a plan amendment or a curtailment;
- the financial expense resulting from the discount rate and the interest income on plan assets (net interest on the net defined benefit liability or asset);
- plan settlements.

DEFINED CONTRIBUTION PLANS

The main defined contribution plans provided to employees of the Group are located in France, in the United Kingdom, and in the United States.

In France, they include state pension plans and other national pension plans such as ARRCO and AGIRC, as well as pension schemes put in place by certain Grouep entities whose only commitment is to pay annual contributions (PERCO).

In the United Kingdom, the employer pays contributions according to the age of the employees (from 2.5 to 10% of the salary) and can make extra contributions up to 4.5% for the voluntary additional employee contributions.

In the United States, employers fully match the first 8% of employee contributions, within the limit of USD 10,000.

POST-EMPLOYMENT DEFINED BENEFIT PLANS

Post-employment pension plans include schemes offering annuities, plans offering retirement bonuses and mixed plans (cash balance). Benefits paid out in annuities supplement the pensions paid by the mandatory basic plans.

The main defined benefit plans are located in France, Switzerland, the United Kingdom and the United States.

In France, the supplementary pension plan for executive managers, set up in 1991, allocates an annual allowance to beneficiaries covered by Societe Generale, as described in the “Corporate Governance” section. This allowance depends in particular on the beneficiary’s seniority within Societe Generale and the portion of fixed compensation exceeding “Tranche B” of AGIRC.

In Switzerland, the plan is managed by a personal protection insurance institution (the Foundation), comprised of employer and employee representatives. The employer and its employees pay contributions to the Foundation. Pension benefits are revalued at a guaranteed rate of return and converted to annuities (or lump-sum payment) also at a guaranteed conversion rate (cash balance scheme). Because of this minimum guaranteed return, the plan is considered similar to a defined benefit plan.

In recent years, the Societe Generale Group has actively implemented a policy of converting defined benefit plans to defined contribution plans.

In the United Kingdom the defined benefit plan has been closed to new employees for nearly 20 years, and the benefits of the last beneficiaries were frozen in 2015. The plan is managed by an independent institution (Trustee).

Similarly, in the United States, defined benefit plans were closed to new employees in 2015 and the vesting of new benefits was frozen.

1. RECONCILIATION OF ASSETS AND LIABILITIES RECORDED IN THE BALANCE SHEET

(In millions of euros)	31 December 2015	31 December 2014
A - Present value of funded defined benefit obligations	2,961	3,024
B - Fair value of plan assets and separate assets	(2,385)	(2,357)
C = A + B Deficit (surplus)	**576**	**667**
D - Present value of unfunded defined benefit obligations	419	423
E - Change in asset ceiling	47	2
C + D + E = Net balance recorded in the balance-sheet	**1,042**	**1,092**

2. COMPONENTS OF THE COST OF DEFINED BENEFITS

(In millions of euros)	2015	2014
Current service cost including social security contributions	110	93
Employee contributions	(6)	(5)
Past service cost/curtailments	-	(12)
Settlements	(1)	(10)
Net interest	19	25
Transfer of unrecognised assets	3	2
A - Components recognised in income statement	*125*	*93*
Expected return on plan assets[1]	18	(195)
Actuarial gains and losses due to changes in demographic assumptions	36	15
Actuarial gains and losses due to changes in economic and financial assumptions	(192)	505
Actuarial gains and losses due to experience	(33)	18
Change in asset ceiling	46	1
B - Components recognised in unrealised or deferred gains and losses	*(125)*	*344*
C = A + B Total components of the cost of defined benefits	**-**	**437**

(1) Return on plan assets from which the expected return on plan assets included in the net interest cost is deducted.

3. CHANGES IN NET LIABILITIES OF POST-EMPLOYMENT BENEFIT PLANS RECORDED IN THE BALANCE SHEET

3.1 Changes in the present value of defined benefit obligations

(In millions of euros)	2015	2014
Balance at 1 January	**3,447**	**2,866**
Current service cost including social security contributions	110	93
Employee contributions	-	-
Past service cost/curtailments	-	(12)
Settlements	(15)	(45)
Net interest	81	99
Actuarial gains and losses due to changes in demographic assumptions	36	15
Actuarial gains and losses due to changes in economic and financial assumptions	(192)	505
Actuarial gains and losses due to experience	(33)	18
Foreign exchange adjustment	116	88
Benefit payments	(175)	(179)
Change in consolidation scope	3	(1)
Transfers and others	2	-
Balance at 31 December	**3,380**	**3,447**

3.2 Changes in the fair value of plan assets and separate assets

(In millions of euros)	2015	2014
Balance at 1 January	**2,357**	**2,007**
Expected return on plan assets	60	72
Expected return on separate assets	3	2
Actuarial gains and losses due to assets	(18)	195
Foreign exchange adjustment	101	81
Employee contributions	6	5
Employer contributions to plan assets	27	164
Benefit payments	(140)	(138)
Change in consolidation scope	3	0
Transfers and others	(14)	(31)
Balance at 31 December[1]	**2,385**	**2,357**

(1) Including EUR 142 million in separate assets at 31 December 2015 (EUR 151 million at 31 December 2014).

4. INFORMATION REGARDING FUNDING ASSETS

4.1 General information regarding funding assets *(for all benefits and future contributions)*

Funding assets represent around 69% of Groupe obligations with different rates depending on the country.

Accordingly defined benefit plan obligation in the United Kingdom are fully hedged, those in the United States hedged 77%, while they are only 66% hedged in France and are not funded in Germany.

The breakdown of the fair value of plan assets is as follows: 47% bonds, 40% equities, 1% cash instruments and 12% others. Directly held Societe Generale shares are not significant.

For pension plans with a fair value of plan assets in excess of defined benefit obligations, the aggregate of plan assets is EUR 32 million.

Employer contributions to be paid to post-employment defined benefit plans for 2016 are estimated at EUR 22 million.

Plan hedging strategies are defined locally in connection with the Finance and Human Resources departments of the entities, by *ad hoc* structures (Trustees, Foundations, Joint structures etc.) if necessary. Besides liability investment or financing strategies are monitored at Group level through a global governance system. Committee meetings, with the participation of representatives of the Human Resources Department, the Finance Department and the Risk Division, are organised in order to define Group guidelines for employee benefits investment and management, to validate decisions and to follow up the associated risks for the Group.

Depending on the duration of each plan and local regulations, funding assets are invested in equities and/or in fixed income products, whether guaranteed or not.

4.2 Actual returns on funding assets

The actual returns on plan and separate assets can be brokendown as follows:

(In millions of euros)	31 December 2015	31 December 2014
Plan assets	40	264
Separate assets	4	2

Assumptions on expected returns on assets are presented in the following section.

5. MAIN ASSUMPTIONS DETAILED BY GEOGRAPHICAL AREA

	31 December 2015	31 December 2014
Discount rate		
Europe	2.46%	2.19%
Americas	4.26%	4.13%
Asia-Oceania-Africa	2.12%	1.59%
Long-term inflation		
Europe	2.19%	2.28%
Americas	2.00%	2.00%
Asia-Oceania-Africa	1.77%	1.63%
Future salary increase		
Europe	0.58%	0.64%
Americas	N/A	2.00%
Asia-Oceania-Africa	2.07%	2.15%
Average remaining working lifetime of employees (in years)		
Europe	9.43	9.56
Americas	8.53	8.61
Asia-Oceania-Africa	13.40	13.02
Duration (in years)		
Europe	15.19	15.79
Americas	18.45	18.53
Asia-Oceania-Africa	9.94	9.97

Assumptions by geographical area are weighted average by the defined benefit obligations (DBO).

The discount yield curves used are AA corporate bonds yield curves (source: Merrill Lynch) observed at the end of October for USD, GBP and EUR, and corrected at the end of December if the change in discount rates had a significant impact. Inflation rates used are the long-term targets of the central banks of the monetary areas above.

The average remaining working lifetime of employees is calculated taking into account turnover assumptions.

The assumptions described above have been applied to post-employment benefit plans.

6. SENSITIVITIES OF DEFINED BENEFIT OBLIGATIONS TO MAIN ASSUMPTION RANGES

(Percentage of item measured)	31 December 2015	31 December 2014
Variation of +1% in discount rate		
Impact on the present value of defined benefit obligations at 31 December N	-14%	-14%
Variation of +1% in long-term inflation		
Impact on the present value of defined benefit obligations at 31 December N	9%	12%
Variation of +1% in future salary increases		
Impact on the present value of defined benefit obligations at 31 December N	5%	5%

Disclosed sensitivities are averages of the variations weighted by the present value of the defined benefit obligations at 31 December 2015.

2. LONG-TERM BENEFITS

ACCOUNTING PRINCIPLES

Long-term employee benefits are those that are payable to employees for services rendered during their employment, but which are not expected to be fully settled within twelve months of the end of the annual reporting period in which the employees render the related service.

Long-term benefits are measured and recognised in the same way as post-employment benefits, with the exception of actuarial gains and losses, which are immediately taken to profit or loss.

These benefits include deferred compensation programmes settled in cash and not indexed to the Societe Generale share, such as long-term deferred variable remuneration, CET (*Comptes Épargne Temps*) flexible working provisions, or long service awards.

At 31 December 2015, the net balance of long-term benefits was EUR 464 million.

The total cost of long-term benefits was EUR 134 million for 2015.

NOTE 5.3 - SHARE-BASED PAYMENT PLANS

ACCOUNTING PRINCIPLES

Share-based payments include:

- payments in equity instruments;
- cash payments whose amount depends on the performance of equity instruments.

Share-based payments systematically give rise to a personnel expense recognised as *Personnel expenses* under the terms set out below.

Share-based payments are systematically recognised in the balance sheet under *Personnel expenses* in the amount of the fair value of the share-based payments granted to employees and according to their terms of settlement.

For equity-settled share-based payments (free shares, stock purchase or subscription options), the fair value of these instruments, measured at the vesting date, is spread over the vesting period and recorded in shareholders' equity under *Issuing premium and capital reserves*. At each accounting date, the number of these instruments is revised in order to take into account performance and service conditions and adjust the overall cost of the plan as originally determined. Expenses recognised under *Personnel expenses* from the start of the plan are then adjusted accordingly.

For cash-settled share-based payments (stock-options granted by unlisted companies or compensation indexed on Societe Generale shares), the fair value of the amounts payable is recorded under *Personnel expenses* as an expense over the vesting period against a corresponding liabilities entry recognised in the balance sheet under *Other liabilities – Expenses payable on employee benefits.* This payables item is then remeasured to take into account performance and presence conditions as well as changes in the value of the underlying shares. For hedging derivatives, the effective portion of the change in their fair value is recorded in profit or loss.

GLOBAL EMPLOYEE SHARE OWNERSHIP PLAN

The Group carries out a specific capital increase reserved for current and former employees as part of the Global Employee Share Ownership Plan. New shares are offered at a discount with an obligatory five-year holding period. The resultant benefit to the employees is recognised by the Group as an expense for the year under *Personnel expenses – Employee profit-sharing and incentives.*

This benefit is measured as the difference between the fair value of each security vested and the acquisition price paid by the employee, multiplied by the number of shares purchased. The fair value of the vested securities is measured taking into account the associated legal obligatory holding period using market inputs (notably the borrowing rate) applicable to market participants who benefit from these non-transferable shares to recreate a situation of free transferability.

OTHER SHARE-BASED PAYMENTS

The Group may award some of its employees stock purchase or subscription options, free shares or rights to a future cash payment indexed to the Societe Generale share price.

The options are measured at their fair value when the employees are first notified, without waiting for the conditions that trigger the award to be met, or for the beneficiaries to exercise their options.

Group stock-option plans are measured using a binomial formula when the Group has adequate statistics to take into account the behaviour of the option beneficiaries. When such data are not available, the Black & Scholes model or Monte Carlo model is used. Valuations are performed by independent actuaries.

EXPENSES RECORDED IN THE INCOME STATEMENT

	2015			2014		
(In millions of euros)	**Cash settled plans**	**Equity settled plans**	**Total plans**	**Cash settled plans**	**Equity settled plans**	**Total plans**
Net expenses from purchase plans, stock option and free share plans	174	60	**234**	227	14	**241**

NOTE 6 - INCOME TAX

ACCOUNTING PRINCIPLES

CURRENT TAXES

Current tax is based on the taxable profits of each consolidated taxable entity and determined in accordance with the rules established by the local taxation authorities, upon which income taxes are payable. This tax expense also includes net allowances for tax adjustments pertaining to income tax.

Tax credits arising in respect of interest from loans and income from securities are recorded in the relevant interest account as they are applied in settlement of income taxes for the year. The related tax charge is included under *Income tax* in the consolidated income statement.

DEFERRED TAXES

Deferred taxes are recognised whenever the Group identifies a temporary difference between the book value and tax value of balance sheet assets and liabilities that will affect future tax payments. Deferred tax assets and liabilities are measured in each consolidated taxable entity and in accordance with the rules established by the local taxation authorities, upon which their income taxes are payable. This amount is based on the tax rate enacted or substantively enacted which is expected to apply when the asset is realised or the liability settled. These deferred taxes are adjusted in the event of changes to tax rates. This amount is not discounted to present value. Deferred tax assets can result from deductible temporary differences or from tax loss carry forwards. These deferred tax assets are recorded only if the entity concerned is likely to recover these assets within a set time. These temporary differences or tax loss carry forwards can also be used against future taxable profit. Tax loss carry forwards are subject to an annual review taking into account the tax system applicable to each relevant tax entity and a realistic projection of their tax income or expense, based on their business development outlook: any previously unrecognised deferred tax assets are recorded in the balance sheet to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered; however, the carrying value of deferred tax assets already recognised in the balance sheet is reduced where a risk of total or partial non-recovery occurs.

Current and deferred taxes are recognised in the consolidated income statement under *Income tax.* However, deferred taxes related to gains and losses recorded under *Unrealised or deferred gains and losses* are also recognised under the same heading in shareholders' equity.

1. INCOME TAX

(In millions of euros)	2015	2014*
Current taxes	(1,064)	(1,192)
Deferred taxes	(650)	(184)
Total taxes	**(1,714)**	**(1,376)**

** Amounts restated relative to the financial statements published at 31 December 2014 according to the retrospective application of IFRIC 21 (see Note 1).*

RECONCILIATION OF THE DIFFERENCE BETWEEN THE GROUP'S STANDARD TAX RATE AND ITS EFFECTIVE TAX RATE

(In millions of euros)	2015	2014*
Income before tax excluding net income from companies accounted for using the equity method and impairment losses on goodwill (in millions of euros)	**5,878**	**4,666**
Normal tax rate applicable to French companies (including 3.3% tax contributions)	34.43%	34.43%
Permanent differences	5.15%	5.26%
Differential on securities tax exempt or taxed at reduced rate	-1.05%	-0.55%
Tax rate differential on profits taxed outside France	-6.65%	-7.65%
Impact of non-deductible losses and use of tax losses carried forward	-2.71%	-2.01%
Group effective tax rate	**29.17%**	**29.48%**

** Amounts restated relative to the financial statements published at 31 December 2014 according to the retrospective application of IFRIC 21 (see Note 1).*

In France, the standard Corporate Income Tax rate is 33.33%. A *contribution sociale* (national contribution payment based on pre-tax earnings) was introduced in 2000 equal to 3.3% (after a deduction from basic taxable income of EUR 0.76 million). In 2011, an additional contribution of 5% was introduced, in respect of fiscal years 2011 and 2012 and subsequently renewed for fiscal years 2013 and 2014 at a tax rate of 10.7%, applicable to profitable companies generating revenue in excess of EUR 250 million. The Amended Finance Law of 8 August 2014 has extended this additional contribution for the year 2015.

Long-term capital gains on equity investments are exempt, subject to taxation of a portion of fees and expenses at the full statutory tax rate. In accordance with the 2013 Finance Law, this portion of fees and expenses is 12% of gross capital gains.

Dividends from companies in which Societe Generale's equity interest is at least 5% are tax exempt, subject to taxation of a 5% portion of fees and expenses at the full statutory tax rate.

