LETTER TO SOCIETE GENERALE SHAREHOLDERS

#72 | NOVEMBER 2009

EDITORIAL


© Nicolas Tavernier/REA

by Frédéric Oudéa,
Chairman and CEO

Dear Shareholder,

At the end of the 3rd quarter 2009, Societe Generale has provided further evidence of:
- the dynamism of its activities inside and outside France,
- the quality of Corporate and Investment Banking client franchises,
- and the anticipated positive effects from the realignment of the operating model.

Most developed countries are now showing signs of economic recovery, but judging by other indicators - growth in unemployment, massive surplus production capacity, household debt reduction - this growth remains very fragile and it will probably be necessary to adopt a coordinated international strategy to emerge from the crisis.

In this uncertain environment, Societe Generale has continued to develop each of its areas of expertise and provide support to its customers. Accordingly, the French Networks have strengthened their customer franchises, as illustrated by the increased number of personal current accounts. The strong growth in Q3 revenues reinforces the 2% target announced for full-year 2009. In keeping with its commitment to finance the French economy, the Group has implemented a number of proactive policies aimed at affirming its presence among its customers: substantial increase production both for housing loans and consumer loans, dynamic growth in outstanding investment loans to the corporate sector, leadership position in bond issues in France. Outside France, the Group continues to roll out its operating infrastructure

+ continued on page 2

CONTENTS

KEY FIGURES

Q3 2009

GROUP REVENUES
(EXCLUDING NON-RECURRING ITEMS)
+6.5% vs. Q3 08

ONGOING DISPOSAL OF ASSETS AT RISK
EUR -1.7bn

STILL HIGH COST OF RISK
117 basis points (a)

GROUP NET INCOME
EUR +426m

CONSOLIDATED FINANCIAL SOLIDITY
TIER 1 RATIO (BASEL II)
PROFORMA AT SEPTEMBER 30(b)
10.8% o/w 8.6% Core Tier 1

First 9 months of 2009

GROUP NET INCOME
EUR +457m (EPS: EUR 0.28)

GROUP REVENUES
(EXCLUDING NON-RECURRING ITEMS)
+11.9% vs. 9M 08

(a) excluding litigation issues and reclassified securities
(b) proforma for capital increase, repurchase and cancellation of preference shares, repurchase of undated deeply subordinated notes from the French government, purchase of Dexia's residual minorities (20%) in Crédit du Nord, and USD 1 billion deeply subordinated notes issue in October 2009.

+ 33 (1) 42 14 52 16 from abroad
0 800 850 820 from landlines
in France (free call)

www.societegenerale.com

actionnaires.individuels@socgen.com

Societe Generale DEVL/INV
Individual Shareholder Relations
75 886 Paris Cedex 18

SOCIETE GENERALE

EDITORIAL
- Continued -

realignment plan in each country while at the same time improving its loan/deposit ratio. Financial Services and Global Investment Management & Services, more directly impacted by the market environment, continued with their realignment plans, while making a positive contribution to the Group's results. Private Banking enjoyed another high inflow in Q3, providing further evidence of its growth. With its well-balanced activities and commercial dynamism, Corporate and Investment Banking produced an excellent commercial performance in Q3, in an environment gradually returning to normal.

The Group's operating expenses were significantly lower than in Q2 2009, illustrating our ongoing efforts to control expenditure.

The cost of risk has stabilised, albeit at a high level given the effects of the current economic crisis.

The success of the 4.8 billion euro capital increase enabled the Group to reimburse, on November 4, all the financial instruments subscribed by the French government and reinforce its capital base. A significant management renewal process is now under way with, in particular, the implementation of a new General Management team which will be fully operational from January 1, 2010.

Societe Generale confirms its sustainable growth objective and its universal banking model more than ever. I am convinced that with its strategic priorities clearly posted, the Group now has all the strengths to come out of the crisis on top.

Thank you for your renewed trust and support.

