LETTER TO SOCIETE GENERALE SHAREHOLDERS

76 | NOVEMBER 2010

EDITORIAL

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by Frédéric Oudéa,
Chairman and CEO

Dear shareholder,

Against the backdrop of a still hesitant economic recovery and continued difficult market conditions, Societe Generale has confirmed its rebound thanks to the soundness of its universal banking model and its ability to adapt in order to generate sustainable profits growth.

With Group Net Income of EUR 896 million in the 3rd quarter of 2010 and EUR 3 billion over the first 9 months of the year, the Group posted satisfactory commercial and financial performances in each of its businesses, particularly including:
- the healthy commercial momentum of retail banking activities,
- growth in International Retail Banking revenues, with a breakeven result from activities in Russia as of this quarter,
- satisfactory results in a mixed environment for Corporate and Investment Banking, still characterised by the very strong performance of structured financing activities,
- the ongoing gradual decline in the Group's cost of risk for all the businesses,
- and finally, the limited impact of legacy assets, in line with the lower end of the targets announced at the start of the year.

At the end of September 2010, the Group reported a sound financial structure. Thanks to the rebound begun in its results and its ability to adjust its business portfolio, the Group has confirmed that it will be able to meet the stringent requirements of the new "Basel 3" regulatory framework. Accordingly, Societe Generale could achieve a Core Tier 1 capital adequacy ratio of 7.5% by January 1st 2013, without a capital increase, reaching 8.5% by the end of 2013.

In legal terms, the Group's position has improved over the quarter:
- On September 29th, the court of New York threw out all of the class action suits brought against the Group in 2008 regarding its communication about internal controls and

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KEY FIGURES

Third quarter 2010

GROUP NET INCOME
EUR 0.9 bn

GROUP REVENUES
+2.6%* vs. Q3 09

IMPROVEMENT IN THE COMMERCIAL COST OF RISK
77 bp (-10 bp vs. Q2 10)**

First 9 months 2010

GROUP NET INCOME
EUR 3.0 bn
Net earnings per share: EUR 3.87 (1)

GROUP REVENUES
+15.1%* vs. 9M 09

GROUP ROE
10.2%

SOUNDNESS OF THE FINANCIAL STRUCTURE
TIER 1 RATIO (BASEL 2):
10.4%(1) o/w 8.4%(2)
of Core Tier 1

* When adjusted for changes in structure and at constant exchange rates. For the Group and the "Private Banking, Global Investment Management and Services" division, changes in structure and constant exchange rates exclude the "Asset Management" activity following the creation of Amundi.
** Cost of risk excluding litigation issues and Legacy assets
(1) After deduction of the interest to be paid to holders of deeply subordinated notes and perpetual subordinated notes (EUR 233 million and EUR 18 million respectively)
(2) Excluding floor effects (additional capital requirements with respect to floor levels)

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SOCIETE GENERALE

EDITORIAL
- Continued -

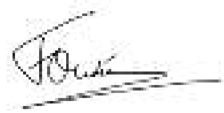
exposure to subprime risks; the plaintiffs have decided not to appeal;
- The Paris criminal court of first instance found Jérôme Kerviel guilty of breach of trust, fraudulently entering data in an automated system, and forgery and use of forgeries and confirmed that he had acted without the bank's knowledge; the court handed down a 5-year sentence, with 2 years suspended, and ordered the defendant to compensate the bank for all of the financial damages suffered;
- A major dispute with the liquidator of Lehman Brothers relating to structured products was settled satisfactorily, with no significant impact on the Group's results. These outcomes have removed elements of uncertainty and have enabled us to look towards the future while determinedly pursuing our development strategy.

More than ever, our goal is to successfully complete our transformation and carry out the projects included in our Ambition SG 2015 programme. All our employees are involved in the Group's various initiatives, which are designed to fully develop the growth potential of our customer franchises, while controlling risks and strengthening our operational efficiency. To ensure the commitment of all our employees to the success of the company-wide programme, on November 2nd the Board of Directors decided to grant 40 Societe Generale shares to every Group employee. This entitlement to receive 40 shares is subject to performance conditions that reflect our transformation objectives:
- 16 shares will be awarded if the Group's performance is greater than or equal to 10% in 2012.
- 24 shares will be awarded subject to an increase in customer satisfaction in the various businesses between 2010 and 2013.