The standard tax rate applicable to French companies to determine their deferred tax is 34.43%. The reduced rate is 4.13% taking into account the nature of the taxed transactions.

2. PROVISIONS FOR TAX ADJUSTMENTS

ACCOUNTING PRINCIPLES

Provisions represent liabilities whose timing or amount cannot be precisely determined. Provisions may be recorded where, by virtue of a commitment to a third-party, the Group will probably or certainly incur an outflow of resources to this third-party without receiving at least the equivalent value in exchange.

The expected outflows are then discounted to present value to determine the amount of the provision, where this discounting has a significant impact. Allocations to and reversals of provisions for tax adjustments are booked to *Current taxes* in the income statement under *Income tax*.

Information on the nature and the amount of the associated risks is not disclosed when the Group considers that such disclosure could seriously undermine its position in a dispute with other parties on the object of the provision.

(In millions of euros)	Provisions at 31 December 2014	Depreciation	Available Write-backs	Net	Used Write-backs	Changes in translation and consolidation scope	Provisions at 31 December 2015
Tax adjustments	298	152	(73)	79	(95)	4	**286**

3. TAX ASSETS AND LIABILITIES

TAX ASSETS

(In millions of euros)	31 December 2015	31 December 2014*
Current tax assets	1,439	1,264
Deferred tax assets	5,928	6,151
o/w deferred tax assets on tax loss carryforwards	*3,413*	*3,547*
o/w deferred tax assets on temporary differences	*2,515*	*2,604*
Total	**7,367**	**7,415**

** Amounts restated relative to the financial statements published at 31 December 2014 according to the retrospective application of IFRIC 21 (see Note 1).*

TAX LIABILITIES

(In millions of euros)	31 December 2015	31 December 2014
Current tax liabilities	1,108	990
Deferred tax liabilities	463	426
Total	**1,571**	**1,416**

4. DEFERRED TAX ON UNREALISED OR DEFERRED GAINS AND LOSSES

(In millions of euros)	31 December 2015	31 December 2014
Tax impact on items that will be subsequently reclassified into income	**(279)**	**(407)**
Available-for-sale financial assets	(261)	(353)
Hedging derivatives	(11)	(17)
Unrealised or deferred gains and losses accounted for using the equity method and that will be subsequently reclassified into income	(7)	(37)
Tax impact on items that will not be subsequently reclassified into income	**225**	**270**
Actuarial gain / (loss) on post-employment benefits	225	270
Total(1)	**(54)**	**(137)**

(1) O/w EUR -53 million at 31 December 2015 included in deferred tax assets and EUR 1 million in deferred tax liabilities versus EUR -6 million and EUR 131 million, respectively, at 31 December 2014.

5. DEFERRED TAX ASSETS RECOGNISED ON TAX LOSS CARRYFORWARDS

At 31 December 2015, based on the tax system of each entity and a realistic projection of their tax income or expense, the projected period for deferred tax asset recovery is indicated in the table below:

(In millions of euros)	31 December 2015	Statutory time limit on carryforwards	Expected recovery period
Total deferred tax assets relating to tax loss carryforwards	3,413	-	-
o/w French tax group	*2,896*	*unlimited(1)*	*10 years*
o/w US tax group	*294*	*20 years*	*4 years*
others	*223*	*-*	*-*

(1) In accordance with art.24 of the 2013 Finance Law, the deduction of previous losses is limited to EUR 1 million plus 50% of the fraction of the taxable income for the fiscal year exceeding this limit. The non-deductible portion of losses may be carried forward to the following fiscal years with no time limit and under the same conditions.

NOTE 7 - SHAREHOLDERS' EQUITY

NOTE 7.1 - TREASURY SHARES AND SHAREHOLDERS' EQUITY ISSUED BY THE GROUP

ACCOUNTING PRINCIPLES

TREASURY SHARES

Societe Generale shares held by the Group are deducted from consolidated equity irrespective of the purpose for which they are held. Income on these shares is eliminated from the consolidated income statement.

Recognition of shares issued by Group subsidiaries, which are bought and sold by the Group, is described in Note 2.

SHAREHOLDERS' EQUITY ISSUED BY THE GROUP

Financial instruments issued by the Group are booked in whole or in part to debt or to equity depending on whether or not they contractually oblige the issuer to deliver cash to the holders of the securities.

When they are classified as equity, securities issued by Societe Generale are recorded under *Other equity instruments*. If they are issued by Group subsidiaries, these securities are recognised under *Non-controlling interests*. External costs associated with issuing equity instruments are deducted directly from equity at their after-tax amount.

When they are classified as debt instruments, securities issued by the Group are recorded under *Debt securities issued* or *Subordinated debt* depending on their characteristics. They are accounted for in the same way as other financial liabilities measured at amortised cost (see Note 3.6).

1. ORDINARY SHARES ISSUED BY SOCIETE GENERALE S.A.

(Number of shares)	2015	2014
Ordinary shares	806,239,713	805,207,646
Including treasury stock with voting rights[(1)]	9,513,568	20,041,922
Including shares held by employees	57,400,407	61,740,620

(1) Excluding Societe Generale shares held for trading purposes or in respect of the liquidity contract.

At 31 December 2015, Societe Generale S.A.'s capital amounted to EUR 1,007,799,641 and was made up of 806,239,713 shares with a nominal value of EUR 1.25.

During the first half of 2015 and in accordance with the conditional free share allocation plan, Societe Generale S.A. carried out a capital increase of EUR 1 million through the incorporation of reserves.

During the second half of 2015, Societe Generale S.A. carried out a capital increase totalling EUR 0.175 million with additional paid-in capital of EUR 3 million, resulting from the exercise of stock-options granted in 2009 and 2010.

2. TREASURY STOCK

At 31 December 2015, the Group held 12,584,692 of its own shares as treasury stock, for trading purposes or for the active management of shareholders' equity, representing 1.56% of the capital of Societe Generale S.A.

The amount deducted by the Group from its net book value for equity instruments (shares and derivatives) came to EUR 449 million, including EUR 125 million in shares held for trading purposes.

At 31 December 2015, no Societe Generale shares were held under the liquidity contract, which contained EUR 50 million for the purpose of carrying out transactions in Societe Generale shares.

THE CHANGE IN TREASURY STOCK OVER 2015 BREAKS DOWN AS FOLLOWS:

(In millions of euros)	Liquidity contract	Trading activities	Treasury stock and active management of Shareholders' equity	Total
Disposals net of purchases	15	94	173	**282**
Capital gains net of tax on treasury stock and treasury share derivatives, booked under shareholders' equity	1	(3)	153	**151**

3. SHAREHOLDERS' EQUITY ISSUED

PERPETUAL SUBORDINATED NOTES

Perpetual subordinated notes issued by the Group, with some discretionary features governing the payment of interest, are classified as equity.

At 31 December 2015, perpetual subordinated notes issued by the Group and recognised under Group shareholders' equity in *Other equity instruments* totalled EUR 315 million.

This amount did not change during the period.

Issuance Date	Amount in local currency at 31 December 2014	Repurchases and redemptions in 2015	Amount in local currency at 31 December 2015	Amount in millions of euros at historical rate	Remuneration
1 July 1985	EUR 62 M		EUR 62 M	62	BAR (Bond Average Rate) of -0.25% for the period from 1 June to 31 May before each due date
24 November 1986	USD 248 M		USD 248 M	182	Average 6-month Euro/Dollar deposit rates transmitted by reference banks +0.075%
30 December 1996	JPY 10,000 M		JPY 10,000 M	71	3.936% until September 2016 and for subsequent due dates: the more favourable rate between the fixed rate and a variable rate + spread defined as follows: JPY 5-year Mid Swap Rate +2.0%

PERPETUAL DEEPLY SUBORDINATED NOTES

Given the discretionary nature of the decision to pay dividends to shareholders, perpetual deeply subordinated notes have been classified as equity and recognised under Equity instruments and associated reserves.

At 31 December 2015, perpetual deeply subordinated notes issued by the Group and recognised under Group shareholders' equity in Other equity instruments totalled EUR 8,457 million.

This amount changed due to the redemption of two perpetual deeply subordinated notes in the first half of 2015 and the issuance of one new perpetual deeply subordinated note in the second half.

Issuance Date	Amount in local currency at 31 December 2014	Repurchases and redemptions in 2015	Amount in local currency at 31 December 2015	Amount in millions of euros at historical rate	Remuneration
26 January 2005	EUR 728 M	EUR 728 M			4.196%, from 2015 3-month Euribor +1.53% annually
5 April 2007	USD 63 M		USD 63 M	47	3-month USD Libor +0.75% annually, from 2017 3-month USD Libor +1.75% annually
5 April 2007	USD 808 M		USD 808 M	604	5.922%, from 2017 3-month USD Libor +1.75% annually
19 December 2007	EUR 463 M		EUR 463 M	463	6.999%, from 2018 3-month Euribor +3.35% annually
16 June 2008	GBP 506 M		GBP 506 M	642	8.875%, from 2018 3-month GBP Libor +3.4% annually
27 February 2009	USD 450 M		USD 450 M	356	9.5045%, from 2016 3-month USD Libor +6.77% annually
4 September 2009	EUR 905 M		EUR 905 M	905	9.375%, from 2019 3-month Euribor +8.901% annually
7 October 2009	USD 1,000 M	USD 1,000 M			8.75%
6 September 2013	USD 1,250 M		USD 1,250 M	953	8.25%, from 29 November 2018 USD 5-year Mid Swap Rate +6.394%
18 December 2013	USD 1,750 M		USD 1,750 M	1,273	7.875%, from 18 December 2023, USD 5-year Mid Swap Rate + 4.979 %
25 June 2014	USD 1,500 M		USD 1,500 M	1,102	6%, from 27 January 2020, USD 5-year Mid Swap Rate + 4.067 %
7 April 2014	EUR 1,000 M		EUR 1,000 M	1,000	6.75%, from 7 April 2021, EUR 5-year Mid Swap Rate + 5.538 %
29 septembre 2015			USD 1,250 M	1,111	8%

OTHER EQUITY INSTRUMENTS ISSUED BY SUBSIDIARIES

Given the discretionary nature of the decision to pay dividends to shareholders, perpetual subordinated notes issued by the Group's subsidiaries are classified as equity.

At 31 December 2015, other equity instruments issued by the Group's subsidiaries and recognised under Non-controlling interests totalled EUR 800 million.

Issuance Date	Amount	Remuneration
18 December 2014 (step-up clause after 12 years)	EUR 800 M	4.125%, from 2026 5-year Mid-Swap rate + 4.150% annually

SUMMARY OF CHANGES IN EQUITY INSTRUMENTS ISSUED

Changes related to the perpetual subordinated notes and deeply subordinated notes included in *Retained earnings, Group share* are detailed below:

	31 December 2015		
(In millions of euros)	Deeply subordinated notes	Perpetual subordinated notes	Total
Remuneration paid booked under dividends (2015 Dividends paid line)	(710)	(5)	(715)
Changes in nominal values in 2015	(297)	-	(297)
Tax savings on remuneration payable to shareholders and recorded under reserves	232	4	236
Issuance costs, net of tax, related to subordinated notes issued in 2015	(7)	-	(7)

NOTE 7.2 - EARNINGS PER SHARE AND DIVIDENDS

ACCOUNTING PRINCIPLES

Earnings per share are measured by dividing net income attributable to ordinary shareholders by the weighted average number of shares outstanding over the period, excluding treasury shares. Net income attributable to ordinary shareholders takes account of dividend rights of preferred shareholders, such as holders of preferred shares, subordinated securities or deeply subordinated notes classified in equity. Diluted earnings per share take into account the potential dilution of shareholders' interests in the event dilutive instruments (stock options or free share plans) are converted into ordinary shares. This dilutive effect is determined using the share buyback method.

1. EARNINGS PER SHARE

(In millions of euros)	2015	2014*
Net income, Group share	4,001	2,679
Net attributable income to deeply subordinated notes	(443)	(399)
Net attributable income to perpetual subordinated notes	8	(7)
Issuance fees relating to subordinated notes	(7)	(14)
Net result related to the redemption of perpetual subordinated notes	-	6
Net income attributable to ordinary shareholders	**3,559**	**2,265**
Weighted average number of ordinary shares outstanding(1)	792,503,322	781,283,039
Earnings per ordinary share (in euros)	**4.49**	**2.90**
Average number of ordinary shares used in the dilution calculation(2)	100,457	173,659
Weighted average number of ordinary shares used in the calculation of diluted net earnings per share	792,603,776	781,456,698
Diluted earnings per ordinary share (in euros)	**4.49**	**2.90**

** Amounts restated relative to the financial statements published at 31 December 2014 according to the retrospective application of IFRIC 21 (see Note 1).*

(1) Excluding treasury shares.

(2) The number of shares used in the dilution calculation is computed using the "share buy-back" method and takes into account free shares and stock-option plans.

The dilutive effect of stock-option plans depends on the average Societe Generale share price, which at 31 December 2015 was EUR 42.36. Accordingly, at 31 December 2015, only free shares without performance conditions under the 2009 and 2010 stock option plans were considered as dilutive.

2. DIVIDENDS PAID

Dividends paid by the Group in 2015 amounted to EUR 1,891 million and are detailed in the following table:

(In millions of euros)	Group Share	Non-controlling interests	Total
Ordinary shares	(943)	(227)	(1,170)
o/w paid in shares	-	-	-
o/w paid in cash	*(943)*	*(227)*	*(1,170)*
Other equity instruments	(715)	(6)	(721)
Total	**(1,658)**	**(233)**	**(1,891)**

NOTE 8 - ADDITIONAL DISCLOSURES

NOTE 8.1 - SEGMENT REPORTING

1. DEFINITION OF SEGMENT REPORTING

The Group is managed on a matrix basis that takes into account its different business lines and the geographical breakdown of its activities. Segment reporting information is therefore presented under both criteria.

The Group includes in the results of each sub-division all operating income and expenses directly related to its activity. Income for each sub-division, except for the Corporate Centre, also includes the return on equity allocated to it, based on the estimated rate of return on Group equity. The return on the sub-division's book equity is then reallocated to the Corporate Centre. Transactions between sub-divisions are carried out under the same terms and conditions as those applying to non-Group customers.

The Group's core businesses are managed through three strategic pillars:

- French Retail Banking, which includes the domestic networks Societe Generale, Credit du Nord and Boursorama;
- International Retail Banking & Financial Services, which consists of:
  - International Retail Banking, including consumer finance activities,
  - Financial Services to Corporates (operational vehicle leasing and fleet management, equipment and vendor finance),
  - Insurance activities;
- Global Banking and Investor Solutions which comprises:
  - Global Markets and Investors Services,
  - Financing and Advisory,
  - Asset and Wealth Management.

In addition to the strategic pillars, the Corporate Centre acts as the Group's central funding department. As such, it recognises the carrying cost of equity investments in subsidiaries and related dividend payments, as well as income and expenses stemming from the Group's Asset and Liability Management (ALM) and income from the Group's management of its assets (management of its industrial and bank equity portfolio and of its real estate assets). Income or expenses that do not relate directly to the activity of the core businesses are also allocated to the Corporate Centre.

Segment income take intra-Group transactions into account, while these trasactions are eliminated from segment assets and liabilities. The tax rate levied on each business line is based on the standard tax rate applicable in each country where the division makes profits. Any difference with respect to the Group's tax rate is allocated to the Corporate Centre.

For the purpose of segment reporting by geographical region, segment profit or loss and assets and liabilities are presented based on the location of the booking entities.

2. SEGMENT REPORTING BY DIVISION AND SUB-DIVISION

Amounts by division and sub-division incorporate the new organisational structure of Group activities.