Frédéric Oudéa,
Chairman and CEO

Third quarter 2009 results

The commercial rebound of its networks in France, the good operating performances in both International Retail Banking and Private Banking, and the robustness of its Corporate & Investment Banking business model enable the Group to confirm its sustainable growth objective and its universal banking model.

French Networks

In a more favourable environment, the French Networks posted satisfactory performances reflecting the commercial dynamism of their teams and the appropriateness of their offering.

In terms of **individual customers**, the French Networks acquired 48,700 new individual customers (approximately 6.4 million personal current accounts in total at end-September).

Outstanding deposits grew +2.1%, driven by the increase in passbook savings accounts (+20.2%) and sight deposits (+2.3%). The substantial difference between long rates and short rates boosted life insurance inflow (+26.3% to EUR 2.0bn). New housing loan business amounted to EUR 3.2bn in Q3 09 (vs. EUR 2.3bn on average since Q4 08).

In the **business customer** market, the French Networks are having to deal with falling demand for operating loans (-21.3% of outstandings). Outstanding investment loans experienced a moderate increase (+5.1%). Overall, outstanding loans were virtually stable (-0.4%). Outstanding deposits continued to grow (+2.0%), driven by sight deposits (+5.5%).

International Retail Banking

In a deteriorated environment characterised by a general slowdown in activity, on a variable scale according to geographical region, International Retail Banking continued to implement measures for the targeted realignment of its operating infrastructure: accordingly, 47 branches were closed in Russia in Q3 09 whereas branch openings continued in the Mediterranean Basin.

As a result of these efforts and ongoing commercial initiatives aimed at boosting activity, International Retail Banking proved highly resilient and achieved generally satisfactory results.

Outstandings continued to grow, at a rate of +4.0%* for outstanding deposits and +1.7%* for outstanding loans vs. end-September 2008. The loan/deposit ratio continued to improve (97% vs. 98% at end-June 2009 and 102% at end-2008).

Financial Services

Characterised by the ongoing decline in household consumption and corporate activity, the economic environment remained unfavourable for Financial Services, where the level of activity generally remained lower.

New **consumer credit** business was down -16.6%*, while **equipment finance** experienced a fall of -19.0%* in new financing. The leasing rate for **operational vehicle leasing and fleet management** was down -20.5% (53,500 vehicles leased in Q3 09 vs. 67,200 in Q3 08).

Global Investment Management and Services

Asset Management

Asset Management experienced a EUR -1.6bn net outflow in Q3 09, observed mainly in alternative investment activities. Within traditional investment activities, clients continued to favour bond funds at the expense of money market funds.

Private Banking

Benefiting from the gradual improvement in the environment, Private Banking continued to enjoy commercial growth. It generated a net inflow of EUR +1.2bn in Q3 09. Assets under management rose by +4.9% vs. end-June 2009 and amounted to EUR 74.5bn at end-September 2009.

Societe Generale Securities Services (SGSS), Brokers (Newedge) and Online Savings (Boursorama)

Securities Services continues to be adversely affected by the low level of indexes and interest rates, even if it shows encouraging signs of improvement. Assets under custody continue to pick up (+12.0% vs. end-September 2008) and assets under administration were up +5.7% vs. last June.

In an environment characterised by the persistent decline in volumes, the drop in trading volumes experienced by **Newedge** (-12.7%) was less than the market trend (-17.7%), enabling it to increase its market share and become the leading player based on deposits in the United States (classification at end-August 2009).

Driven by the ongoing rebound in European stock markets, **Boursorama** enjoyed a strong level of activity. Brokerage volumes were higher, with +25.1% of orders executed. The opening of more than 8,800 accounts in Q3, taking the number of accounts to more than 96,100 at end-September 2009, provides further evidence of the dynamism of online banking activity.