Rest assured that Societe Generale's 157,000 employees and I will do everything in our power to achieve our strategic plan's objectives.

Thank you for your trust.

Frédéric Oudéa,
Chairman and CEO



Third quarter results 2010

This quarter the Group reported a rise in revenues of +2.6%* compared to Q3 09. The good momentum of Retail Banking and the performances of Corporate and Investment Banking once again demonstrate the quality of Societe Generale's universal banking model.

French Networks

The **French Networks** continued with their commercial expansion policy, based primarily on innovative customer offerings and a reaffirmed determination to actively participate in the **financing of the French economy**.
The commercial dynamism of each brand (Societe Generale, Crédit du Nord and Boursorama) and the quality of the proposed offerings resulted in further significant growth in the **customer franchise**. Accordingly, the French Networks saw more than 59,000 net openings of personal current accounts and a marked increase in outstanding deposits (+11.5%), particularly for sight deposits (+10.2%) and term deposits (+33.7%).
There was a healthy increase in outstanding loans (+4.1%), notably for housing loans (+7.5%), whose quarterly growth saw a substantial increase (+70.1%).
Q3 saw significant commercial activity on insurance product offerings, with approximately 32,000 new non-life insurance policies signed and a sharp rise in net life insurance inflows (+10.1%).

The success of the mobile service (more than 300,000 downloads of the iPhone application and 1.6 million connections in September) and online services (with 3 million individuals using online account services) demonstrates the real match that exists between customer expectations and **Societe Generale's innovative offerings.**

International Retail Banking

In a still differentiated economic environment across geographical regions, there was further evidence within **International Retail Banking** subsidiaries of the signs of recovery observed in H1.
Accordingly, International Retail Banking continued to expand its customer franchise with the net opening of 32 branches in the first 9 months, essentially in the **Mediterranean Basin** and **Sub-Saharan Africa and French Overseas Territories**.
This region's commercial dynamism was also reflected in the rapid growth of loans and deposits (respectively +2.5%* and +5.9%* vs. end-June 2010) and the deployment of innovative banking solutions (mobile payment services in three African entities).
In **Russia**, the Group witnessed the first positive effects of efforts under way for several quarters to realign the operating infrastructure. As a result, outstanding loans grew +1.9%* vs. end-June 2010, notably for individual customers. All these factors helped International Retail Banking's Russian activities post a breakeven contribution to Group net income as from Q3 10.
In **Central and Eastern European** countries, performances remained mixed. In the Czech Republic, outstanding loans grew +0.9%*, while the selective loan approval policy was maintained and cost-cutting measures continued to be implemented in Romania. In a deteriorated environment in Greece, the Group

Specialised Financial Services and Insurance enjoyed a rebound in financial performances this quarter.

maintained a policy of strict cost-cutting and booked a new increase in provisions for risks.

Specialised Financial Services and Insurance

Specialised Financial Services and Insurance enjoyed a rebound in financial performances this quarter in a generally still lacklustre economic environment.
Q3 saw **Consumer Finance** continue with a very selective loan approval policy and the implementation of a strategy to refocus activities on buoyant geographical regions.
The decline in activity observed during previous quarters in **Equipment Finance** slowed significantly.
The leasing of more than 52,000 additional vehicles in Q3 (+26.0%) provided further evidence of the dynamic growth in **Operational vehicle leasing and fleet management**. The number of vehicles totalled nearly 823,000 at end-September, including 617,000 for operational vehicle leasing.
The growth of Insurance activities continued across all segments in Q3. Life insurance saw a sharp increase in net inflow (+66.5%*), focused mainly on with-profits vehicles. In non-life insurance, new policies also rose (+10.7%) over the same period.

Private Banking, Global Investment Management & Services

Private Banking

Private Banking's assets under management amounted to EUR 82.0 billion at September 30th 2010, with a net inflow of EUR +0.9 billion in Q3 10, equal to +4.5% on an annualised basis, and a stable margin.

Asset Management

The quarter saw a slower outflow at TCW (EUR -1.6 billion in Q3 10 vs. EUR -2.7 billion in Q2 10 and EUR -12.6 billion in Q1 10 respectively). Assets under management amounted to EUR 81.7 billion in Q3 10.