	Societe Generale Group		French Retail Banking		Corporate Centre [(2)]	
(In millions of euros)	2015	2014*	2015	2014*	2015	2014*
Net banking income	25,639	23,561	8,550	8,275	318	(864)
Operating Expenses[(1)]	(16,893)	(16,037)	(5,486)	(5,357)	(160)	(103)
Gross operating income	**8,746**	**7,524**	**3,064**	**2,918**	**158**	**(967)**
Cost of risk	(3,065)	(2,967)	(824)	(1,041)	(591)	(403)
Operating income	**5,681**	**4,557**	**2,240**	**1,877**	**(433)**	**(1,370)**
Net income from companies accounted using the equity method	231	213	42	45	23	20
Net income/expense from other assets	197	109	(26)	(21)	163	333
Impairment of goodwill	-	(525)	-	-	-	-
Earnings before tax	**6,109**	**4,354**	**2,256**	**1,901**	**(247)**	**(1,017)**
Income tax	(1,714)	(1,376)	(839)	(704)	78	302
Net income before non-controlling interests	**4,395**	**2,978**	**1,417**	**1,197**	**(169)**	**(715)**
Non-controlling interests	394	299	-	(7)	132	89
Net income, Group share	**4,001**	**2,679**	**1,417**	**1,204**	**(301)**	**(804)**

	International Retail Banking & Financial Services					
	International Retail Banking[(3)]		Financial Services to Corporates		Insurance	
(In millions of euros)	2015	2014*	2015	2014*	2015	2014*
Net banking income	4,998	5,339	1,506	1,328	825	757
Operating Expenses [(1)]	(3,206)	(3,263)	(774)	(716)	(327)	(300)
Gross operating income	**1,792**	**2,076**	**732**	**612**	**498**	**457**
Cost of risk	(1,127)	(1,354)	(119)	(88)	-	-
Operating income	**665**	**722**	**613**	**524**	**498**	**457**
Net income from companies accounted for by the equity method	16	13	55	37	-	-
Net income/expense from other assets[(3)]	(36)	(198)	-	-	(1)	-
Impairment of goodwill	-	(525)	-	-	-	-
Earnings before tax	**645**	**12**	**668**	**561**	**497**	**457**
Income tax	(138)	(148)	(192)	(166)	(159)	(145)
Net income before non-controlling interests	**507**	**(136)**	**476**	**395**	**338**	**312**
Non-controlling interests	241	195	2	3	1	3
Net income, Group share	**266**	**(331)**	**474**	**392**	**337**	**309**

	Global Banking and Investor Solutions					
	Global Markets and Investors Services		Financing and Advisory		Asset and Wealth Management	
(In millions of euros)	2015	2014*	2015	2014*	2015	2014*
Net banking income	5,970	5,628	2,392	2,060	1,080	1,038
Operating Expenses(1)	(4,566)	(4,126)	(1,533)	(1,303)	(841)	(869)
Gross operating income	**1,404**	**1,502**	**859**	**757**	**239**	**169**
Cost of risk	(66)	(35)	(312)	(40)	(26)	(6)
Operating income	**1,338**	**1,467**	**547**	**717**	**213**	**163**
Net income from companies accounted for by the equity method	6	-	(6)	-	95	98
Net income / expense from other assets	-	2	98	(10)	(1)	3
Impairment of goodwill	-	-	-	-	-	-
Earnings before tax	**1,344**	**1,469**	**639**	**707**	**307**	**264**
Income tax	(351)	(378)	(51)	(91)	(62)	(46)
Net income before non-controlling interests	**993**	**1,091**	**588**	**616**	**245**	**218**
Non-controlling interests	14	12	3	3	1	1
Net income, Group share	**979**	**1,079**	**585**	**613**	**244**	**217**

** Amounts restated relative to the financial statements published at 31 December 2014 due to:*

- *the retrospective application of IFRIC 21;*
- *adjustments of normative capital calculation method within business lines;*
- *changes in allocation rules within International Retail Banking & Financial Services;*
- *the restructuring of the Global Banking and Investor Solutions business lines in the 1st half of 2015 (see Note 2.2)..*

(1) Including depreciation and amortisation.
(2) Income and expenses not directly related to the business line activities are recorded in the Corporate Centre's income. Thus the debt revaluation differences linked to own credit risk (EUR +782 million at 31 December 2015), are allocated to the Corporate Centre.
(3) O/w EUR -200 million for the discontinuation of the consumer finance activity in Brazil in 2014.

	Societe Generale Group		French Retail Banking		Corporate Centre (5)	
(In millions of euros)	31 December 2015	31 December 2014*	31 December 2015	31 December 2014*	31 December 2015	31 December 2014*
Segment assets	1,334,391	1,308,138	219,420	201,803	120,221	107,243
Segment liabilities(4)	1,271,716	1,249,264	210,926	196,057	93,692	91,070

	International Retail Banking & Financial Services					
	International Retail Banking		Financial Services to Corporates		Insurance	
(In millions of euros)	31 December 2015	31 December 2014*	31 December 2015	31 December 2014*	31 December 2015	31 December 2014*
Segment assets	109,039	112,038	31,481	29,104	120,371	113,897
Segment liabilities(4)	83,912	85,032	10,125	9,522	113,483	107,676

	Global Banking and Investor Solutions					
	Global Markets and Investors Services		Financing and Advisory		Asset and Wealth Management	
(In millions of euros)	31 December 2015	31 December 2014*	31 December 2015	31 December 2014*	31 December 2015	31 December 2014*
Segment assets	603,471	627,786	96,157	83,708	34,231	32,559
Segment liabilities(4)	702,901	706,678	28,393	24,659	28,284	28,570

** Amounts restated relative to the financial statements published at 31 December 2014 due to:*

- *the retrospective application of IFRIC 21;*
- *adjustments of normative capital calculation method within business lines;*
- *changes in allocation rules within International Retail Banking & Financial Services;*
- *the restructuring of the Global Banking and Investor Solutions business lines in the 1st half of 2015 (see Note 2.2)..*

(4) Segment liabilities correspond to debts (i.e. total liabilities excluding equity).

(5) Assets and liabilities not directly related to the business lines activities are recorded on the Corporate Centre's balance sheet. Thus the debt revaluation differences linked to own credit risk and the revaluation differences of the credit derivative instruments hedging the loans and receivables portfolios are allocated to the Corporate Centre.

3. SEGMENT REPORTING BY GEOGRAPHICAL REGION

GEOGRAPHICAL BREAKDOWN OF NET BANKING INCOME

	France		Europe		Americas	
(In millions of euros)	2015	2014*	2015	2014	2015	2014
Net interest and similar income(6)	4,403	4,121	3,894	4,486	(115)	257
Net fee income	3,918	4,188	1,634	1,673	555	139
Net gains and losses on financial transactions(6)	3,844	1,781	1,739	2,361	1,472	1,129
Other net operating income	17	576	1,401	1,293	20	1
Net banking income	**12,182**	**10,666**	**8,668**	**9,813**	**1,932**	**1,526**

	Asia/Oceania		Africa		Total	
(In millions of euros)	2015	2014	2015	2014	2015	2014*
Net interest and similar income(6)	320	375	804	760	9,306	9,999
Net fee income	218	149	353	326	6,678	6,475
Net gains and losses on financial transactions(6)	1,100	(100)	69	48	8,224	5,219
Other net operating income	7	2	(14)	(4)	1 431	1,868
Net banking income	**1,645**	**426**	**1,212**	**1,130**	**25,639**	**23,561**

(6) Dividend income was transfered from Net interest and similar Income to Net gains and losses on financial transactions.

GEOGRAPHICAL BREAKDOWN OF BALANCE SHEET ITEMS

	France		Europe		Americas	
(In millions of euros)	31 December 2015	31 December 2014*	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Segment assets	955,096	943,223	227,120	178,848	96,289	124,468
Segment liabilities (7)	898,441	929,064	222,822	164,879	97,489	114,212

	Asia/Oceania		Africa		Total	
(In millions of euros)	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014*
Segment assets	35,795	41,354	20,091	20,245	1,334,391	1,308,138
Segment liabilities (7)	34,386	23,234	18,578	17,875	1,271,716	1,249,264

** Amounts restated relative to the financial statements published at 31 December 2014 according to the retrospective application of IFRIC 21(see Note 1).*

(7) Segment liabilities correspond to debts (i.e. total liabilities excluding equity).

NOTE 8.2 - TANGIBLE AND INTANGIBLE FIXED ASSETS

ACCOUNTING PRINCIPLES

Tangible and intangible fixed assets include operating and investment fixed assets. Movable assets held under operating leases are included in tangible operating fixed assets, while buildings held for leasing purposes are included in investment property.

Tangible and intangible fixed assets are carried at their purchase price on the asset side of the balance sheet, less depreciation, amortisation and impairment.

The purchase price of fixed assets includes borrowing costs incurred to fund a lengthy construction period for the fixed assets are included in the acquisition cost, along with all other directly attributable expenses. Investment subsidies received are deducted from the cost of the relevant assets. Software developed internally is recorded on the asset side of the balance sheet in the amount of the direct cost of development.

As soon as they are fit for use, fixed assets are depreciated or amortised using the component based approach. Each component is depreciated or amortised over its own useful life. The Group has applied this approach to its operating properties, breaking down its assets into at least the following components and using depreciation periods of 10 to 50 years. Depreciation periods for fixed assets other than buildings depend on their useful life, which is usually estimated at 3 to 20 years.

Any residual value of the asset is deducted from its depreciable amount. If there is a subsequent decrease or increase in this initial residual value, the depreciable amount of the asset is adjusted, leading to a prospective modification of the depreciation schedule.

Depreciation and amortisation are recorded in the income statement under Amortisation, depreciation and impairment of tangible and intangible fixed assets.

Fixed assets grouped into Cash Generating Units are tested for impairment whenever there is any indication that their value may have diminished. Allocations and reversals of provisions for impairment are recorded in the income statement under *Amortisation, depreciation and impairment of tangible and intangible fixed assets*.

Realised capital gains and losses on operating fixed assets are recognised under *Net income from other assets*.

Profits or losses on operating lease assets and on investment property are recognised under *Income from other activities* and *Expenses from other activities* (see Note 4.2).

CHANGES IN TANGIBLE AND INTANGIBLE FIXED ASSETS

(In millions of euros)	Gross book value at 31 December 2014	Acquisitions	Disposals	Changes in translation, consolidation scope and reclassifications	Gross value at 31 December 2015	Depreciation and amortisation of assets at 31 December 2014	Allocations to amortisation and depreciation in 2015	Impairment of assets	Write-backs from amortisation and depreciation in 2015	Changes in translation, consolidation scope and reclassifications	Net book value at 31 December 2015	Net book value at 31 December 2014
Intangible assets	4,951	493	(41)	(97)	5,306	(3,360)	(413)	-	17	70	1,620	1,591
Operating tangible assets	10,930	679	(682)	(229)	10,698	(5,919)	(509)	(12)	584	244	5,086	5,011
Lease assets of specialised financing companies	15,778	6,074	(4,796)	249	17,305	(5,002)	(2,656)	(36)	2,481	(34)	12,058	10,776
Investment property	639	151	(5)	(1)	784	(100)	(19)	(13)	3	2	657	539
Total tangible and intangible fixed assets	**32,297**	**7,397**	**(5,524)**	**(78)**	**34,093**	**(14,381)**	**(3,597)**	**(61)**	**3,085**	**282**	**19,421**	**17,917**

BREAKDOWN OF MINIMUM PAYMENTS RECEIVABLE ON OPERATING LEASE ASSETS

(In millions of euros)	31 December 2015	31 December 2014
Breakdown of minimum payments receivable		
due in less than one year	3,356	3,007
due in 1-5 years	5,118	5,061
due in more than five years	22	23
Total minimum future payments receivable	**8,496**	**8,091**

NOTE 8.3 - FOREIGN EXCHANGE TRANSACTIONS

ACCOUNTING PRINCIPLES

At the balance sheet date, money market assets and liabilities denominated in foreign currencies are translated into the entity's functional currency at the prevailing spot exchange rate. Realised or unrealised foreign exchange losses or gains are recognised in the income statement under *Net gains and losses on financial instruments at fair value through profit or loss* (See Note 3.1).

Forward foreign exchange transactions are recognised at fair value based on the forward exchange rate for the remaining maturity. Spot foreign exchange positions are valued using the official spot rates prevailing at the end of the period. Unrealised gains and losses are recognised in the income statement under *Net gains and losses on financial instruments at fair value through profit or loss* (See Note 3.1).

Non-money market financial assets denominated in foreign currencies, including shares and other equity instruments that are not measured at fair value through profit or loss, are translated into the entity's functional currency at the exchange rate prevailing at the end of the period. Foreign exchange differences arising on these financial assets are booked to shareholders' equity and are only recorded in the income statement when sold or impaired or where the currency risk is fair value-hedged. In particular, non-money market assets funded by a liability denominated in the same currency are translated at the spot rate prevailing at the end of the period while booking the impact of exchange rate fluctuations to income subject to a fair value hedge relationship existing between the two financial instruments in respect of currency risk.

	31 December 2015				**31 December 2014***			
(In millions of euros)	**Assets**	**Liabilities**	**Currencies bought, not yet received**	**Currencies sold, not yet delivered**	**Assets**	**Liabilities**	**Currencies bought, not yet received**	**Currencies sold, not yet delivered**
EUR	760,374	746,574	20,811	19,937	770,387	804,839	17,383	18,704
USD	324,591	324,715	43,752	49,152	320,543	282,406	39,950	40,091
GBP	69,513	58,518	7,836	12,791	52,643	43,044	3,224	5,448
JPY	41,084	64,231	21,168	17,611	37,032	48,595	8,788	9,081
AUD	6,122	5,712	3,640	4,923	5,074	4,859	2,430	2,805
CZK	29,046	30,656	270	130	30,229	31,867	507	1,009
RUB	9,843	6,789	21	43	11,379	9,435	307	202
RON	6,595	7,256	47	189	5,281	6,517	49	98
Other currencies	87,223	89,940	18,256	15,131	75,570	76,576	13,495	12,023
Total	**1,334,391**	**1,334,391**	**115,801**	**119,907**	**1,308,138**	**1,308,138**	**86,133**	**89,461**

** Amounts restated relative to the financial statements published at 31 December 2014 according to the retrospective application of IFRIC 21(see Note 1).*