Corporate and Investment Banking

The normalisation of market conditions under way since the beginning of 2009 intensified during Q3, with the convergence of most parameters towards levels prevailing before the Lehman Brothers collapse. With EUR 1,526m of client-driven revenues[1] in Q3 09 (+18.8%), the division posted its second best historical commercial performance, thus confirming the quality of its client franchises and the good balance of its business portfolio. However, the division recorded a number of non-recurring items in Q3, albeit on a lesser scale than in the previous quarter (EUR -1,099m). The Group continued to improve its risk profile with the disposal of EUR 1.7bn of assets at risk in Q3.

> **“Corporate & Investment Banking posted its second best historical commercial performance, thus confirming the quality of its client franchises and the good balance of its business portfolio.**

The **Equities** business line continued to post an excellent performance with Q3 revenues[1] of EUR 1,031m (+53.9%) and maintained leading positions in the derivatives market: global No. 1 in warrants with a market share of 14.1% and European No. 2 in ETFs with a market share of 21.0%.

After a record H1, **Fixed Income, Currencies & Commodities** experienced a decline in revenues[1] due primarily to the normalisation of quotation spreads. However, they are well above pre-crisis levels.

Financing & Advisory once again demonstrated the quality of its expertise and its commercial dynamism. With Q3 revenues[1] of EUR 522m (+73.4%), the business line produced a record performance for a third quarter traditionally characterised by lower volumes.

Corporate Centre

The Corporate Centre recorded gross operating income of EUR -313m in Q3 09 (vs. EUR -190m in Q3 08). Over the period, it was impacted by the valuation based on market value of hedge swaps (EUR -82m).

( ) Q3 09 vs. Q3 08
(a) excluding PEL/CEL
* on a like-for-like basis

	French Networks	International Retail Banking	Financial Services	Global Investment Management & Services	Corporate and Investment Banking
NBI in EURm	1,813 (+3.6 %)[a]	1,167 (-2.3 %)*	807 (+4.7 %)*	710 (-4.6 %)*	1,767 (x 2.6)*
Group net income in EURm	287 (-9.8 %)[a]	108 (-58.0 %)	9 (-93.1 %)	68 (-1.4 %)	133 n/s
ROE after tax as %	21.2 %	14.1 %	0.9 %		7.0 %

(1) excluding non-recurring items.

NB: all the variation percentages on pages 2 and 3 are calculated on the basis of Q3 09 vs. Q3 08. Ratios calculated on a different basis are mentioned explicitly.

+ www.societegenerale.com

KEY FIGURE
FOR Q3 2009

EUR +426m

Group net income

Success of the EUR 4.8bn capital increase

Societe Generale's capital increase was launched on October 6 and the subscription period closed on October 20, 2009. It was a huge success with shareholders.

- The operation was oversubscribed by 172%.
- Nearly all the new shares (i.e. 98.89%) were subscribed on a non-reducible basis, through the exercise of preferential subscription rights.
- The remainder were distributed between shareholders that had subscribed "on a reducible basis" based on 1 share on a reducible basis for 195 preferential subscription rights exercised (allocation coefficient of 0.0051375874).

The operation enabled Societe Generale to reimburse, on November 4, the preference shares and deeply subordinated notes subscribed by the French government.

It will also enable the Group to seize any external growth opportunities, if necessary (currently in the process of acquiring the 20% stake in Crédit du Nord held by Dexia) and to improve, quantitatively and qualitatively, its prudential ratios.

CALENDAR

November 27, 2009
Toulouse, meeting with shareholders

December 15, 2009
Strasbourg, meeting with shareholders

February 18, 2010
Publication of 4th quarter and full year 2009 results

May 5, 2010
Publication of 1st quarter 2009 results

A new multi-relationship with you

Complementary media and editorial consistency... the communication system for individual shareholders has been completely revamped.

Societe Generale wanted to strengthen the relationship that it has with you, individual shareholders, through a system of complementary information media and tools, designed to ensure consistency.

