SOCIETE GENERALE

PRESS RELEASE

QUARTERLY FINANCIAL INFORMATION

Paris, May 4th, 2017

Q1 17: GOOD COMMERCIAL AND FINANCIAL PERFORMANCE FROM CORE BUSINESSES

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

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

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

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

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

** Excluding non-economic items.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. GROUP CONSOLIDATED RESULTS

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

(1) Adjusted for revaluation of own financial liabilities and DVA

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

Net banking income

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

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

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

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

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

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

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

Operating expenses

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

Gross operating income

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

Cost of risk

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

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

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

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

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

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

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

Operating income

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

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

Net income

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

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

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

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

2. THE GROUP'S FINANCIAL STRUCTURE

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

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

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

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

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

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

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

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

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

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3. FRENCH RETAIL BANKING

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

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

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

Activity and net banking income

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

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

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

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

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

Operating expenses

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

Operating income

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

Contribution to Group net income

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

4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

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

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

(1) Adjusted for IFRIC 21 implementation

International Retail Banking

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

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

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

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

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

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

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

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

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

Insurance

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

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

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

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

Financial Services to Corporates

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

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

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

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

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

5. GLOBAL BANKING & INVESTOR SOLUTIONS

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

(1) Adjusted for IFRIC 21 implementation

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

Global Markets & Investor Services

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

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

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

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

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

Financing and Advisory

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

Asset and Wealth Management

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

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

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

Operating expenses

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

Operating income

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

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

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

Net income

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

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

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

6. CORPORATE CENTRE

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

(1) Adjusted for revaluation of own financial liabilities

The Corporate Centre includes:

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

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

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

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

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

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

7. CONCLUSION

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

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

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

SOCIETE GENERALE

8. 2017-2018 FINANCIAL CALENDAR

2017-2018 financial communication calendar

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

9. APPENDIX 1: FINANCIAL DATA

Consolidated Income Statement

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

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

Group Net Income After Tax By Core Business

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

Consolidated Balance Sheet

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

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

NB. Customer loans include lease financing.

10. APPENDIX 2: METHODOLOGY

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

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

2 – Net banking income

The pillars' net banking income is defined on page 44 of Societe Generale's 2017 Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

3 – Operating expenses

Operating expenses correspond to the "Operating Expenses" as presented in notes 5 and 8.2 to the Group's consolidated financial statements as at December 31st, 2016 (pages 381 et seq. and page 401 of Societe Generale's 2017 Registration Document). The term "costs" is also used to refer to Operating Expenses.

The **Cost/Income Ratio** is defined on page 44 of Societe Generale's 2017 Registration Document.

4 – IFRIC 21 adjustment

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

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

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

5 – Restatements and other significant items for the period

Non-economic items correspond to the revaluation of the Group's own financial liabilities and the debt value adjustment on derivative instruments (DVA). These two factors constitute the restated non-economic items in the analyses of the Group's results. They lead to the recognition of self-generated earnings reflecting the market's evaluation of the counterparty risk related to the Group. They are also restated in respect of the Group's earnings for prudential ratio calculations.

Moreover, the Group restates the revenues and earnings of the French Retail Banking pillar for **PEL/CEL provision allocations or write-backs**. This adjustment makes it easier to identify the revenues and earnings relating to the pillar's activity, by excluding the volatile component related to commitments specific to regulated savings.

Details of these items, as well as the other items that are the subject of a one-off or recurring restatement, are provided below, given that, in the tables below, the items marked with one asterisk (*) are the non-economic items and the items marked with two asterisks (**) are given for information only.

In EUR m

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

In EUR m

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

* *Non-economic items*

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

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

The cost of risk or commercial cost of risk is defined on pages 46 and 528 of Societe Generale's 2017 Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases.

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

The **gross coverage ratio for doubtful outstandings** is calculated as the ratio of provisions recognised in respect of the credit risk to gross outstandings identified as in default within the meaning of the regulations, without taking account of any guarantees provided. This coverage ratio measures the maximum residual risk associated with outstandings in default ("doubtful").

7 – ROE, RONE

The notion of ROE, as well as the methodology for calculating it, are specified on page 47 of Societe Generale's 2017 Registration Document. This measure makes it possible to assess Societe Generale's return on equity.

RONE (*Return on Normative Equity*) determines the return on average normative equity allocated to the Group's businesses, according to the principles presented on page 47 of Societe Generale's Registration Document. Data relating to the 2015 financial year have been adjusted to take account of the allocation principle in force since January 1st, 2016, based on 11% of the businesses' risk-weighted assets.

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

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

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

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

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

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

8 – Net assets and tangible net assets are defined in the methodology, page 49 of the Group's 2017 Registration Document ("Net Assets"). The items used to calculate them are presented below.

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

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

9 – Calculation of Earnings Per Share (EPS)

The EPS published by Societe Generale is calculated according to the rules defined by the IAS 33 standard (see page 48 of Societe Generale's 2017 Registration Document). The corrections made to Group net income in order to calculate EPS correspond to the restatements carried out for the calculation of ROE. As specified on page 48 of Societe Generale's 2017 Registration Document, the Group also publishes EPS adjusted for the impact of non-economic items presented in methodology note No. 5.

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

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

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

10 – The Societe Generale Group's **Common Equity Tier 1 capital** is calculated in accordance with applicable CRR/CRD4 rules. The fully-loaded **solvency ratios** are presented pro forma for current earnings, net of dividends, for the current financial year, unless specified otherwise. When there is reference to phased-in ratios, these do not include the earnings for the current financial year, unless specified otherwise. The leverage ratio is calculated according to applicable CRR/CRD4 rules including the provisions of the delegated act of October 2014.

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

Group

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

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

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

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

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

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

NB (1) The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding rules.

(2) All the information on the results for the period (notably: press release, downloadable data, presentation slides and supplement) is available on Societe Generale's website www.societegenerale.com in the "Investor" section.

Societe Generale

Societe Generale is one of the largest European financial services groups. Based on a diversified universal banking model, the Group combines financial solidity with a strategy of sustainable growth, and aims to be the reference for relationship banking, recognised on its markets, close to clients, chosen for the quality and commitment of its teams.

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- **International retail banking, insurance and financial services to corporates** with a presence in developing economies and leading specialised businesses;
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