NOTE 8.4 - COMPANIES INCLUDED IN THE CONSOLIDATION SCOPE

Country			Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
South Africa								
	(1)	SG JOHANNESBURG	Bank	FULL	100.00	100.00	100.00	100.00
Albania								
		BANKA SOCIETE GENERALE ALBANIA SH.A.	Bank	FULL	88.64	88.64	88.64	88.64
Algeria								
		SOCIETE GENERALE ALGERIE	Bank	FULL	100.00	100.00	100.00	100.00
		ALD AUTOMOTIVE ALGERIE SPA	Specialist Financing	FULL	99.99	99.99	99.99	99.99
Germany								
	(3)	AKRUN EINS GRUNDSTUCKS-VERMIETUNGSGESELLSCHAFT MBH & CO. OBJEKT SEREN 1 KG	Real Estate and Real Estate Financing	FULL		-		100.00
		ALD AUTOLEASING D GMBH	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		ALD INTERNATIONAL GROUP HOLDINGS GMBH	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		ALD INTERNATIONAL SAS & CO. KG	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		ALD LEASE FINANZ GMBH	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		BANK DEUTSCHES KRAFTFAHRZEUGGEWERBE GMBH	Specialist Financing	FULL	99.86	99.83	51.00	51.00
		BDK LEASING UND SERVICE GMBH	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		CAR PROFESSIONAL FUHRPARKMANAGEMENT UND BERATUNGSGESELLSCHAFT MBH & CO. KG	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		CARPOOL GMBH	Broker	FULL	100.00	100.00	100.00	100.00
	(1)(2)	EFS SA BRANCH HAMBOURG	Financial Company	FULL		100.00		100.00
		EUROPARC DREILINDEN GMBH	Group Real Estate Management Companies	FULL	100.00	100.00	100.00	100.00
		EUROPARC GMBH	Group Real Estate Management Company	FULL	100.00	100.00	100.00	100.00
		EUROPARC KERPEN GMBH	Group Real Estate Management Company	FULL	100.00	100.00	100.00	100.00
		GEFA GESELLSCHAFT FUR ABSATZFINANZIERUNG MBH	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		GEFA LEASING GMBH	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		GEFA VERSICHERUNGSDIENST GMBH	Insurance	ESI	100.00	100.00	100.00	100.00
		HANSEATIC BANK GMBH & CO KG	Specialist Financing	FULL	75.00	75.00	75.00	75.00
		HANSEATIC GESELLSCHAFT FUR BANKBETEILIGUNGEN MBH	Portfolio Management	FULL	75.00	75.00	100.00	100.00
		HSCE HANSEATIC SERVICE CENTER GMBH	Services	FULL	75.00	75.00	100.00	100.00
	(5)	IFVB INSTITUT FUR VERMOGENSBILDUNG GMBH	Services	FULL		75.19		100.00
		INTERLEASING DELLO HAMBURG GMBH	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	(4)	MILAHA QATAR GMBH & CO.KG	Financial Company	FULL		60.00		29.00
	(4)	MILAHA RAS LAFFAN GMBH & CO.KG	Financial Company	FULL		60.00		29.00
	(5)	NAMENDO GMBH	Services	FULL		75.19		100.00
		ONVISTA	Financial Company	FULL	100.00	75.19	100.00	94.57
		ONVISTA BANK	Broker	FULL	100.00	75.19	100.00	100.00
	(5)	ONVISTA BETEILIGUNG HOLDING GMBH	Services	FULL		75.19		100.00
		ONVISTA MEDIA GMBH	Services	FULL	100.00	75.19	100.00	100.00
		PEMA GMBH	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		PODES DREI GRUNDSTUCKS-VERMIETUNGSGESELLSCHAFT MBH &CO OBJEKTE WEL 4 KG	Real Estate and Real Estate Financing	FULL	-	-	100.00	100.00
		PODES GRUNDSTUCKS - VERMIETUNGSGESELLSCHAFT MBH & CO OBJEKTE WEL 3 KG	Real Estate and Real Estate Financing	FULL	-	-	100.00	100.00
		PODES ZWEI GRUNDSTUCKS-	Real Estate and	FULL	-	-	100.00	100.00

Country			Activity	Method*	Group ownership interest		Group voting interest	
					at 31 December 2015	at 31 December 2014	at 31 December 2015	at 31 December 2014
		VERMIETUNGSGESELLSCHAFT MBH &CO OBJEKTE WEL 3 KG	Real Estate Financing					
	(3)	RED & BLACK AUTO GERMANY 1 UG (HAFTUNGSBESCHRANKT)	Financial Company	FULL		-		100.00
		RED & BLACK AUTO GERMANY 2 UG (HAFTUNGSBESCHRANKT)	Financial Company	FULL	-	-	100.00	100.00
	(6)	RED & BLACK AUTO GERMANY 3 UG (HAFTUNGSBESCHRANKT)	Financial Company	FULL	-		100.00	
		RED & BLACK CAR SALES 1UG	Financial Company	FULL	-	-	100.00	100.00
		RED & BLACK TME GERMANY 1 UG	Financial Company	FULL	-	-	100.00	100.00
		SG EFFEKTEN	Financial Company	FULL	100.00	100.00	100.00	100.00
		SG EQUIPMENT FINANCE INTERNATIONAL GMBH	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG EQUIPMENT FINANCE SA & CO KG	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	(1)	SG FRANCFORT	Bank	FULL	100.00	100.00	100.00	100.00
	(1)	SOGECAP DEUTSCHE NIEDERLASSUNG	Insurance	FULL	100.00	100.00	100.00	100.00
	(1)	SOGECAP RISQUES DIVERS DEUTSCHE NIEDERLASSUNG	Insurance	FULL	100.00	100.00	100.00	100.00
	(5)	TOAST MEDIA GMBH	Services	FULL		75.19		100.00
	(5)	TRADE & GET GMBH	Services	FULL		75.19		100.00
		SOCIETE GENERALE SECURITIES SERVICES GMBH	Specialist Financing	FULL	100.00	100.00	100.00	100.00
Australia								
		SOCIETE GENERALE SECURITIES AUSTRALIA PTY LTD	Broker	FULL	100.00	100.00	100.00	100.00
Austria								
		ALD AUTOMOTIVE FUHRPARKMANAGEMENT UND LEASING GMBH	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG EQUIPMENT LEASING AUSTRIA GMBH	Specialist Financing	ESI	100.00	100.00	100.00	100.00
	(1)	SG VIENNE	Bank	FULL	100.00	100.00	100.00	100.00
Bahamas								
		SG PRIVATE BANKING (BAHAMAS) LTD.	Bank	FULL	100.00	100.00	100.00	100.00
Belgium								
	(6)	AXUS FINANCE SPRL	Specialist Financing	FULL	100.00		100.00	
		AXUS SA/NV	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		BASTION EUROPEAN INVESTMENTS S.A.	Financial Company	FULL	60.74	60.74	100.00	100.00
		MILFORD	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		PEMA TRUCK TRAILER VERHUUR	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	(1)	SG BRUXELLES	Bank	FULL	100.00	100.00	100.00	100.00
	(1)	SG EQUIPMENT FINANCE BENELUX B.V. BELGIAN BRANCH	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE IMMOBEL	Financial Company	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE PRIVATE BANKING NV/SA	Bank	FULL	100.00	100.00	100.00	100.00
Benin								
		SOCIETE GENERALE BENIN	Bank	FULL	83.19	83.19	83.85	83.85
Bermuda								
		CATALYST RE INTERNATIONAL LTD.	Insurance	FULL	100.00	100.00	100.00	100.00
		CATALYST RE LTD.	Insurance	FULL	100.00	100.00	100.00	100.00
Brazil								
		ALD AUTOMOTIVE S.A.	Specialist Financing	ESI	100.00	100.00	100.00	100.00
		BANCO CACIQUE S.A.	Bank	FULL	100.00	100.00	100.00	100.00
		BANCO PECUNIA S.A.	Bank	FULL	100.00	100.00	100.00	100.00
		BANCO SOCIETE GENERALE BRASIL S.A.	Bank	FULL	100.00	100.00	100.00	100.00
		CACIQUE PROMOTORA DE VENDAS LTDA	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		COBRACRED COBRANCA ESPECIALIZADA LTDA	Financial Company	FULL	100.00	100.00	100.00	100.00
		CREDIAL EMPREENDIMENTOS E SERVICOS LTDA	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		MORDENO SOCIEDADES ANONIMAS	Financial Company	FULL	100.00	100.00	100.00	100.00
		NEWEDGE REPRESENTACOES	Broker	FULL	100.00	100.00	100.00	100.00

Country			Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
		LTDA (NEWEDGE BRAZIL)						
		SG EQUIPMENT FINANCE S.A. ARRENDAMENTO MERCANTIL	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG SD FUNDO DE INVESTIMENTO MULTIMERCADO - INVESTIMENTO NO EXTERIOR	Financial Company	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE S.A. CORRETORA DE CAMBIO, TITULOS E VALORES MOBILIARIOS	Broker	FULL	100.00	100.00	100.00	100.00
Bulgaria								
		REGIONAL URBAN DEVELOPMENT FUND	Specialist Financing	FULL	51.86	51.86	52.00	52.00
		SG EXPRESS BANK	Bank	FULL	99.74	99.74	99.74	99.74
		SOCIETE GENERALE FACTORING	Specialist Financing	FULL	99.74	99.74	100.00	100.00
		SOGELEASE BULGARIA	Specialist Financing	FULL	99.74	99.74	100.00	100.00
Burkina Faso								
		SOCIETE GENERALE BURKINA FASO	Bank	FULL	51.27	51.27	52.61	52.61
Cameroon								
		SOCIETE GENERALE CAMEROUN	Bank	FULL	58.08	58.08	58.08	58.08
Canada								
		SG CONSTELLATION CANADA LTD.	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG HAMBROS TRUST COMPANY (CANADA) INC	Financial Company	FULL	100.00	100.00	100.00	100.00
	(1)	SOCIETE GENERALE (CANADA BRANCH)	Bank	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE (CANADA)	Bank	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE CAPITAL CANADA INC	Broker	FULL	100.00	100.00	100.00	100.00
China								
		ALD FORTUNE AUTO LEASING & RENTING SHANGHAI CO. LTD	Specialist Financing	ESI	50.00	50.00	50.00	50.00
		FORTUNE SG FUND MANAGEMENT CO. , LTD.	Financial Company	EJV	49.00	49.00	49.00	49.00
		SOCIETE GENERALE (CHINA) LIMITED	Bank	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE LEASING AND RENTING CO. LTD	Specialist Financing	FULL	100.00	100.00	100.00	100.00
Cyprus								
		VPRG LIMITED	Group Real Estate Management Company	FULL	99.49	99.49	100.00	100.00
South Korea								
	(1)(2)	NEWEDGE FINANCIAL HONG KONG LTD (SEOUL BRANCH)	Broker	FULL		100.00		100.00
	(1)(2)	SG SEC. (HK) LTD, SEOUL BRANCH	Broker	FULL		100.00		100.00
	(1)	SG SEOUL	Bank	FULL	100.00	100.00	100.00	100.00
		SG SECURITIES KOREA, LTD	Broker	FULL	100.00	100.00	100.00	100.00
Côte d'Ivoire								
		SG DE BANQUES EN COTE D'IVOIRE	Bank	FULL	73.25	73.25	73.25	73.25
		SOGEBOURSE EN COTE D'IVOIRE	Portfolio Management	FULL	71.27	71.27	100.00	100.00
Croatia								
		ALD AUTOMOTIVE D.O.O. ZA. OPERATIVNI I FINANCIJSKI LEASING	Specialist Financing	ESI	100.00	100.00	100.00	100.00
		SG LEASING D.O.O.	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE-SPLITSKA BANKA D.D.	Bank	FULL	100.00	100.00	100.00	100.00
Curaçao								
		SGA SOCIETE GENERALE ACCEPTANCE N.V	Financial Company	FULL	100.00	100.00	100.00	100.00
Denmark								
		ALD AUTOMOTIVE A/S	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		NF FLEET A/S	Specialist Financing	FULL	80.00	80.00	80.00	80.00
		PEMA LAST OG-TRAILERUDLEJNING A/S	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	(1)	SG FINANS AS DANISH BRANCH	Specialist Financing	FULL	100.00	100.00	100.00	100.00
United Arab Emirates								
	(1)(5)	NEWEDGE GROUP (DUBAI	Broker	FULL		100.00		100.00

Country			Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
		BRANCH)						
	(1)(2)	SOCIETE GENERALE BANK & TRUST DUBAI	Bank	FULL		100.00		100.00
	(1)	SOCIETE GENERALE DUBAI	Bank	FULL	100.00	100.00	100.00	100.00
Spain								
		ALD AUTOMOTIVE S.A.U	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		ALTURA MARKETS, SOCIEDAD DE VALORES, SA	Broker	EJV	50.00	50.00	50.00	50.00
	(1)	GENEFIM SUCURSAL EN ESPANA	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
		SELF TRADE BANK SA	Broker	FULL	100.00	40.55	100.00	51.00
		SG EQUIPMENT FINANCE IBERIA, E.F.C, S.A.	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SOCGEN INVERSIONES FINANCIERAS SA	Financial Company	FULL	100.00	100.00	100.00	100.00
	(1)	SOCIETE GENERALE SUCCURSAL EN ESPANA	Bank	FULL	100.00	100.00	100.00	100.00
		SODEPROM	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
Estonia								
		ALD AUTOMOTIVE EESTI AS	Specialist Financing	ESI	75.01	75.01	75.01	75.01
United States								
		AEGIS HOLDINGS (ONSHORE) INC.	Financial Company	FULL	100.00	100.00	100.00	100.00
	(2)	ANTALIS US FUNDING CORP	Financial Company	FULL		-		100.00
		CGI FINANCE INC	Financial Company	FULL	99.89	99.88	100.00	100.00
		CGI NORTH AMERICA INC.	Specialist Financing	FULL	99.89	99.88	100.00	100.00
		CLASSIC YACHT DOCUMENTATION, INC.	Services	FULL	99.89	99.88	100.00	100.00
		LYXOR ASSET MANAGEMENT HOLDING CORP.	Portfolio Management	FULL	100.00	100.00	100.00	100.00
		LYXOR ASSET MANAGEMENT INC.	Financial Company	FULL	100.00	100.00	100.00	100.00
		NEWEDGE FACILITIES MANAGEMENT INC	Services	FULL	100.00	100.00	100.00	100.00
	(5)	NEWEDGE USA, LLC	Broker	FULL		100.00		100.00
		SG AMERICAS EQUITIES CORP.	Financial Company	FULL	100.00	100.00	100.00	100.00
		SG AMERICAS OPERATIONAL SERVICES, INC.	Services	FULL	100.00	100.00	100.00	100.00
		SG AMERICAS SECURITIES HOLDINGS, LLC	Bank	FULL	100.00	100.00	100.00	100.00
		SG AMERICAS SECURITIES, LLC	Broker	FULL	100.00	100.00	100.00	100.00
		SG AMERICAS, INC.	Financial Company	FULL	100.00	100.00	100.00	100.00
		SG CONSTELLATION, INC.	Financial Company	FULL	100.00	100.00	100.00	100.00
		SG EQUIPMENT FINANCE USA CORP.	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG MORTGAGE FINANCE CORP.	Financial Company	FULL	100.00	100.00	100.00	100.00
		SG REINSURANCE INTERMEDIARY BROKERAGE, LLC	Insurance	FULL	100.00	100.00	100.00	100.00
		SG STRUCTURED PRODUCTS, INC.	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SGAIH, INC.	Financial Company	FULL	100.00	100.00	100.00	100.00
		SGB FINANCE NORTH AMERICA INC.	Financial Company	FULL	50.94	50.94	100.00	100.00
	(1)	SOCIETE GENERALE (NEW YORK)	Bank	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE ENERGY LLC	Financial Company	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE FINANCIAL CORPORATION	Financial Company	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE INVESTMENT CORPORATION	Financial Company	FULL	100.00	100.00	100.00	100.00
	(2)	SOCIETE GENERALE NORTH AMERICA, INC.	Financial Company	FULL		100.00		100.00
		TROPICANA FUNDING INCORPORATED	Financial Company	FULL	100.00	100.00	100.00	100.00
		SGAIF, LLC	Financial Company	FULL	100.00	100.00	100.00	100.00
		TENDER OPTION BOND PROGRAM	Financial Company	FULL	100.00	100.00	100.00	100.00
Finland								
		AXUS FINLAND OY	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	(6)	EASY KM OY	Specialist	FULL	100.00		100.00	