The new website **www.societegenerale.com** is structurally more dynamic. It now offers you explanatory content on the Group, its commitments, and on the economy, primarily within the new area dedicated to shareholders.

Its online magazine ***Actiorama*** allows regular monitoring of our experts' analyses on different sector-based or macroeconomic subjects.

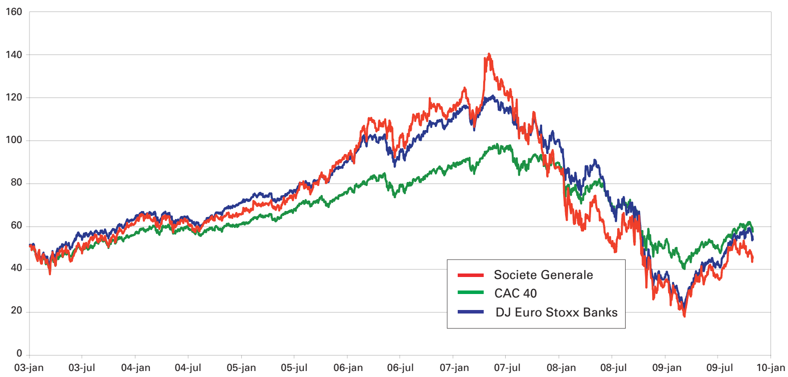
The new ***Letter to Shareholders***, is the medium for stock market and wealth information. It adopts an informative approach to the subjects covered and makes it easier to understand the strategic issues facing the Societe General Group.

In order to receive information on the Group directly, we invite you to subscribe, on our website, to RSS flows (news, press releases, calendar). For faster and easier contact with you.

Societe Generale Share Performance

Societe Generale share price at October 30, 2009: EUR 45.83

Historical per share data have been adjusted using a coefficient of 0.94779 (communicated by Euronext) following detachment of the preferential subscription right for Societe Generale shares in respect of the capital increase launched on October 8, 2009



+ www.societegenerale.com

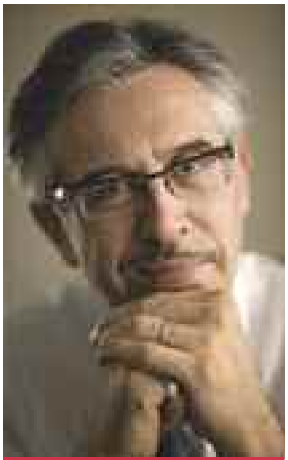
SG Private Banking, a model of resilience to the crisis

Societe Generale's wealth management is remarkable for its resilience. A key strength for the post-crisis period.

Wealth management has not been immune from the crisis: according to the Cap Gemini World Wealth Report, in 2008 the wealth held by people with considerable economic potential shrank by 19.5%. SG Private Banking's performance has proved to be significantly better: at EUR 66.9 billion at end-2008, its outstanding assets under management fell by only 13%. Having returned to EUR 74.5 billion in Q3 2009, the rebound in these assets cannot be explained only by the rebound in the markets. All private banking's accounts testify to its excellent health: net asset inflow amounted to EUR 1.2 billion over the period, net banking income has held out well since the beginning of the year and gross operating income was EUR 75 million for Q3 2009.

A tried and tested economic model

"The resilience of SG Private Banking can be explained by the robustness and originality of its economic model, points out Daniel Truchi, CEO of SG Private Banking. *Its new organisational structure, adopted in 2007, is based on an overall and international approach to our clients and the development of cross-functional centres of expertise dedicated to their needs (wealth planning, structured products, etc.). This strategy, which is part of the universal banking model and reflects both the Group's image and its capacity for innovation, enables us to support all our clients around the world. Moreover, its relevance has been highlighted by the crisis."*


© Michel Labelle

Daniel Truchi, CEO of SG Private Banking

SG Private Banking does not intend to rest on its laurels and is planning first and foremost to capitalise on its market's potential. Cap Gemini expects this market to grow by around 8% per year between now and 2013. *"In light of this situation, SG Private Banking will complete, early in 2010, the rollout of a network of regional centres located close to its clients in France."*
In addition to constantly improving its product offering and services, private banking will focus on family offices and high net worth individuals by capitalising notably on the alliance signed with Rockefeller.