Societe Generale Securities Services (SGSS) and Brokers (Newedge)

Securities Services demonstrated a strong commercial dynamism, attracting significant new customers including the mandate with Crédit Suisse Securities Europe. Overall, assets under custody increased by +9.5% while assets under administration remained stable at +0.2%, representing respectively EUR 3,365 billion and EUR 448 billion.
Over a period marked by low volumes, the **Broker** activity posted stable revenues. Newedge retained its No.2 ranking (Futures Commission Merchants, August 2010) in the US market with a market share of 12.7% vs. 11.5% in the previous quarter.

Corporate and Investment Banking

In an uneven and still uncertain market environment, **Corporate and Investment Banking** (CIB) posted solid, well-balanced Q3 10 revenues, up +10.3%* vs. Q2 10. The revenues of core activities increased +20.2%* vs. Q2 10. This rebound can be attributed to SG CIB's business model, which is focused on client-driven activities and based on a rigorous risk management policy.
Financing & Advisory recorded a further increase in revenues (+11.1%* vs. Q2 10) despite the unfavourable seasonal effect and moderate volumes in the primary market. With a well-balanced contribution between **Equities** and **Fixed Income, Currencies & Commodities**, and a model focused on client-driven activities, **Global Markets** posted total revenues up +26.0%* vs. Q2 10.
The Group continued its policy and reduced **legacy asset exposure** during the quarter with EUR -2.6 billion of disposals and amortisations in Q3 10.

Corporate Centre

The Corporate Centre's gross operating income was EUR -270 million this quarter, representing a +70% improvement due essentially to the improved revaluation of debts linked to Societe Generale's own credit risk and credit derivative instruments used to hedge the corporate loans and receivables portfolios.

* When adjusted for changes in Group structure and at constant exchange rates
NB : All percentage variations are calculated on the basis of Q3 10 versus Q3 09.
Ratios calculated on a different basis are specifically identified.

( ) Q3 10 vs. Q3 09
(a) excluding PEL/CEL
* at constant data

	French Networks	International Retail Banking	Specialised Financial Services and Insurance	Private Banking, Global Investment Management & Services	Corporate and Investment Banking
Net Banking Income in EUR m	1,913 (+2.6%(a))	1,250 (+3.1%*)	888 (+6.3%*)	568 (-3.0%*)	1,934 (-20.0%*)
Group Net Income in EUR m	340 (+15.2%(a))	149 (+33.0%)	87 (x8.7)	80 (+60.0%)	468 (-9.7%)

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"Les Chênes du Grand Ouest", the first family business awards

"We have always been the bank for businesses and we intend to stay that way. Our ambition is to be an irreproachable bank in terms of customer relations to help our clients develop their projects. We have a long-term vision and we have begun a profound transformation to bring us even closer to our customers and make us more responsive and efficient". This was how Frédéric Oudéa introduced the first "Les Chênes du Grand Ouest" award ceremony on September 23rd 2010 in Rennes. These awards, which were launched by Societe Generale and the newspaper Nouvel Ouest, are given to family businesses in the Brittany, Loire Valley, Lower and Central Normandy regions that have been more than 50% owned by the same family for at least two generations and have achieved sustainable growth by adapting their original business model over the years.
These awards notably reward business culture and family expertise handed down through the generations. "*The image given by family businesses is positive. It is one of capitalism with regional roots and collective values for long-term collective benefits rather than just short-term profits*", stressed Frédéric Oudéa.
Daniel Delaveau, the Mayor of Rennes and Chairman of Rennes Métropole added: "*The decision to create a business is a brave one, especially for family businesses. These symbolise a strong commitment to societal and environmental values and a strong regional attachment…*" Frédéric Oudéa praised the work of all of the Societe Generale network's teams in the west of France (more than 2,000 employees and 300 branches) and expressed a wish for the event to be repeated in other regions of France.