Country			Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
			Financing					
		NF FLEET OY	Specialist Financing	FULL	80.00	80.00	80.00	80.00
France								
		9 RUE DES BIENVENUS	Real Estate and Real Estate Financing	FULL	86.50	86.50	100.00	100.00
		AIR BAIL	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		AIX - BORD DU LAC - 3	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
		ALBIGNY AVORAUX	Real Estate and Real Estate Financing	FULL	86.50	86.50	100.00	100.00
		ALD AUTOMOTIVE RUSSIE SAS	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		ALD INTERNATIONAL	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		ALPRIM	Real Estate and Real Estate Financing	FULL	60.00	60.00	60.00	60.00
	(4)	AMUNDI GROUP	Financial Company	ESI		20.00		20.00
		ANTALIS SA	Financial Company	FULL	-	-	100.00	100.00
		ANTARIUS	Insurance	EJV	50.00	50.00	50.00	50.00
		ANTARIUS FONDS ACTIONS PLUS	Financial Company	EJV	-	-	99.89	99.89
		ANTARIUS FONDS OBLIGATAIRE	Financial Company	EJV	-	-	99.95	99.95
		ANTARIUS OBLI 1-3 ANS	Financial Company	EJV	-	-	100.00	100.00
		ANTARIUS ROTATION SECTORIELLE	Financial Company	EJV	-	-	97.29	97.29
		AQPRIM	Real Estate and Real Estate Financing	FULL	55.00	55.00	55.00	55.00
		AVIVA INVESTORS RESERVE EUROPE	Financial Company	EJV	-	-	58.58	58.58
		BANQUE FRANCAISE COMMERCIALE OCEAN INDIEN	Bank	FULL	50.00	49.99	50.00	49.99
		BANQUE KOLB	Bank	FULL	99.87	99.87	99.87	99.87
		BANQUE LAYDERNIER	Bank	FULL	100.00	100.00	100.00	100.00
		BANQUE NUGER	Bank	FULL	100.00	99.99	100.00	100.00
		BANQUE POUYANNE	Bank	ESI	35.00	35.00	35.00	35.00
		BANQUE RHONE ALPES	Bank	FULL	99.99	99.99	99.99	99.99
		BANQUE TARNEAUD	Bank	FULL	100.00	100.00	100.00	100.00
	(6)	BOURSORAMA INVESTISSEMENT	Services	FULL	100.00		100.00	
		BOURSORAMA SA	Broker	FULL	100.00	79.51	100.00	79.51
		BREMANY LEASE SAS	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		CAEN - RUE BASSE	Real Estate and Real Estate Financing	FULL	80.18	80.18	100.00	100.00
		CAEN - RUE DU GENERAL MOULIN	Real Estate and Real Estate Financing	FULL	80.18	80.18	100.00	100.00
		CARBURAUTO	Group Real Estate Management Company	EJV	50.00	50.00	50.00	50.00
		CARRERA	Group Real Estate Management Company	EJV	50.00	50.00	50.00	50.00
		CENTRE IMMO PROMOTION	Real Estate and Real Estate Financing	FULL	60.00	60.00	60.00	60.00
		CHARTREUX LOT A1	Real Estate and Real Estate Financing	FULL	80.18	80.18	100.00	100.00
		CHEMIN DES COMBES	Real Estate and Real Estate Financing	FULL	86.50	86.50	100.00	100.00
		COEUR EUROPE	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
		COMPAGNIE FINANCIERE DE BOURBON	Specialist Financing	FULL	99.99	99.99	100.00	100.00
		COMPAGNIE FONCIERE DE LA MEDITERRANEE (CFM)	Group Real Estate Management Company	FULL	100.00	100.00	100.00	100.00
		COMPAGNIE GENERALE D'AFFACTURAGE	Services	FULL	100.00	100.00	100.00	100.00
		COMPAGNIE GENERALE DE	Specialist	FULL	99.89	99.88	99.89	99.88

Country			Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
		LOCATION D'EQUIPEMENTS	Financing					
		CONTE	Group Real Estate Management Company	EJV	50.00	50.00	50.00	50.00
		CREDINORD CIDIZE	Financial Company	FULL	100.00	100.00	100.00	100.00
		CREDIT DU NORD	Bank	FULL	100.00	100.00	100.00	100.00
		DARWIN DIVERSIFIE 0-20	Portfolio Management	FULL	-	-	88.67	88.25
		DARWIN DIVERSIFIE 40-60	Portfolio Management	FULL	-	-	79.98	79.60
		DARWIN DIVERSIFIE 80-100	Portfolio Management	FULL	-	-	78.10	76.20
	(6)	DESCARTES TRADING	Financial Company	FULL	100.00		100.00	
		DEVILLE AV LECLERC	Real Estate and Real Estate Financing	FULL	80.18	80.18	100.00	100.00
		DISPONIS	Specialist Financing	FULL	99.99	99.94	100.00	100.00
		ESNI - COMPARTIMENT SG-CREDIT CLAIMS -1	Financial Company	FULL	-	-	100.00	100.00
		ETOILE CLIQUET 90	Financial Company	EJV	-	-	66.29	66.29
		ETOILE GARANTI FEVRIER 2020	Financial Company	EJV	-	-	86.15	86.15
		ETOILE GARANTI JUILLET 2018	Financial Company	EJV	-	-	53.61	53.61
		ETOILE ID	Financial Company	FULL	100.00	100.00	100.00	100.00
		ETOILE PATRIMOINE 50	Financial Company	EJV	-	-	58.64	58.64
	(2)	ETOILE TOP 2007	Financial Company	EJV		-		46.62
		FCC ALBATROS	Portfolio Management	FULL	-	-	51.00	51.00
	(2)	FCT BLANCO	Financial Company	FULL		-		100.00
		FCT CODA	Financial Company	FULL	-	-	100.00	100.00
		FCT COMPARTMENT SOGECAP SG 1	Financial Company	FULL	-	-	100.00	100.00
		FCT MALZIEU	Financial Company	FULL	-	-	100.00	100.00
		FCT R&B BDDF PPI	Portfolio Management	FULL	100.00	100.00	100.00	100.00
	(2)	FCT RED & BLACK FRENCH SMALL BUSINESS	Specialist Financing	FULL		100.00		100.00
		FCT WATER DRAGON	Financial Company	FULL	-	-	100.00	100.00
	(6)	FEEDER LYXOR CAC 40	Financial Company	FULL	-		99.77	
	(6)	FEEDER LYXOR STOXX 50	Financial Company	FULL	-		99.56	
		FENWICK LEASE	Specialist Financing	FULL	99.99	99.99	100.00	100.00
	(6)	FIDUCEO	Services	FULL	100.00		100.00	
		FINANCIERE UC	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	(5)	FINAREG	Portfolio Management	FULL		100.00		100.00
		FINASSURANCE SNC	Broker	FULL	98.89	98.88	99.00	99.00
	(2)	FQA FUND	Financial Company	FULL		-		100.00
		FRANFINANCE	Specialist Financing	FULL	99.99	99.99	99.99	99.99
		FRANFINANCE LOCATION	Specialist Financing	FULL	99.99	99.99	100.00	100.00
		GALYBET	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	(5)	GENE ACT 1	Portfolio Management	FULL		100.00		100.00
		GENEBANQUE	Bank	FULL	100.00	100.00	100.00	100.00
		GENECAL FRANCE	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		GENECAR - SOCIETE GENERALE DE COURTAGE D'ASSURANCE ET DE REASSURANCE	Insurance	FULL	100.00	100.00	100.00	100.00
		GENECOMI	Specialist Financing	FULL	99.64	99.64	99.64	99.64
		GENEFIM	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
		GENEFIMMO HOLDING	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
		GENEFINANCE	Portfolio Management	FULL	100.00	100.00	100.00	100.00
		GENEGIS I	Group Real Estate Management Company	FULL	100.00	100.00	100.00	100.00
		GENEGIS II	Group Real Estate Management	FULL	100.00	100.00	100.00	100.00

	Country	Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
		Company					
	GENEVAL	Portfolio Management	FULL	100.00	100.00	100.00	100.00
	GENEVALMY	Group Real Estate Management Company	FULL	100.00	100.00	100.00	100.00
	GENINFO	Portfolio Management	FULL	100.00	100.00	100.00	100.00
	IMAPRIM AMENAGEMENT	Real Estate and Real Estate Financing	FULL	70.00	70.00	70.00	70.00
(1)	INORA LIFE FRANCE	Insurance	FULL	100.00	100.00	100.00	100.00
	INTER EUROPE CONSEIL	Financial Company	FULL	100.00	100.00	100.00	100.00
	INVESTIR IMMOBILIER - MAROMME	Real Estate and Real Estate Financing	FULL	80.18	80.18	100.00	100.00
	INVESTIR IMMOBILIER NORMANDIE	Real Estate and Real Estate Financing	FULL	80.00	80.00	80.00	80.00
	ISSY 11-3 GALLIENI	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
	KOLB INVESTISSEMENT	Financial Company	FULL	100.00	100.00	100.00	100.00
	LA BANQUE POSTALE FINANCEMENT	Specialist Financing	ESI	35.00	35.00	35.00	35.00
	LA CROIX BOISEE	Real Estate and Real Estate Financing	FULL	80.18	80.18	100.00	100.00
	LA FONCIERE DE LA DEFENSE	Portfolio Management	FULL	99.99	99.99	100.00	100.00
(5)	LA MADELEINE	Real Estate and Real Estate Financing	FULL		100.00		100.00
	LES MESANGES	Real Estate and Real Estate Financing	EJV	40.00	40.00	50.00	50.00
(5)	LIBECAP	Portfolio Management	FULL		100.00		100.00
(4)	LIRIX	Portfolio Management	ESI		100.00		100.00
	LYXOR ASSET MANAGEMENT	Financial Company	FULL	100.00	100.00	100.00	100.00
	LYXOR INTERNATIONAL ASSET MANAGEMENT	Financial Company	FULL	100.00	100.00	100.00	100.00
(5)	NEWEDGE GROUP	Broker	FULL		100.00		100.00
	NICE BROC	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	NICE CARROS	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	NOAHO	Real Estate and Real Estate Financing	FULL	55.00	55.00	55.00	55.00
	NORBAIL IMMOBILIER	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	NORBAIL SOFERGIE	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	NORIMMO	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	ONYX	Group Real Estate Management Company	EJV	50.00	50.00	50.00	50.00
	OPCI SOGECAPIMMO	Real Estate and Real Estate Financing	FULL	-	-	100.00	100.00
	OPERA 72	Group Real Estate Management Company	FULL	99.99	99.99	100.00	100.00
	ORADEA VIE	Insurance	FULL	100.00	100.00	100.00	100.00
	ORPAVIMOB	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	PACTIMO	Real Estate and Real Estate Financing	FULL	86.00	86.00	86.00	86.00
	PAREL	Services	FULL	100.00	100.00	100.00	100.00
	PARTICIPATIONS IMMOBILIERES RHONE ALPES	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	PHILIPS MEDICAL CAPITAL FRANCE	Specialist Financing	FULL	60.00	60.00	60.00	60.00

Country		Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
	PRAGMA	Real Estate and Real Estate Financing	FULL	86.00	86.00	100.00	100.00
	PRIMAXIA	Real Estate and Real Estate Financing	FULL	79.74	79.74	81.00	81.00
	PRIORIS	Financial Company	FULL	94.89	94.89	95.00	95.00
	PROJECTIM	Real Estate and Real Estate Financing	FULL	60.00	60.00	60.00	60.00
(2)	RED & BLACK AUTO FRANCE 2012	Financial Company	FULL		-		100.00
	RED & BLACK CONSUMER FRANCE 2013	Financial Company	FULL	100.00	100.00	100.00	100.00
	RIVAPRIM	Real Estate and Real Estate Financing	FULL	60.00	60.00	60.00	60.00
	SAGEMCOM LEASE	Specialist Financing	FULL	99.99	99.99	100.00	100.00
	SAINT CLAIR	Real Estate and Real Estate Financing	EJV	40.00	40.00	50.00	50.00
	SAINT-MARTIN 3	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
	SARL DT 6 NANTES	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
	SARL SEINE CLICHY	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	SAS ANTONY - DOMAINE DE TOURVOIE	Real Estate and Real Estate Financing	SALRE	50.00	50.00	50.00	50.00
	SAS COPRIM RESIDENCES	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	SAS DE LA RUE DORA MAAR	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
	SAS LOIRE ATLANTIQUE TERTIAIRE	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
	SAS NOAHO AMENAGEMENT	Real Estate and Real Estate Financing	FULL	86.50	86.50	100.00	100.00
	SAS NORMANDIE HABITAT	Real Estate and Real Estate Financing	FULL	86.00	86.00	100.00	100.00
	SAS NORMANDIE RESIDENCES	Real Estate and Real Estate Financing	FULL	98.00	98.00	100.00	100.00
	SAS PARNASSE	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	SAS SOGEPROM TERTIAIRE	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	SAS TOUR D2	Real Estate and Real Estate Financing	SALRE	50.00	50.00	50.00	50.00
	SC ALICANTE 2000	Group Real Estate Management Company	FULL	100.00	100.00	100.00	100.00
	SC CHASSAGNE 2000	Group Real Estate Management Company	FULL	100.00	100.00	100.00	100.00
	SCCV 29 ET 31 AVENUE CHARLES DE GAULLE A LA TESTE DE BUCH	Real Estate and Real Estate Financing	FULL	39.52	39.52	51.00	51.00
	SCCV 3 CHATEAUX	Real Estate and Real Estate Financing	EJV	43.00	43.00	50.00	50.00
	SCCV BALMA ENTREPRISE	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
	SCCV BASSENS LES MONTS	Real Estate and Real Estate Financing	FULL	70.00	70.00	70.00	70.00
	SCCV BLAINVILLE LEMARCHAND	Real Estate and Real Estate Financing	FULL	80.18	80.18	100.00	100.00
	SCCV CAEN CHARITE - ILOT 3	Real Estate and	FULL	80.18	80.00	100.00	100.00

Country		Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
		Real Estate Financing					
	SCCV CHARITE - REHABILITATION	Real Estate and Real Estate Financing	FULL	80.18	80.18	100.00	100.00
	SCCV CHARTREUX LOT E	Real Estate and Real Estate Financing	FULL	80.18	80.18	100.00	100.00
	SCCV CHARTREUX LOTS B-D	Real Estate and Real Estate Financing	FULL	80.18	80.18	100.00	100.00
	SCCV ETERVILLE RUE DU VILLAGE	Real Estate and Real Estate Financing	FULL	80.18	80.18	100.00	100.00
	SCCV LES ECRIVAINS	Real Estate and Real Estate Financing	FULL	86.50	86.50	100.00	100.00
	SCCV LES PATIOS D'OR DE FLEURY LES AUBRAIS	Real Estate and Real Estate Financing	FULL	64.00	64.00	80.00	80.00
	SCCV LES SUCRES	Real Estate and Real Estate Financing	EJV	43.25	43.25	50.00	50.00
	SCCV MARCQ PROJECTIM	Real Estate and Real Estate Financing	FULL	64.00	64.00	80.00	80.00
	SCCV MARQUET PROJECTIM	Real Estate and Real Estate Financing	FULL	68.00	68.00	85.00	85.00
	SCCV POURCIEUX-BARONNES	Real Estate and Real Estate Financing	FULL	60.00	60.00	60.00	60.00
	SCCV RIVER GREEN	Real Estate and Real Estate Financing	FULL	99.60	99.60	100.00	100.00
	SCCV VERNAISON - RAZAT	Real Estate and Real Estate Financing	EJV	43.25	43.25	50.00	50.00
	SCDM PARTICIPATIONS	Portfolio Management	ESI	-	-	100.00	100.00
	SCI AIX BORD DU LAC-1	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
	SCI AIX-BORD DU LAC-2	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
	SCI AQPRIM PROMOTION	Real Estate and Real Estate Financing	FULL	77.50	77.50	100.00	100.00
	SCI ASC LA BERGEONNERIE	Real Estate and Real Estate Financing	EJV	42.00	42.00	50.00	50.00
	SCI AVARICUM	Real Estate and Real Estate Financing	FULL	99.00	99.00	99.00	99.00
	SCI BRAILLE/HOTEL DE VILLE	Real Estate and Real Estate Financing	EJV	49.96	49.92	50.00	50.00
	SCI CAP COURROUZE	Real Estate and Real Estate Financing	FULL	65.00	65.00	65.00	65.00
	SCI CENTRE IMMO PROMOTION RESIDENCES	Real Estate and Real Estate Financing	FULL	80.00	80.00	100.00	100.00
	SCI CHARITE - GIRANDIERE	Real Estate and Real Estate Financing	EJV	40.00	40.00	50.00	50.00
	SCI CHELLES AULNOY MENDES FRANCE	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
	SCI DREUX LA ROTULE NORD	Real Estate and Real Estate Financing	FULL	80.00	80.00	100.00	100.00
	SCI DU 84 RUE DU BAC	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
	SCI ETAMPES NOTRE-DAME	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
	SCI ETRECHY SAINT NICOLAS	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
	SCI EUROPARC HAUTE BORNE	Real Estate and	FULL	51.00	51.00	51.00	51.00