Participation in the consolidation of the sector is also still on the agenda: *"we continue to carefully examine market opportunities",* explains Daniel Truchi, in order to *"remain one of the Societe Generale Group's growth drivers."*

TWO QUESTIONS FOR

Patrick Folléa,

Head of SG Private Banking France


© DR

How is private banking's presence organised in the regions?
The French wealth management market consists of around 150,000 households spread throughout France, with only half being private banking clients. Over the last year, SG Private Banking has set up regional centres in partnership with the French retail banking network in order to gain market share. Lyons, Marseilles, Bordeaux and Lille have now been opened. Centers in Rennes, Strasbourg and in the greater Paris region (North and South) are due to open early in 2010.

How will clients benefit?
These centres offer the full range of private banking products and services.
They are supported by a centralised technical platform, ensuring the control of costs, and by Societe Generale's retail banking network which serves as an intermediary.
Their initial targets are company directors for whom geographical proximity is a key advantage.

+ www.societegenerale.com

The difficult application of the ambition objectives of the G-20 Pittsburgh sum

© P. Zamora

Hervé Monet,
Head of economic research at Societe Generale

If acted on, the G-20 summit in Pittsburgh in September could be a decisive turning point in global economic governance.

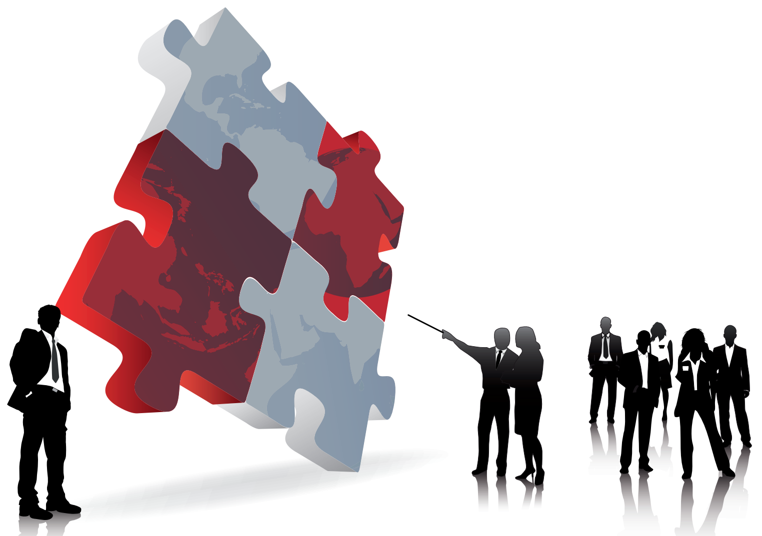
The ambition of the recent G-20 summit was to learn all the lessons from the financial crisis and provide a response to the formidable challenges posed by the globalisation of economies and financial globalisation. This involves better regulation of financial institutions but also establishing international cooperation in order to best harmonise the policies of the major developed and emerging economies. This requires tackling two causes of the crisis: firstly, growth plans in major countries, more specifically the United States and China, resulting in imbalances that are unsustainable over the long-term *(cf. inset);* secondly, inadequate regulation of the financial sector, procyclical in some respects, which authorised the development of complex, poorly controlled financial products, and the accumulation within the financial system of risks that have ultimately been revealed to be far too high.

A "framework for strong, sustainable and balanced growth"

The Finance Ministers and Central Bank Governors of the G-20 countries (the G-20 having been established as a major forum of international cooperation) will have to monitor, with the active aid of the IMF, the situations and economic policies of the different countries, ensure their consistency and propose corrective measures to the G-20. The G-20 is due to meet on two occasions in 2010 (Canada and South Korea) and subsequently on a normal basis, once a year (in France in 2011).