Calendar

December 9th 2010
Marseille – Meeting with shareholders

February 16th 2011
Fourth quarter results 2010

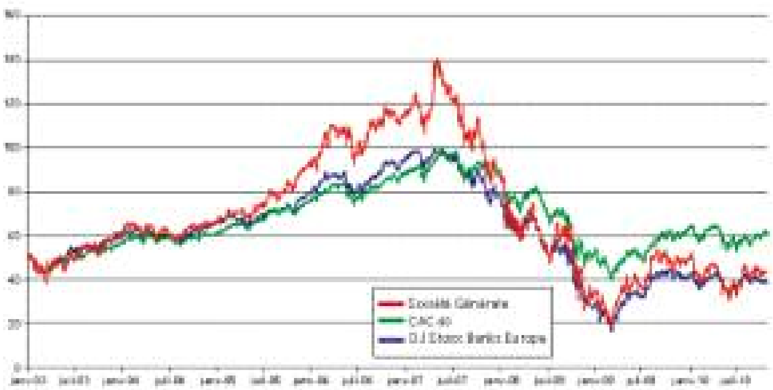
May 5th 2011
First quarter results 2011

August 3rd 2011
Second quarter results 2011

November 8th 2011
Third quarter results 2011

Share performance

Societe Generale share price at October 31st 2010: EUR 43.025



NB: From Q3 10, the Societe Generale share price will be compared with the CAC 40 and DJ Stoxx Banks Europe. This last index includes the principal banks in the euro zone, the UK, Scandinavia and Switzerland.

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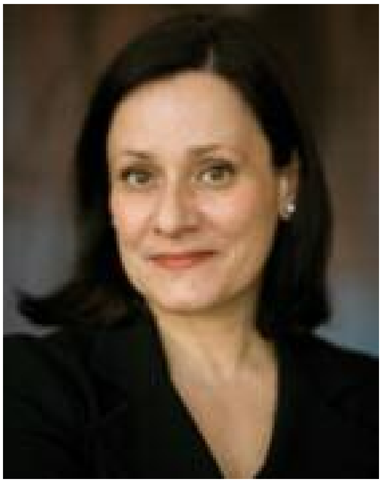
Equal opportunities within Societe Generale

In 2009, Societe Generale recruited 60.5% women in a workforce where they represent 40% of executives and only 22% of senior executives. The Group, being aware of the huge benefits that diversity can offer, is committed to promoting equal opportunities.
For example, it participated in the last Women's Forum in Deauville, a "Forum of women for the economy and society", and supported La Tribune Women's Awards, the project launched by the French daily newspaper. Internally, the Group is taking various measures to enable the advancement of women within the organisation.
For example, promotions within French retail banking are now possible up to a certain level without changing region, providing there is a change in post. These initiatives are vital, as once there is one woman in a management position others will soon follow.
Anne Marion-Bouchacourt was the only woman on the Group's Executive Committee when she arrived in 2006 and now there are three.

Operational excellence: a transformation in progress



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Interview with Françoise Mercadal-Delasalles, Head of Corporate Resources of the Societe Generale Group

What is the role of the Corporate Resources Department?

Our Corporate Resources Department (RESG) has more than 7,000 employees, half of whom are based outside France. It has two main roles. It must ensure that the Group has the services vital to its daily operation, such as IT networks, building facilities and procurement. Its other key role is to assist with the transformation of Societe Generale's operating model. This means industrialising our production platform. We will be completing a real structural and cultural transformation involving all of our employees. This also depends on innovation, which is a great catalyst for the changes that we are driving through, through the active participation of employees and experiments that we are already conducting.

> **"Improving the operating model to gain in efficiency and flexibility**

Let's return to the transformation of the operating model. What exactly does this involve?

Remember that, for Societe Generale, these last ten years are a tale of conquest. Within a short time, the Group has embarked on new activities in new regions. However, each business managed its development on its own and used its own support functions. This is why the systems are highly compartmentalised; up to 9,000 computer applications and several hundreds of accounting software programmes coexist. It has become necessary to pool these tools, and more broadly our resources, and to industrialise our processes, which is why we have RESG. The IT systems have been the first area of focus, but there is a broader objective of separating production and distribution activities, as in many activities, and imprinting them with "industrial" standards. The fall in the cost of risk is the first benefit that the Group will enjoy, but it is not the only one. By improving its ability to integrate future acquisitions, the Bank is also gaining in flexibility. For these reasons, the transformation of the operating model is one of the four pillars of the Ambition SG 2015 plan. This transformation should reduce the cost to income ratio* from 72.6% in 2009 to less than 60% by 2012.

In real terms, what are the main projects underway?