Country			Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
		1	Real Estate Financing					
		SCI EUROPARC ST MARTIN DU TOUCH 2002	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	(2)	SCI GOUSSAINVILLE SAINT-JUST	Real Estate and Real Estate Financing	FULL		65.00		65.00
		SCI HEGEL PROJECTIM	Real Estate and Real Estate Financing	FULL	68.00	68.00	85.00	85.00
		SCI LA MANTILLA COMMERCES	Real Estate and Real Estate Financing	FULL	93.00	93.00	100.00	100.00
		SCI LA MARQUEILLE	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
		SCI LAVOISIER	Real Estate and Real Estate Financing	FULL	80.00	80.00	80.00	80.00
		SCI LE HAMEAU DES GRANDS PRES	Real Estate and Real Estate Financing	EJV	40.00	40.00	40.00	40.00
		SCI LE PARC DE BORDEROUGE	Real Estate and Real Estate Financing	FULL	60.00	60.00	60.00	60.00
		SCI LES JARDINS D'IRIS	Real Estate and Real Estate Financing	FULL	60.00	60.00	60.00	60.00
		SCI LES PORTES DU LEMAN	Real Estate and Real Estate Financing	FULL	80.00	80.00	80.00	80.00
		SCI LES RESIDENCES GENEVOISES	Real Estate and Real Estate Financing	FULL	90.00	90.00	90.00	90.00
		SCI LIEUSAINT RUE DE PARIS	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
		SCI LINAS COEUR DE VILLE 1	Real Estate and Real Estate Financing	FULL	70.00	70.00	70.00	70.00
		SCI L'OREE DES LACS	Real Estate and Real Estate Financing	FULL	70.00	70.00	70.00	70.00
		SCI LYON JOANNES	Real Estate and Real Estate Financing	EJV	43.40	43.40	50.00	50.00
		SCI MARCOUSSIS BELLEJAME	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
		SCI NOAHO RESIDENCES	Real Estate and Real Estate Financing	FULL	86.50	86.50	100.00	100.00
		SCI PARIS 182 CHATEAU DES RENTIERS	Real Estate and Real Estate Financing	FULL	60.00	60.00	60.00	60.00
		SCI PROJECTIM HABITAT	Real Estate and Real Estate Financing	FULL	80.00	80.00	100.00	100.00
		SCI PROJECTIM HELLEMMES SEGUIN	Real Estate and Real Estate Financing	FULL	64.00	64.00	80.00	80.00
		SCI PROJECTIM MARCQ COEUR DE VILLE	Real Estate and Real Estate Financing	EJV	48.00	48.00	60.00	60.00
		SCI PRONY	Real Estate and Real Estate Financing	EJV	33.33	33.33	33.33	33.33
		SCI QUINTESSENCE-VALESCURE	Real Estate and Real Estate Financing	EJV	46.00	46.00	50.00	50.00
		SCI REIMS GARE	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
		SCI RESIDENCE DU DONJON	Real Estate and Real Estate Financing	EJV	40.00	40.00	40.00	40.00
		SCI RHIN ET MOSELLE 1	Real Estate and Real Estate Financing	FULL	92.00	92.00	100.00	100.00
		SCI SAINT OUEN L'AUMONE - L'OISE	Real Estate and Real Estate Financing	EJV	38.00	38.00	38.00	38.00

Country			Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
		SCI SAINT-DENIS WILSON	Real Estate and Real Estate Financing	FULL	60.00	60.00	60.00	60.00
		SCI SAINT-PIERRE-DES-CORPS/CAP 55	Real Estate and Real Estate Financing	FULL	80.00	80.00	100.00	100.00
		SCI SCS IMMOBILIER D'ENTREPRISES	Real Estate and Real Estate Financing	FULL	52.80	52.80	66.00	66.00
		SCI SOGEADI TERTIAIRE	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
		SCI SOGECIP	Real Estate and Real Estate Financing	FULL	80.00	80.00	100.00	100.00
		SCI SOGECTIM	Real Estate and Real Estate Financing	FULL	80.00	80.00	100.00	100.00
		SCI SOGEPROM ATLANTIQUE	Real Estate and Real Estate Financing	FULL	80.00	80.00	80.00	80.00
		SCI SOGEPROM CIP CENTRE	Real Estate and Real Estate Financing	FULL	92.00	92.00	100.00	100.00
		SCI TERRES NOUVELLES FRANCILIENNES	Real Estate and Real Estate Financing	FULL	80.00	80.00	80.00	80.00
		SCI TOULOUSE CENTREDA 3	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
		SCI VALENCE-CHAMPS DE MARS	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
		SCI VELRI	Group Real Estate Management Company	EJV	50.00	50.00	50.00	50.00
		SCI-LUCE-LE CARRE D' OR-LOT E	Real Estate and Real Estate Financing	FULL	92.00	92.00	100.00	100.00
		SEFIA	Financial Company	FULL	50.94	50.94	51.00	51.00
		SG 29 HAUSSMANN	Financial Company	FULL	100.00	100.00	100.00	100.00
		SG 29 REAL ESTATE	Services	FULL	100.00	100.00	100.00	100.00
	(6)	SG ACTIONS EURO SELECTION	Financial Company	FULL	-		58.24	
		SG CAPITAL DEVELOPPEMENT	Portfolio Management	FULL	100.00	100.00	100.00	100.00
		SG CONSUMER FINANCE	Portfolio Management	FULL	100.00	100.00	100.00	100.00
		SG EURO CT	Broker	FULL	100.00	100.00	100.00	100.00
		SG EUROPEAN MORTGAGE INVESTMENTS	Financial Company	FULL	100.00	100.00	100.00	100.00
		SG FINANCIAL SERVICES HOLDING	Portfolio Management	FULL	100.00	100.00	100.00	100.00
	(6)	SG MONETAIRE PLUS E	Financial Company	FULL	-		38.45	
		SG OPTION EUROPE	Broker	FULL	100.00	100.00	100.00	100.00
		SG SECURITIES (PARIS) SAS	Broker	FULL	100.00	100.00	100.00	100.00
		SG SERVICES	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	(6)	SG VALOR ALPHA ACTIONS FRANCE	Financial Company	FULL	-		75.34	
		SGB FINANCE S.A.	Financial Company	FULL	50.94	50.94	51.00	51.00
		SNC BON PUITS 1	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
		SNC BON PUITS 2	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
		SNC COPRIM RESIDENCES	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
		SNC D'AMENAGEMENT FORUM SEINE ISSY LES MOULINEAUX	Real Estate and Real Estate Financing	EJV	33.33	33.33	33.33	33.33
		SNC DU 10 RUE MICHELET	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
		SNC ISSY FORUM 10	Real Estate and Real Estate Financing	EJV	33.33	33.33	33.33	33.33
		SNC ISSY FORUM 11	Real Estate and Real Estate Financing	EJV	33.33	33.33	33.33	33.33
		SNC PROMOSEINE	Real Estate and	EJV	33.33	33.33	33.33	33.33

Country		Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
		Real Estate Financing					
	SOCIETE ANONYME DE CREDIT A L'INDUSTRIE FRANCAISE (CALIF)	Bank	FULL	100.00	100.00	100.00	100.00
	SOCIETE CIVILE DE CONSTRUCTION-VENTE ANNA PURNA	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	SOCIETE CIVILE IMMOBILIERE DES COMBEAUX DE TIGERY	Real Estate and Real Estate Financing	FULL	99.99	99.99	100.00	100.00
	SOCIETE CIVILE IMMOBILIERE DOMION	Real Estate and Real Estate Financing	FULL	80.00	80.00	80.00	80.00
	SOCIETE CIVILE IMMOBILIERE FONTENAY - ESTIENNES D'ORVES	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
	SOCIETE CIVILE IMMOBILIERE NAXOU	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	SOCIETE CIVILE IMMOBILIERE TOULDI	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	SOCIETE CIVILE IMMOBILIERE VOGRE	Real Estate and Real Estate Financing	FULL	99.90	99.90	99.90	99.90
	SOCIETE CIVILE IMMOBILIERE VOLTAIRE PHALSBOURG	Real Estate and Real Estate Financing	FULL	80.00	80.00	80.00	80.00
	SOCIETE DE BOURSE GILBERT DUPONT	Financial Company	FULL	100.00	100.00	100.00	100.00
	SOCIETE DE LA RUE EDOUARD VII	Portfolio Management	FULL	99.91	99.91	99.91	99.91
	SOCIETE DES TERRAINS ET IMMEUBLES PARISIENS (STIP)	Group Real Estate Management Company	FULL	99.98	99.98	100.00	100.00
	SOCIETE EN NOM COLLECTIF PARNASSE	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	SOCIETE FINANCIERE D' ANALYSE ET DE GESTION	Financial Company	FULL	100.00	100.00	100.00	100.00
	SOCIETE GENERALE	Bank	FULL	100.00	100.00	100.00	100.00
	SOCIETE GENERALE CAPITAL PARTENAIRES	Portfolio Management	FULL	100.00	100.00	100.00	100.00
	SOCIETE GENERALE DE BANQUE AUX ANTILLES	Bank	FULL	100.00	100.00	100.00	100.00
(5)	SOCIETE GENERALE ENERGIE	Broker	FULL		99.99		99.99
	SOCIETE GENERALE EQUIPMENT FINANCE S.A.	Specialist Financing	FULL	99.99	99.99	99.99	99.99
	SOCIETE GENERALE PARTICIPATIONS INDUSTRIELLES	Portfolio Management	FULL	100.00	100.00	100.00	100.00
	SOCIETE GENERALE SCF	Financial Company	FULL	100.00	100.00	100.00	100.00
	SOCIETE GENERALE SECURITIES SERVICES FRANCE	Financial Company	FULL	100.00	100.00	100.00	100.00
	SOCIETE GENERALE SECURITIES SERVICES HOLDING	Portfolio Management	FULL	100.00	100.00	100.00	100.00
	SOCIETE GENERALE SECURITIES SERVICES NET ASSET VALUE	Services	FULL	100.00	100.00	100.00	100.00
	SOCIETE GENERALE SFH	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	SOCIETE IMMOBILIERE DU 29 BOULEVARD HAUSSMANN	Group Real Estate Management Company	FULL	100.00	100.00	100.00	100.00
	SOCIETE IMMOBILIERE URBI ET ORBI	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	SOCIETE MARSEILLAISE DE CREDIT	Bank	FULL	100.00	100.00	100.00	100.00
	SOGE BEAUJOIRE	Group Real Estate Management Company	FULL	99.99	99.99	100.00	100.00
	SOGE PERIVAL I	Group Real Estate Management Company	FULL	100.00	100.00	100.00	100.00
	SOGE PERIVAL II	Group Real Estate Management Company	FULL	100.00	100.00	100.00	100.00
	SOGE PERIVAL III	Group Real Estate Management	FULL	100.00	100.00	100.00	100.00

Country		Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
		Company					
	SOGE PERIVAL IV	Group Real Estate Management Company	FULL	100.00	100.00	100.00	100.00
	SOGECAMPUS	Group Real Estate Management Company	FULL	100.00	100.00	100.00	100.00
	SOGECAP	Insurance	FULL	100.00	100.00	100.00	100.00
	SOGECAP ACTIONS	Financial Company	FULL	-	-	100.00	100.00
	SOGECAP LONG TERME N°1	Financial Company	FULL	-	-	100.00	100.00
	SOGEFIM HOLDING	Portfolio Management	FULL	100.00	100.00	100.00	100.00
	SOGEFIMUR	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	SOGEFINANCEMENT	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	SOGEFINERG SG POUR LE FINANCEMENT DES INVESTISSEMENTS ECONOMISANT L'ENERGIE	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	SOGEFONTENAY	Group Real Estate Management Company	FULL	100.00	100.00	100.00	100.00
	SOGELEASE FRANCE	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	SOGEMARCHE	Group Real Estate Management Company	FULL	100.00	100.00	100.00	100.00
	SOGEPALM	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
	SOGEPARTICIPATIONS	Portfolio Management	FULL	100.00	100.00	100.00	100.00
	SOGEPROM	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	SOGEPROM ENTREPRISES	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	SOGEPROM ENTREPRISES REGIONS	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	SOGEPROM HABITAT	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	SOGEPROM PARTENAIRES	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	SOGEPROM RESIDENCES	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	SOGEPROM SERVICES	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	SOGESSUR	Insurance	FULL	100.00	100.00	100.00	100.00
(6)	SOGEVIMMO	Group Real Estate Management Company	FULL	-		100.00	
	SOGINFO - SOCIETE DE GESTION ET D'INVESTISSEMENTS FONCIERS	Group Real Estate Management Company	FULL	100.00	100.00	100.00	100.00
	SOPHIA-BAIL	Real Estate and Real Estate Financing	FULL	100.00	51.00	100.00	51.00
	STAR LEASE	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	TEMSYS	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	URBANISME ET COMMERCE	Real Estate and Real Estate Financing	FULL	99.92	99.84	99.92	99.84
	URBANISME ET COMMERCE PROMOTION	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	VALMINVEST	Group Real Estate Management Company	FULL	100.00	100.00	100.00	100.00
(5)	VOURIC	Portfolio Management	FULL		100.00		100.00
	SG LYXOR LCR FUND	Portfolio Management	FULL	100.00	100.00	100.00	100.00
	SCI RIVAPRIM RESIDENCES	Real Estate and	FULL	92.00	92.00	100.00	100.00

Country			Activity	Method*	Group ownership interest		Group voting interest	
					at 31 December 2015	at 31 December 2014	at 31 December 2015	at 31 December 2014
			Real Estate Financing					
		SCI RIVAPRIM HABITAT	Real Estate and Real Estate Financing	FULL	84.00	84.00	100.00	100.00
		S.C.I. DU DOMAINE DE STONEHAM	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
		BANQUE COURTOIS	Bank	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE POUR LE DEVELOPPEMENT DES OPERATIONS DE CREDIT-BAIL IMMOBILIER "SOGEBAIL"	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	(7)	SOGEPROM ME	Real Estate and Real Estate Financing	ESI	20.00	20.00	20.00	20.00
		SOCIETE "LES PINSONS"	Real Estate and Real Estate Financing	EJV	50.00	50.00	50.00	50.00
Georgia								
		BANK REPUBLIC	Bank	FULL	93.64	93.64	93.64	93.64
		GEORGIAN MILL COMPANY LLC	Specialist Financing	FULL	93.64	93.64	100.00	100.00
		MERTSKHALI PIRVELI	Specialist Financing	FULL	93.64	93.64	100.00	100.00
Ghana								
		SOCIETE GENERALE GHANA LIMITED	Bank	FULL	52.24	52.24	52.24	52.24
Gibraltar								
		HAMBROS (GIBRALTAR NOMINEES) LIMITED	Services	FULL	100.00	100.00	100.00	100.00
		SG HAMBROS BANK (GIBRALTAR) LIMITED	Bank	FULL	100.00	100.00	100.00	100.00
Greece								
		ALD AUTOMOTIVE S.A. LEASE OF CARS	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	(1)	SOGECAP GREECE	Insurance	FULL	100.00	100.00	100.00	100.00
Guernsey								
	(3)	ARAMIS CORP. LIMITED	Financial Company	FULL		-		100.00
		CDS INTERNATIONAL LIMITED	Services	FULL	100.00	100.00	100.00	100.00
		HAMBROS (GUERNSEY NOMINEES) LTD	Services	FULL	100.00	100.00	100.00	100.00
		HTG LIMITED	Services	FULL	100.00	100.00	100.00	100.00
	(1)	SG HAMBROS BANK (CHANNEL ISLANDS) LTD GUERNSEY BRANCH	Bank	FULL	100.00	100.00	100.00	100.00
		ARAMIS II SECURITIES CO, LTD	Financial Company	FULL	-	-	100.00	100.00
Guinea								
		SG DE BANQUES EN GUINEE	Bank	FULL	57.94	57.94	57.94	57.94
Equatorial Guinea								
		SG DE BANQUES EN GUINEE EQUATORIALE	Bank	FULL	52.44	52.44	57.23	57.23
Hong Kong								
	(1)(6)	DESCARTES TRADING HONG KONG BRANCH	Financial Company	FULL	100.00		100.00	
		NEWEDGE BROKER HONG KONG LTD	Broker	FULL	100.00	100.00	100.00	100.00
		NEWEDGE FINANCIAL HONG KONG LTD	Broker	FULL	100.00	100.00	100.00	100.00
	(1)(5)	NEWEDGE GROUP, HONG KONG BRANCH	Broker	FULL		100.00		100.00
	(1)	SG HONG KONG	Bank	FULL	100.00	100.00	100.00	100.00
		SG SECURITIES (HK) NOMINEES LTD	Broker	FULL	100.00	100.00	100.00	100.00
		SG SECURITIES (HONG-KONG) LTD	Broker	FULL	100.00	100.00	100.00	100.00
		SG SECURITIES ASIA INTERNATIONAL HOLDINGS LTD (HONG-KONG)	Broker	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE ASIA LTD	Financial Company	FULL	100.00	100.00	100.00	100.00
	(1)	SOCIETE GENERALE BANK AND TRUST HONG KONG BRANCH	Bank	FULL	100.00	100.00	100.00	100.00
		TH INVESTMENTS (HONG KONG) 1 LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		TH INVESTMENTS (HONG KONG) 2 LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		TH INVESTMENTS (HONG KONG) 3 LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
	(6)	TH INVESTMENTS (HONG KONG) 4 LIMITED	Financial Company	FULL	100.00		100.00	
Hungary								