For the time being, the G-20 has agreed that monetary and budgetary policies to support economic activity should be maintained. The fragility of the recovery that is beginning to take shape has meant that it was probably easy to find a consensus. It will be much more difficult to coordinate the strategies for an emergence from the crisis so as to avoid, in particular, destabilising the financial markets and exchange rates.

In addition, the objective of long-term harmonisation of the different countries' economic policies so that world growth is more balanced than it was over the period 2003-2007, will be extremely difficult to achieve. Here we are touching



"Towards a regulatory and supervisory system for the financial system aimed at reducing the probability of seeing another global financial crisis occurring.

and
mit

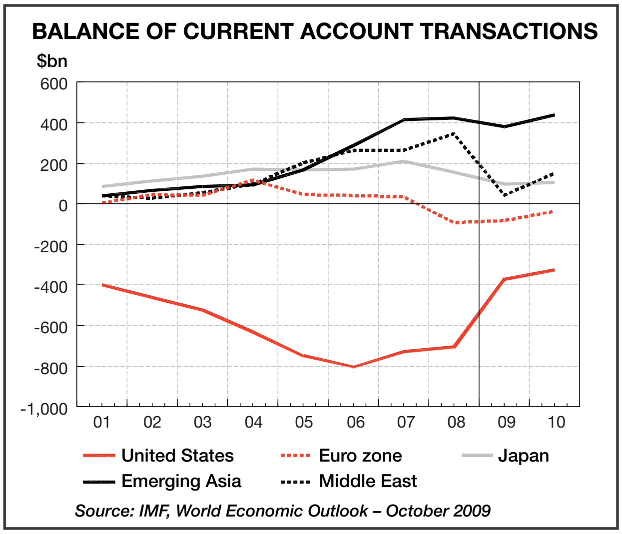
on national sovereignty, with the effectiveness of the system based only on the pressure of peers relying on IMF assessments. Some proposed measures could see their effectiveness contested or could present short-term costs deemed inacceptable, or then again other ineffective measures could be suggested. In any event, past experience of international coordination have left, let us hope mistakenly, people sceptical. Moreover, the fact that, at this stage, the G-20 press release does not mention the "touchy subject" of exchange rates and parity, in particular the Chinese currency, the renminbi, is somewhat disappointing since in addition to the structural policies mentioned by the G-20, there is the question of a central variable in order to successfully reduce international imbalances.

Regulation of the financial system: the G-20 has set major objectives

The objectives defined by the G-20 in terms of financial regulation must now be transposed into specific operational measures which, in practice, will be of crucial importance. At this stage, two positive points are apparent: firstly, a remuneration system that no longer favours short-term risk-taking; secondly, the adoption everywhere, in 2012, of Basel II prudential rules which, logically, link banks' capital requirements as accurately as possible to the risks taken. Following a request by the Americans, an additional leverage ratio (with the balance sheet/equity ratio not exceeding a given multiple) was introduced. Logic would appear to dictate that it constitutes only a safeguard. However, one point appears worrying, namely that concerning the harmonisation of accounting standards, with Europeans and Americans expected to establish a plan by mid-2011 without guarantee, theoretically, of the reasoned use of fair value.

That said, the authorities will have to satisfy a triple requirement:
- although it is undoubtedly necessary to implement regulations aimed at avoiding past excesses, it it also important not to compromise the recovery: the pick-up in loan demand by households and the corporate sector, probably from 2011, must not come up against a restriction in terms of loan offering and an excessive increase in its cost. This issue takes us back firstly to the measures to be taken to facilitate the return to significant financing of economies via securitisation and, secondly to the importance and speed of implementation of the new capital requirements that will be imposed on the banks;
- putting in place a regulatory and supervisory system for the financial system aimed at reducing the probability of seeing another global financial crisis occurring;
- via increased international cooperation, not unduly penalising some institutions: European banks in favour of US banks; banks in favour of hedge funds...