The biggest project is GTS (see inset). This is a wide-reaching project to industrialise our IT infrastructures, which is the only one of its kind in the financial sector. For example, it enables the set up and operation of IT data centres to be standardised. Ultimately, its aim is to group together 4,000 employees, compared with 1,300 currently.

Another project launched more recently is the Retail IS, which is an information system shared by the whole of Retail Banking, which will first of all be deployed in France by 2013, then in our large international banks. There is also "the reshaping or uniformisation" of our production systems and functional lines as part of the combination of our four Russian entities by 2011. Admittedly, this long-term transformation programme includes technological and industrial aspects. However, its main aspect, and its success, will depend on our ability to foster cross-business cooperation and work communities between employees throughout the company. The objective is to create value for the company and for our customers. ■

* Indicator defined by dividing operating expenses by the net banking income. The lower the percentage, the higher the operating efficiency.

A first major project: GTS

Name: Global Technology Services (GTS)
Launch: July 2009
Function: shared services centre for IT infrastructures at Group level
Objective: optimising the IT and telecommunication systems (security, costs and service level)
Key figures:
25,000 servers
160,000 work stations
200,000 telephones
50 data centres
Financial targets: EUR 100 million of savings in 2010, EUR 300 million by 2015.

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Africa picks up the pace

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Véronique Riches-Flores,
Chief economist.

After fifteen years of uninterrupted growth and profound changes to its regional economic structures, Africa is now giving every sign of being a continent on the way to economic emergence.

In Africa, 2009, a year that saw an unprecedented international crisis, marked fifteen years of GDP growth. The average income per capita, at USD 1,590, is now 40% higher in real terms than in 1995, the period from which it started to increase after half a decade of severe impoverishment. Despite the huge challenges that the continent must face, the ground covered in recent years has significantly increased the chances of seeing the economic situation substantially improve.

Investment, urbanisation, the emergence of a middle class and more open trade have in fact profoundly strengthened the continent's structural growth base. Africa is particularly rich in natural resources and now seems to be in a much better position to benefit from these assets than in the past.

How did Africa stand up to the crisis?

Although it was severely affected by the international crisis, Africa stood up much better to this shake up than most developing countries. With their undeveloped financial systems, the African economies were relatively spared the effects of the international financial crisis.
After having their debt burdens lightened, the governments weathered this crisis better than previous ones, with the best equipped using their newfound leeway to successfully implement counter-cyclical policies often implemented through monetary loosening.

Finally, with its strong positioning on the commodities market, Africa has been able to benefit from the early rebound in prices and demand for basic products. Although South Africa, the continent's leading economy, experienced a recession, the other main economies, such as Algeria, Nigeria, Egypt and Morocco, retained growth rates exceeding 4.5% in 2009. Sudan, Cameroon, Kenya and Ethiopia, which are less developed and less open, maintained real growth rates of close to 5%. Overall, reported growth in Africa was 1.8%, which is a very respectable performance given global conditions.

Capital flows are increasing

Even more worthy of note is the continent's appeal since the end of the recession.

In a world where commodities are scarce, African resources are a vital asset for the continent

Africa has a very large reservoir of very much underexploited natural resources. These reserves, which were relatively untapped while global supply was able to meet forecast needs, are showing considerable growth potential given the future global imbalances.

Based on respective demographic and income growth trends, global demand for energy products should double in the next twenty years; demand for agricultural and food products could increase at an even greater rate.

In such conditions, countries with resources able to help increase the global supply of energy and basic products needed to meet this demand will profit from this environment. With its reserves of oil, natural gas, numerous minerals and its solar and agricultural potential, Africa is one of the world's best placed regions in terms of resources.

> **Africa now seems to be in a much better position to benefit from its assets than in the past.**

In fact, foreign direct investment fell only slightly during the crisis (20% in 2009) but projects are resurfacing in many sectors and many countries. As proof of the changes underway, the new investments are no longer solely in hydrocarbon exploitation, but are now far more diversified, extending to commercial activities and financial services.

Finally, after suffering particularly badly at the peak of the international crisis, capital flows have significantly increased again in recent months. The securities markets, which are known for their lack of depth, nevertheless slightly outperformed those of other emerging regions. Transactions on the currency markets and the still shaky debt markets considerably increased. The 24 emerging countries where carry trade activities* take place included nine Africa countries in October, led by Ghana. Undoubtedly, although not every country is at the same level, the progress made in terms of monetary and currency policies and the continent's capitalisation of its commodities resources seem to be producing results.