Country			Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
		ALD AUTOMOTIVE MAGYARORSZAG KFT	Specialist Financing	ESI	100.00	100.00	100.00	100.00
		SG EQUIPMENT FINANCE HUNGARY ZRT	Specialist Financing	ESI	100.00	100.00	100.00	100.00
		SG EQUIPMENT LEASING HUNGARY LTD	Specialist Financing	ESI	100.00	100.00	100.00	100.00
Cayman Islands								
		AEGIS HOLDINGS (OFFSHORE) LTD.	Financial Company	FULL	100.00	100.00	100.00	100.00
		BRIDGEVIEW II LIMITED	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE SECURITIES (NORTH PACIFIC) LTD	Bank	FULL	100.00	100.00	100.00	100.00
British Virgin Islands								
	(3)(9)	TNS SERVICES LIMITED	Services	FULL		-		100.00
India								
		ALD AUTOMOTIVE PRIVATE LIMITED	Specialist Financing	ESI	100.00	100.00	100.00	100.00
		NEWEDGE BROKER INDIA PTE LTD	Broker	FULL	100.00	100.00	100.00	100.00
		SG ASIA HOLDINGS (INDIA) PVT LTD	Broker	FULL	100.00	100.00	100.00	100.00
	(1)	SG MUMBAI	Bank	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE GLOBAL SOLUTION CENTRE PRIVATE	Services	FULL	100.00	100.00	100.00	100.00
Ireland								
		ALD RE LIMITED	Insurance	ESI	100.00	100.00	100.00	100.00
	(3)	CONDORCET GLOBAL OPPORTUNITY UNIT TRUST - CONDORCET GLOBAL OPPORTUNITY FUND	Financial Company	FULL		99.60		99.60
	(1)(2)	EFS SA BRANCH DUBLIN	Financial Company	FULL		100.00		100.00
		INORA LIFE LTD	Insurance	FULL	100.00	100.00	100.00	100.00
		IRIS II SPV LIMITED	Financial Company	FULL	-	-	100.00	100.00
		RED & BLACK PRIME RUSSIA MBS	Financial Company	FULL	-	-	100.00	100.00
	(1)	SG DUBLIN	Bank	FULL	100.00	100.00	100.00	100.00
		SGBT FINANCE IRELAND LIMITED	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SGSS (IRELAND) LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE HEDGING LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
Italy								
		ALD AUTOMOTIVE ITALIA S.R.L	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	(5)	CGL ITALIA SPA	Financial Company	FULL		99.88		100.00
		FIDITALIA S.P.A	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		FRAER LEASING SPA	Specialist Financing	FULL	73.85	73.85	73.85	73.85
		SG EQUIPMENT FINANCE ITALY S.P.A.	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG FACTORING SPA	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG LEASING SPA	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	(1)	SG MILAN	Bank	FULL	100.00	100.00	100.00	100.00
	(5)	SGB FINANCE ITALIA SPA	Financial Company	FULL		50.94		100.00
	(1)	SOCECAP SA RAPPRESENTANZA GENERALE PER L'ITALIA	Insurance	FULL	100.00	100.00	100.00	100.00
	(2)	SOCIETE GENERALE ITALIA HOLDING S.P.A	Specialist Financing	FULL		100.00		100.00
		SOCIETE GENERALE SECURITIES SERVICES S.P.A.	Bank	FULL	100.00	100.00	100.00	100.00
	(1)	SOGESSUR SA	Insurance	FULL	100.00	100.00	100.00	100.00
Japan								
		LYXOR ASSET MANAGEMENT JAPAN CO LTD	Portfolio Management	FULL	100.00	100.00	100.00	100.00
		NEWEDGE JAPAN INC	Broker	FULL	100.00	100.00	100.00	100.00
	(1)	SG TOKYO	Bank	FULL	100.00	100.00	100.00	100.00
	(1)	SOCIETE GENERALE SECURITIES (NORTH PACIFIC) LTD, TOKYO BRANCH	Bank	FULL	100.00	100.00	100.00	100.00
Jersey								
	(3)	CLARIS IV LTD	Financial Company	FULL		-		100.00
		ELMFORD LIMITED	Services	FULL	100.00	100.00	100.00	100.00
		HANOM I LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		HANOM II LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		HANOM III LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		JD CORPORATE SERVICES	Services	FULL	100.00	100.00	100.00	100.00

Country			Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
		LIMITED						
	(8)	LYXOR MASTER FUND	Financial Company	FULL	100.00	100.00	100.00	100.00
		NEWMEAD TRUSTEES LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		SG HAMBROS (FOUNDATIONS) LTD	Financial Company	FULL	100.00	100.00	100.00	100.00
		SG HAMBROS BANK (CHANNEL ISLANDS) LTD	Bank	FULL	100.00	100.00	100.00	100.00
		SG HAMBROS FUND MANAGERS (JERSEY) LTD	Portfolio Management	FULL	100.00	100.00	100.00	100.00
		SG HAMBROS NOMINEES (JERSEY) LTD	Financial Company	FULL	100.00	100.00	100.00	100.00
		SG HAMBROS PROPERTIES (JERSEY) LTD	Financial Company	FULL	100.00	100.00	100.00	100.00
		SG HAMBROS TRUST COMPANY (CHANNEL ISLANDS) LTD	Financial Company	FULL	100.00	100.00	100.00	100.00
		SGH TRUSTEES (JERSEY) LIMITED	Services	FULL	100.00	100.00	100.00	100.00
		SOLENTIS INVESTMENT SOLUTIONS PCC	Financial Company	FULL	-	-	100.00	100.00
Latvia								
		ALD AUTOMOTIVE SIA	Specialist Financing	ESI	75.00	75.00	75.00	75.00
Lebanon								
		SG DE BANQUE AU LIBAN	Bank	ESI	16.80	16.80	16.80	16.80
Lithuania								
		UAB ALD AUTOMOTIVE	Specialist Financing	ESI	75.00	75.00	75.00	75.00
Luxembourg								
	(3)	ALEF II	Financial Company	FULL		100.00		100.00
		AXUS LUXEMBOURG SA	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		CHABON SA	Financial Company	FULL	100.00	100.00	100.00	100.00
		CODEIS SECURITIES S.A.	Financial Company	FULL	100.00	100.00	100.00	100.00
	(5)	EUROPEAN FUND SERVICES SA	Financial Company	FULL		100.00		100.00
		LX FINANZ S.A.R.L.	Financial Company	FULL	100.00	90.00	100.00	100.00
	(5)	LYXOR ASSET MANAGEMENT LUXEMBOURG S.A.	Financial Company	FULL		100.00		100.00
		RED & BLACK AUTO LEASE GERMANY 1 SA	Specialist Financing	FULL	-	-	100.00	100.00
	(2)	ROSINVEST	Financial Company	FULL		99.45		99.97
		SG ISSUER	Financial Company	FULL	100.00	100.00	100.00	100.00
		SGBT ASSET BASED FUNDING SA	Financial Company	FULL	100.00	100.00	100.00	100.00
	(3)	SGBT SECURITIES	Financial Company	FULL		100.00		100.00
		SOCIETE GENERALE BANK & TRUST	Bank	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE CAPITAL MARKET FINANCE	Financial Company	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE FINANCING AND DISTRIBUTION	Financial Company	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE LDG	Financial Company	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE LIFE INSURANCE BROKER SA	Financial Company	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE PRIVATE WEALTH MANAGEMENT S.A.	Financial Company	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE RE SA	Insurance	FULL	100.00	100.00	100.00	100.00
		SOGELIFE	Insurance	FULL	100.00	100.00	100.00	100.00
	(2)	WELL INVESTMENTS SA	Financial Company	FULL		100.00		100.00
		IVEFI S.A.	Financial Company	FULL	100.00	100.00	100.00	100.00
		COVALBA	Financial Company	FULL	100.00	100.00	100.00	100.00
		SGBTCI	Financial Company	FULL	100.00	100.00	100.00	100.00
		BARTON CAPITAL LLC	Financial Company	FULL	-	-	100.00	100.00
Macedonia								
		OHRIDSKA BANKA AD SKOPJE	Bank	FULL	70.02	70.02	71.85	72.31
Madagascar								
		BANKY FAMPANDROSOANA VAROTRA SG	Bank	FULL	70.00	70.00	70.00	70.00
Malta								
		LNG MALTA INVESTMENT 1 LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		LNG MALTA INVESTMENT 2 LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
Morocco								
		ALD AUTOMOTIVE SA MAROC	Specialist Financing	FULL	43.55	43.55	50.00	50.00
		ATHENA COURTAGE	Insurance	FULL	57.91	57.91	99.93	99.93
		FONCIMMO	Group Real Estate Management Company	FULL	57.01	57.01	100.00	100.00
		LA MAROCAINE VIE	Insurance	FULL	88.88	88.88	99.98	99.98

Country			Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
		SG MAROCAINE DE BANQUES	Bank	FULL	57.01	57.01	57.01	57.01
		SOCIETE GENERALE DE LEASING AU MAROC	Specialist Financing	FULL	57.01	57.01	100.00	100.00
		SOCIETE GENERALE TANGER OFFSHORE	Financial Company	FULL	56.94	56.94	99.88	99.88
		SOGECAPITAL GESTION	Financial Company	FULL	56.98	56.99	99.94	99.96
		SOGEFINANCEMENT MAROC	Specialist Financing	FULL	57.01	57.01	100.00	100.00
		SOCIETE D' EQUIPEMENT DOMESTIQUE ET MENAGER "EQDOM"	Specialist Financing	FULL	45.65	45.65	53.72	53.72
Mauritius								
		SG SECURITIES BROKING (M) LIMITED	Broker	FULL	100.00	100.00	100.00	100.00
Mexico								
		ALD AUTOMOTIVE S.A. DE C.V.	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		ALD FLEET SA DE CV SOFOM ENR	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SGFP MEXICO, S. DE R.L. DE C.V.	Financial Company	FULL	100.00	100.00	100.00	100.00
Moldova								
		MOBIASBANCA GROUPE SOCIETE GENERALE	Bank	FULL	79.93	79.93	87.90	87.90
Monaco								
	(1)	CREDIT DU NORD - MONACO	Bank	FULL	100.00	100.00	100.00	100.00
	(1)	SMC MONACO	Bank	FULL	100.00	100.00	100.00	100.00
	(1)	SOCIÉTÉ GÉNÉRALE (SUCCURSALE MONACO)	Bank	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE PRIVATE BANKING (MONACO)	Bank	FULL	100.00	100.00	100.00	100.00
Montenegro								
		SOCIETE GENERALE BANKA MONTENEGRO A.D.	Bank	FULL	90.56	90.56	90.56	90.56
Norway								
		ALD AUTOMOTIVE AS	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		NF FLEET AS	Specialist Financing	FULL	80.00	80.00	80.00	80.00
		SG FINANS AS	Specialist Financing	FULL	100.00	100.00	100.00	100.00
New Caledonia								
		CREDICAL	Specialist Financing	FULL	87.07	87.07	96.64	96.64
		SOCIETE GENERALE CALEDONIENNE DE BANQUE	Bank	FULL	90.10	90.10	90.10	90.10
New Zealand								
		SG HAMBROS TRUST COMPANY (NEW ZEALAND) LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
Netherlands								
		ALVARENGA INVESTMENTS B.V.	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		AXUS FINANCE NL B.V.	Specialist Financing	FULL	-	-	100.00	100.00
		AXUS NEDERLAND BV	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		BRIGANTIA INVESTMENTS B.V.	Financial Company	FULL	100.00	100.00	100.00	100.00
		HERFSTTAFEL INVESTMENTS B.V.	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		MONTALIS INVESTMENT BV	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	(1)	SG AMSTERDAM	Bank	FULL	100.00	100.00	100.00	100.00
		SG EQUIPMENT FINANCE BENELUX BV	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SOGELEASE B.V.	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SOGELEASE FILMS	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		TYNEVOR B.V.	Financial Company	FULL	100.00	25.00	100.00	50.00
		HORDLE FINANCE B.V.	Financial Company	FULL	100.00	100.00	100.00	100.00
Philippines								
	(1)(9)	SOCIETE GENERALE MANILA OFFSHORE BRANCH	Bank	FULL	100.00	100.00	100.00	100.00
Poland								
		ALD AUTOMOTIVE POLSKA SP Z O.O.	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		EURO BANK S.A.	Specialist Financing	FULL	99.52	99.52	99.52	99.52
		PEMA POLSKA SP.Z O.O.	Services	FULL	100.00	100.00	100.00	100.00
		SG EQUIPMENT LEASING POLSKA SP Z.O.O.	Specialist Financing	FULL	100.00	100.00	100.00	100.00

Country			Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
	(1)	SOCIETE GENERALE S.A. ODDZIAL W POLSCE	Bank	FULL	100.00	100.00	100.00	100.00
	(1)	SOGECAP RISQUES DIVERS SPOLKA AKCYJNA ODDZIAL W POLSCE	Insurance	FULL	100.00	100.00	100.00	100.00
	(1)	SOGECAP SPOLKA AKCYJNA ODDZIAL W POLSCE	Insurance	FULL	100.00	100.00	100.00	100.00
French Polynesia								
		BANQUE DE POLYNESIE	Bank	FULL	72.10	72.10	72.10	72.10
		SOGELEASE BDP SAS	Specialist Financing	FULL	72.10	72.10	100.00	100.00
Portugal								
		SGALD AUTOMOTIVE SOCIEDADE GERAL DE COMERCIO E ALUGUER DE BENZ SA	Specialist Financing	FULL	100.00	100.00	100.00	100.00
Czech Republic								
		ALD AUTOMOTIVE SRO	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	(6)	CATAPS	Services	FULL	60.73		100.00	
		ESSOX SRO	Specialist Financing	FULL	80.00	80.00	100.00	100.00
		FACTORING KB	Financial Company	FULL	60.73	60.73	100.00	100.00
		KB PENZIJNI SPOLECNOST, A.S.	Financial Company	FULL	60.73	60.73	100.00	100.00
		KB REAL ESTATE	Real Estate and Real Estate Financing	FULL	60.73	60.73	100.00	100.00
		KOMERCNI BANKA A.S	Bank	FULL	60.73	60.73	60.73	60.73
		KOMERCNI POJISTOVNA A.S	Insurance	FULL	80.76	80.76	100.00	100.00
		MODRA PYRAMIDA STAVEBNI SPORITELNA AS	Financial Company	FULL	60.73	60.73	100.00	100.00
		NP 33	Real Estate and Real Estate Financing	FULL	60.73	60.73	100.00	100.00
		PEMA PRAHA SPOL. S.R.O.	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		PROTOS	Financial Company	FULL	60.73	60.73	100.00	100.00
		SG EQUIPMENT FINANCE CZECH REPUBLIC S.R.O.	Specialist Financing	FULL	80.33	80.33	100.00	100.00
		SOGEPROM CESKA REPUBLIKA S.R.O.	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
		SOGEPROM MICHLE S.R.O.	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
	(3)	TRANSFORMED FUND	Financial Company	FULL		60.73		100.00
		VN 42	Real Estate and Real Estate Financing	FULL	60.73	60.73	100.00	100.00
Romania								
		ALD AUTOMOTIVE SRL	Specialist Financing	FULL	92.03	92.03	100.00	100.00
		BRD - GROUPE SOCIETE GENERALE SA	Bank	FULL	60.17	60.17	60.17	60.17
	(6)	BRD ASSET MANAGEMENT SAI SA	Portfolio Management	FULL	60.15		99.97	
		BRD FINANCE IFN S.A.	Financial Company	FULL	80.48	80.48	100.00	100.00
		S.C. BRD SOGELEASE IFN S.A.	Specialist Financing	FULL	60.17	60.17	100.00	100.00
		S.C. ROGARIU IMOBILIARE S.R.L.	Real Estate and Real Estate Financing	FULL	75.00	75.00	75.00	75.00
		SOCIETE GENERALE EUROPEAN BUSINESS SERVICES S.A.	Services	FULL	99.99	99.99	100.00	100.00
		SOGEPROM ROMANIA SRL	Real Estate and Real Estate Financing	FULL	100.00	100.00	100.00	100.00
United Kingdom								
		ACR	Financial Company	FULL	100.00	100.00	100.00	100.00
		ALD AUTOMOTIVE GROUP PLC	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		ALD AUTOMOTIVE LIMITED	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		ALD FUNDING LIMITED	Specialist Financing	FULL	-	-	100.00	100.00
	(1)	BRIDGEVIEW II LIMITED (UK BRANCH)	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	(1)	BRIGANTIA INVESTMENTS B.V. (UK BRANCH)	Financial Company	FULL	100.00	100.00	100.00	100.00
	(1)(6)	DESCARTES TRADING	Financial Company	FULL	100.00		100.00	