International imbalances



Countries that have experienced the most pronounced credit bubbles are predictably those whose current account deficits remain substantial (United States, Spain, United Kingdom). A reduction in public deficits cannot be compensated by a rise in household debt. Therefore, budgetary adjustment is likely to result in weaker internal demand over the next few years. This is why the United States wants to see countries generating massive current account surpluses refocus their growth model in favour of internal demand, and no longer on exports. The new Japanese government seems to be adopting this approach. China has started this refocusing, but without letting the renminbi, the Chinese currency, appreciate, an appreciation that would stimulate consumption but further undermine the export sector.

Current account imbalances increased between 2001 and 2007: growing savings surpluses in Asian emerging countries, China in particular but also oil exporting countries, fuelled a household debt bubble in the United States, with this country seeing its current account deficit widen. All this against the backdrop of very low interest rates. The crisis, combined with the decline in the oil price, has resulted in a significant reduction in these imbalances. That said, as soon as the recovery becomes stronger, they will tend to increase again.

© Société Générale

Societe Generale collection
Zerooo-mackavtarcka
by Erik Binder

ENVIRONMENT

Sustainable development and the auto sector: the ALD Bluefleet solution

Specialised in operational vehicle leasing and fleet management, ALD Automotive has been working for several years to control and minimise the direct impact of its business on the environment.

In keeping with the current context of combating climate change (recent G-20 summit in Pittsburgh, Copenhagen summit in December), ALD France organised a one-day seminar on the theme "Sustainable Development and the Auto Sector" at the Jean-Pierre Beltoise racing track in the Paris region on September 23. It was an opportunity for ALD Automotive to present the new ALD Bluefleet services whereby it can help client companies adopt an approach that is more environmentally and socially friendly. It offers a range of international services combined with effective local solutions such as help in selecting the least polluting models, help in reducing car fleet CO_2 emissions, training in ecological driving to reduce fuel consumption and CO_2 emissions, etc. For some national markets, it also offers combined car/3-wheel scooter leasing, an ecological index of vehicles classified according to their emissions, ground tests for different electric vehicles or even water-free vehicle washing by workers undergoing professional reinsertion. ■

INNOVATIONS

Societe Generale can draw on its substantial innovative capacity aimed at satisfying customers in its different markets. A mindset that enables it to seize the changes in our environment and anticipate the needs of our customers by inventing new products, new services.

Lyxor, designated "2009 institutional manager"

Lyxor, the asset management company attached to the Group's Corporate and Investment Banking division, was designated "Institutional Manager of the Year" at the 7th Annual Hedge Fund Industry Awards organised by *Institutional Investor* in New York.

At this event, 300 representatives of the alternative investment sector acknowledged companies whose strategies and investment expertise enabled them to take up the unprecedented challenges faced by the sector over the last year.

This award confirms the leading role played by Lyxor in the asset management sector and rewards its innovation in the field of managed accounts as well as its active approach to counterparty risk management.

2009 Trophies – Internet banking: Societe Generale recognised by *Le Revenu*

For the first time, *Le Revenu* magazine conducted a survey over several months on the theme "Are you satisfied with your bank?".

As part of the 2009 Trophy award for innovation, Societe Generale was recognised for its mobile phone banking services, with already more than 50,000 monthly users: bank card cancellation, ATM search, stock market portfolio consultation.

Head of Publications: Hugues Le Bret.
Societe Generale, a French corporation (société anonyme) with share capital of EUR 812,926,350.
Registered offices: 29 bd Haussmann, Paris, France
Company registration number: 552 120 222 00013
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.
Design and production: Incidences | Legal filing: November 2009 | ISSN 1258-8881
170 249GB