Overall, the outlook in Africa has considerably improved. In the wake of the development over the last fifteen years and rapid urbanisation (now covering around 40% of the continent's 1 billion inhabitants), the emergence of a middle class is reinforcing the development process underway and greater demands for democracy. Although there are still enormous challenges ahead, independent Africa has never seemed so close to being able to climb the development ladder. ■

*A carry trade consists of taking on debt in a currency with a low interest rate and moving the funds borrowed into another currency with a higher interest rate after converting them, in the hope that a devaluation of the second currency against the first will not reduce the profits made from the difference between the interest rates.

Cooperation with China is speeding up development

Investors in emerging countries, who are growing in number, are not mistaken. Cooperation with China, which is often regarded with suspicion, in reality appears to be a powerful catalyst for development. Its already numerous investments provide crucial support at this stage of Africa's transition; the infrastructure investment strategy favoured by Chinese investors is doubtless the best route towards improving productivity. By speeding up the development of roads, ports and urban construction, and by helping to bring producers and consumers closer together, without which agricultural development measures, for example, would make little sense, the Chinese contribution to better economic efficiency is indisputable.

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CORPORATE SOCIAL RESPONSIBILITY

A strong commitment to building energy efficiency


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Buildings are responsible for 42%[1] of the total energy consumed in France. Offices alone consume nearly 10% of this energy. Given the issues at stake, Societe Generale has begun a continuous improvement process to reduce its consumption.

With buildings covering around 3.5 million m² worldwide, Societe Generale is particularly concerned and for several years has been developing policies fostering energy improvements to its buildings. The construction of the first high environmental quality-certified skyscraper in France (Tour Granite at La Défense, which is occupied by more than 4,000 employees) and the first positive energy branch in Polynesia are examples.

Societe Generale has also introduced a responsible real estate reference system, inspired by the best national and international environmental quality standards. This provides the keys to a construction and sustainable renovation approach adapted to every stage of a building's lifetime.

Furthermore, the Group has made a commitment through its programme to reduce its CO_2 emissions, with the goal of carbon neutrality by 2012. In January 2010 it also signed up to the WBCSD (World Business Council for Sustainable Development) Manifesto promoting building energy efficiency. This entails:

- setting targets for reducing consumption over time;
- defining a policy of minimum energy performance levels applicable to all of the company's commercial buildings;
- defining and implementing an audit policy covering these areas;
- annual publication of the energy consumption and CO_2 emissions of its buildings and the progress made to achieve the targets;
- promoting building energy efficiency to employees, suppliers and other partners.

This commitment is part of a continuous improvement process and an effort to share experiences with other international companies and show the Group's determination to work in a more energy- and carbon-efficient environment. ■

(1) Source : French ministry for Ecology and Sustainable Development

INNOVATION

The Group strengthens its commitment to the SME Pact

Since its creation in 2006, the SME Pact has been facilitating the building of new relations between small and medium-sized enterprises and large corporations. Societe Generale, which has been involved in the SME Pact from the beginning, is strengthening its commitment to this initiative by being represented on its Board of Directors by Françoise Mercadal-Delasalles. "*In 2007, Societe Generale became the first bank to sign up to the SME Pact*", explains the Group Head of Corporate Resources. "*By now joining the association's Board of Directors, our Group is strengthening its commitment to French businesses. We believe that SMEs contribute to the buoyancy and diversity of our economy and are sources of innovation. They all have a place in the ecosystems that we wish to create with them to conceive of and create tomorrow's banking services.*"

Societe Generale, a French corporation (société anonyme) with share capital of EUR 933,027,038.75 ■ Registered offices: 29 bd Haussmann, Paris, France ■ Company registration number: 552120222 00013 R.C.S. Paris, Communication department ■ Postal address: Tours Société Générale, 75886 Paris Cedex 18 ■ Head of publication: Caroline Guillaumin ■ Production: Incidences ■ Legal filing: November 2010 ■ ISSN: 1258-8679 Data Protection Act (French law No. 78-17): you can consult or amend our files or remove your details by contacting the Individual Shareholder Relations Department.

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