Country			Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
		LONDON BRANCH						
	(1)	HORDLE FINANCE B.V. (UK BRANCH)	Financial Company	FULL	100.00	100.00	100.00	100.00
	(6)	JWB LEASE HOLDINGS LIMITED	Specialist Financing	FULL	100.00		100.00	
	(6)	JWB LEASING LIMITED PARTNERSHIP	Specialist Financing	FULL	100.00		100.00	
		LNG INVESTMENT 1 LTD	Financial Company	FULL	100.00	100.00	100.00	100.00
		LNG INVESTMENT 2 LTD	Financial Company	FULL	100.00	100.00	100.00	100.00
		LYXOR ASSET MANAGEMENT UK LLP	Financial Company	FULL	100.00	100.00	100.00	100.00
	(2)	SELF TRADE UK NOMINEES LIMITES	Financial Company	FULL		79.51		100.00
	(2)	SELFTRADE UK MARKETING SERVICE	Services	FULL		79.51		100.00
	(2)	SELFTRADE UK SERVICES	Services	FULL		79.51		100.00
		SG EQUIPMENT FINANCE (DECEMBER) LIMITED	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG EQUIPMENT FINANCE LEASING LIMITED	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG EQUIPMENT FINANCE OPERATING LEASING LIMITED	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG EQUIPMENT FINANCE RENTAL LIMITED	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG FINANCIAL SERVICES LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		SG HAMBROS (LONDON) NOMINEES LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		SG HAMBROS BANK LIMITED	Bank	FULL	100.00	100.00	100.00	100.00
		SG HAMBROS LIMITED (HOLDING)	Bank	FULL	100.00	100.00	100.00	100.00
		SG HAMBROS TRUST COMPANY LTD	Financial Company	FULL	100.00	100.00	100.00	100.00
		SG HEALTHCARE BENEFITS TRUSTEE COMPANY LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		SG INVESTMENT LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		SG LEASING (ASSETS) LIMITED	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG LEASING (CENTRAL 1) LIMITED	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG LEASING (CENTRAL 3) LIMITED	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG LEASING (DECEMBER) LIMITED	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG LEASING (JUNE) LIMITED	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG LEASING (MARCH) LIMITED	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG LEASING (USD) LIMITED	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG LEASING (UTILITIES) LIMITED	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG LEASING IX	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SG LEASING XII	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	(1)	SG LONDRES	Bank	FULL	100.00	100.00	100.00	100.00
		SGFLD LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		SOCGEN NOMINEES (UK) LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE EQUIPMENT FINANCE LIMITED	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE INVESTMENTS (U.K.) LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE NEWEDGE UK LTD	Broker	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE SECURITIES SERVICES UK LIMITED	Broker	FULL	100.00	100.00	100.00	100.00
		STRABUL NOMINEES LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		TALOS HOLDING LTD	Financial Company	FULL	100.00	79.51	100.00	100.00
		TALOS SECURITIES LTD	Broker	FULL	100.00	79.51	100.00	100.00
	(1)	TH INVESTMENTS (HONG KONG) 2 LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		TH LEASING (JUNE) LIMITED	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		TH STRUCTURED ASSET FINANCE LIMITED	Financial Company	FULL	100.00	100.00	100.00	100.00
		THE EIFFEL LIMITED PARTNERSHIP	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		THE MARS MARITIME LIMITED PARTNERSHIP	Financial Company	FULL	100.00	100.00	100.00	100.00

Country			Activity	Method*	Group ownership interest		Group voting interest	
					at 31 December 2015	at 31 December 2014	at 31 December 2015	at 31 December 2014
		THE SATURN MARITIME LIMITED PARTNERSHIP	Financial Company	FULL	100.00	100.00	100.00	100.00
	(1)	TYNEVOR B.V. (UK BRANCH)	Financial Company	FULL	100.00	25.00	100.00	100.00
		THE FENCHURCH PARTNERSHIP	Financial Company	FULL	100.00	100.00	100.00	100.00
Russian Federation								
		ALD AUTOMOTIVE OOO	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		AVTO LCC	Services	FULL	99.49	99.49	100.00	100.00
	(5)	BSGV LEASING LLC	Specialist Financing	FULL		99.49		100.00
		CLOSED JOINT STOCK COMPANY SG FINANCE	Financial Company	ESI	100.00	100.00	100.00	100.00
		CREDIT INSTITUTION OBYEDINYONNAYA RASCHOTNAYA SISTEMA	Financial Company	FULL	99.49	99.49	100.00	100.00
	(4)	INKAKHRAN NCO	Financial Company	FULL		99.49		100.00
		LLC RUSFINANCE	Specialist Financing	FULL	99.49	99.49	100.00	100.00
		LLC RUSFINANCE BANK	Specialist Financing	FULL	99.49	99.49	100.00	100.00
	(2)	PMD-SERVICE	Group Real Estate Management Company	FULL		-		100.00
		PROEKTINVEST LLC	Group Real Estate Management Company	FULL	99.49	99.49	100.00	100.00
		RB FACTORING LLC	Specialist Financing	FULL	99.49	99.49	100.00	100.00
		RB LEASING LLC	Specialist Financing	FULL	99.49	99.49	100.00	100.00
		REAL INVEST LLC	Real Estate and Real Estate Financing	FULL	99.49	99.49	100.00	100.00
		SG STRAKHOVANIE LLC	Insurance	FULL	99.90	99.90	100.00	100.00
		SOCIETE GENERALE STRAKHOVANIE ZHIZNI LLC	Insurance	FULL	99.90	99.90	100.00	100.00
		SOSNOVKA LLC	Group Real Estate Management Company	FULL	99.49	99.49	100.00	100.00
		VALMONT LLC	Group Real Estate Management Company	FULL	99.49	99.49	100.00	100.00
		PJSC ROSBANK	Bank	FULL	99.49	99.49	99.49	99.49
		COMMERCIAL BANK DELTACREDIT JOINT STOCK COMPANY	Bank	FULL	99.49	99.49	100.00	100.00
		RB SERVICE LLC	Group Real Estate Management Company	FULL	99.49	99.49	100.00	100.00
		RB SPECIALIZED DEPOSITARY LLC	Financial Company	FULL	99.49	99.49	100.00	100.00
Senegal								
		SG DE BANQUES AU SENEGAL	Bank	FULL	64.45	64.45	64.87	64.87
Serbia								
		ALD AUTOMOTIVE D.O.O BEOGRAD	Specialist Financing	ESI	100.00	100.00	100.00	100.00
		SOCIETE GENERALE BANKA SRBIJA	Bank	FULL	100.00	100.00	100.00	100.00
Singapore								
		NEWEDGE FINANCIAL SINGAPORE PTE LTD	Broker	FULL	100.00	100.00	100.00	100.00
		SG SECURITIES (SINGAPORE) PTE. LTD.	Broker	FULL	100.00	100.00	100.00	100.00
	(1)	SG SINGAPOUR	Bank	FULL	100.00	100.00	100.00	100.00
	(1)	SOCIETE GENERALE BANK & TRUST SINGAPORE BRANCH	Bank	FULL	100.00	100.00	100.00	100.00
Slovakia								
	(1)(2)	ALD AUTOMOTIVE S.R.O	Specialist Financing	FULL		100.00		100.00
	(6)	ALD AUTOMOTIVE SLOVAKIA S.R.O.	Specialist Financing	FULL	100.00		100.00	
	(1)	KOMERCNI BANKA BRATISLAVA	Bank	FULL	60.73	60.73	100.00	100.00
		PEMA SLOVAKIA SPOL.S.R.O.	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	(1)	SG EQUIPMENT FINANCE CZECH REPUBLIC S.R.O. ORGANIZACNA ZLOZKA (SLOVAK RUPUBLIC BRANCH)	Specialist Financing	FULL	80.33	80.33	100.00	100.00
	(5)	TRUCKCENTER ZVOLEN SPOL. S.R.O.	Services	FULL		100.00		100.00

Country			Activity	Method*	Group ownership interest at 31 December 2015	Group ownership interest at 31 December 2014	Group voting interest at 31 December 2015	Group voting interest at 31 December 2014
Slovenia								
		ALD AUTOMOTIVE OPERATIONAL LEASING DOO	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		SKB LEASING D.O.O.	Specialist Financing	FULL	99.73	99.73	100.00	100.00
		SKB BANKA	Bank	FULL	99.73	99.73	99.73	99.73
Sweden								
		ALD AUTOMOTIVE AB	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		NF FLEET AB	Specialist Financing	FULL	80.00	80.00	80.00	80.00
		PEMA TRUCK- OCH TRAILERUTHYRNING AB	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	(1)	SG FINANS AS SWEDISH BRANCH	Specialist Financing	FULL	100.00	100.00	100.00	100.00
Switzerland								
		ALD AUTOMOTIVE AG	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	(1)(2)	NEWEDGE GROUP, PARIS, ZURICH BRANCH	Broker	FULL		100.00		100.00
		PEMA TRUCK- UND TRAILERVERMIETUNG GMBH	Specialist Financing	FULL	100.00	100.00	100.00	100.00
		ROSBANK (SWITZERLAND)	Bank	FULL	99.49	99.49	100.00	100.00
		SG EQUIPMENT FINANCE SCHWEIZ AG	Specialist Financing	FULL	100.00	100.00	100.00	100.00
	(1)	SG ZURICH	Bank	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE PRIVATE BANKING (SUISSE) S.A.	Bank	FULL	100.00	100.00	100.00	100.00
		SOCIETE GENERALE PRIVATE BANKING (LUGANO-SVIZZERA) SA	Bank	FULL	100.00	100.00	100.00	100.00
Taiwan								
	(1)	SG SECURITIES (HONG KONG) LIMITED	Broker	FULL	100.00	100.00	100.00	100.00
	(1)	SG TAIPEI	Bank	FULL	100.00	100.00	100.00	100.00
Chad								
		SOCIETE GENERALE TCHAD	Bank	FULL	55.19	55.19	66.16	66.16
Thailand								
	(1)(9)	SG BANGKOK	Bank	FULL	100.00	100.00	100.00	100.00
Togo								
	(1)(6)	SOCIETE GENERALE TOGO	Bank	FULL	83.19		100.00	
Tunisia								
		UNION INTERNATIONALE DE BANQUES	Bank	FULL	55.10	55.10	52.34	52.34
Turkey								
		ALD AUTOMOTIVE TURIZM TICARET ANONIM SIRKETI	Specialist Financing	ESI	100.00	100.00	100.00	100.00
	(1)	SG ISTANBUL	Bank	FULL	100.00	100.00	100.00	100.00
Ukraine								
		FIRST LEASE LTD.	Specialist Financing	ESI	100.00	100.00	100.00	100.00

** FULL: Full consolidation - SALRE: Share in the assets and liabilities and share in the related revenue and expense - EJV: Equity (Joint Venture) - ESI: Equity (significant influence)*
(1) Branches
(2) Entities wound up in 2015
(3) Removed from the scope in 2015
(4) Entities sold in 2015
(5) Merged in 2015
(6) Newly consolidated in 2015
(7) Including 120 French property holding companies (SCIs), accounted for using the equity method, in which the Group's ownership interest and voting rights range from 20% to 100%
(8) Including 197 funds
(9) Wind up in process

NOTE 8.5 - PROVISIONS

ACCOUNTING PRINCIPLES

Under balance sheet liabilities, *Provisions* are comprised of provisions for financial instruments, disputes, employee benefits and tax adjustments.

BREAKDOWN OF PROVISIONS

(in millions of euros)	**31 December 2015**	**31 December 201**
Provisions for financial instruments and disputes (see Note 3.8)	3,148	2,383
Provisions for employee benefits (see Note 5.2)	1,784	1,811
Provisions for tax adjustments (see Note 6)	286	298
Total	**5,218**	**4,492**

NOTE 8.6 - FEES PAID TO STATUTORY AUDITORS

The financial statements of Societe Generale are certified jointly by Ernst & Young et Autres, represented by Mrs. Isabelle Santenac, and Deloitte et Associés, represented by Mr. José-Luis Garcia.

At the proposal of the Board of Directors, the General Meeting held on 22 May 2012 appointed Ernst & Young et Autres and renewed Deloitte et Associés, for six years.

The Board meeting held in November 2003 adopted the rules governing the relations between Group companies and Ernst & Young et Autres, Deloitte et Associés and their respective networks, which were subsequently amended in May 2006 in order to take into account changes to the code of compliance. These rules state that the Statutory Auditors may only provide to Group subsidiaries outside of France services that are not directly linked to their audit assignments as long as the principle of independence as defined in France is respected.

A report is submitted each year to the Audit and Internal Control Committee, detailing the fees paid by type of assignment to the Statutory Auditors' networks.

Moreover, in order to prevent the development of excessively close ties between auditors and Management, and to gain a new perspective on the accounts of the Group's entities, a new distribution of audit sections has been implemented. A rotation between the firms in charge of the different audit sections have been made as from January 1st, 2015. Over two-thirds of the audited scope (subsidiaries and activities) have been subject to a change of auditors since 2009.

Lastly, the Finance Departments of the entities and business divisions annually appraise the quality of the audits performed by Deloitte and Ernst & Young. The conclusions of this survey are presented to the Audit and Internal Control Committee.

AMOUNTS OF STATUTORY AUDITORS' FEES PRESENTED IN THE INCOME STATEMENT

		Ernst & Young et Autres		**Deloitte & Associés**		**TOTAL**	
(In million of euros excl. VAT)		**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Statutory audit, certification, examination of parent company and consolidated financial statments	Issuer	4	4	6	5	10	9
	Fully consolidated subsidiaries	14	14	12	11	26	25
Audit Services and Related assignments	Issuer	1	3	2	3	3	6
	Fully consolidated subsidiaries	1	1	1	1	2	2
Sub-total Audit		**20**	**22**	**21**	**20**	**41**	**42**
in %		**95%**	**100%**	**100%**	**100%**	**98%**	**100%**
Other services provided by the networks to fully consolidated subsidiaries	Legal, tax, social	0	0	0	0	0	0
	Other	1	0	0	0	1	0
Total		**21**	**22**	**21**	**20**	**42**	**42**