SOCIETE GENERALE

PRESS RELEASE

QUARTERLY FINANCIAL INFORMATION

Paris, February 9th, 2017

2016: HEALTHY GROWTH IN GROUP NET INCOME

- Net banking income excluding non-economic items** of EUR 25.7bn, +2.7% vs. 2015: good performance by International Retail Banking & Financial Services, resilience of French Retail Banking and Global Banking & Investor Solutions
  Book net banking income of EUR 25.3bn (EUR 25.6bn in 2015)
- Operating expenses under control, down -0.4% vs. 2015 at EUR 16.8bn
- Low cost of risk reflecting the structural improvement in the quality of the Group's assets: commercial cost of risk of 37bp in 2016 vs. 52bp in 2015
- Group net income excluding non-economic items**: EUR 4.1bn in 2016, up 15.3% vs. 2015
- Continued strengthening of the balance sheet: fully-loaded CET1 ratio of 11.5% (10.9% at end-2015)

EPS(2): EUR 4.55 for 2016 vs. EUR 3.94 in 2015 – proposed dividend of EUR 2.20 (+10% vs. 2015)

Q4 16: OPERATING INCOME DOUBLES VS. Q4 15

- Net banking income** of EUR 6.2bn (+1.3% vs. Q4 15)
  Book net banking income of EUR 6.1bn (+1.3% vs. Q4 15)
- Stable operating expenses: EUR 4.4bn (+1.1% vs. Q4 15)
- Substantially lower net cost of risk: EUR -486m vs. EUR -1,157m in Q4 15
- Group net income of EUR 390m (EUR 656m in Q4 15), including the impact of the disposal of the Croatian subsidiary (EUR -235m) and the review of deferred tax assets (EUR -286m)

Items relating to financial data for 2015 have been restated in net banking income and for the capital allocated to the businesses so as to take account of the new capital allocation rule based on 11% of the businesses' RWA (risk-weighted assets).

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) Excluding litigation issues, in basis points for assets at the beginning of the period, including operating leases.

(2) Excluding non-economic items. Gross 2016 EPS: EUR 4.26 and EUR 4.49 for 2015.

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Societe Generale's Board of Directors, which met on February 8th, 2017 under the chairmanship of Lorenzo Bini Smaghi, examined the results for Q4 and approved the financial statements for 2016.

The Societe Generale Group generated **Group net income** of EUR 3,874 million in 2016 (EUR 4,001 million in 2015). If non-economic items are stripped out, Group net income totalled EUR 4,107 million, substantially higher than in 2015 (+15.3%). The increase testifies to the pertinence of the Group's well-balanced business model and its successful transformation. The businesses' contribution to Group net income was 11.8% higher, driven by the strong recovery observed in International Retail Banking & Financial Services (with a contribution to Group net income up +46.8% vs. 2015), the performance of French Retail Banking (+3.1% vs. 2015), and underpinned by the resilient activities of Global Banking & Investor Solutions in an uncertain environment (-2.5% vs. 2015).

The Group's operating income in Q4 16 was twice as high as in Q4 15. This very good performance by the businesses was mitigated by the recording of non-recurring items - disposal of the subsidiary in Croatia and review of deferred tax assets in conjunction with tax rule changes, notably in France. Group net income amounted to EUR 390 million in Q4 16 (EUR 656 million in Q4 15).

Net banking income, excluding non-economic items(1) totalled EUR 6,177 million in Q4 16, up +1.3% vs. Q4 15. It amounted to EUR 25,653 million for full-year 2016, stable overall vs. 2015 (excluding the EUR 725 million Visa capital gain recorded in H1 2016). Book net banking income totalled EUR 6,129 million in Q4 16 (+1.3% vs. Q4 15), taking book net income for the year to EUR 25,298 million (-1.3% vs. 2015).

The Group continued to implement its cost savings plans: operating expenses declined -0.4% vs. 2015, in accordance with its commitments. Against a backdrop of ongoing investments in the Group's transformation, operating expenses were up +1.1% in Q4 16 vs. Q4 15.

The **net cost of risk** stood at the low level of EUR -486 million in Q4 16, substantially lower than the EUR -1,157 million in Q4 15, taking the total net cost of risk for 2016 to EUR 2,091 million, down nearly -32% vs. the previous year. The **commercial cost of risk** continued to decline, to 30 basis points in Q4 16 (64 basis points in Q4 15) and 37 basis points for full-year 2016, compared to 52 basis points for 2015. An additional EUR 150 million provision for litigation issues was booked at end-2016, taking the total to EUR 2 billion.

The "Basel 3" **Common Equity Tier 1 (fully-loaded CET1) ratio stood at 11.5%** (10.9% at end-2015), resulting in the early achievement by the Group of its medium-term target of 11.5% to 12.0% at end-2018. The Group now complies with all its prudential obligations, including those relating to the future TLAC ratio.

Earnings Per Share, excluding non-economic items, amounts to EUR 4.55 at end-2016. The Board of Directors has decided to propose to the General Meeting of Shareholders that a dividend of EUR 2.20 per share be distributed in respect of the 2016 financial year, a 10% increase vs. the 2015 dividend.

Commenting on the Group's results for 2016, Frédéric Oudéa – Chief Executive Officer – stated:

"The quality of the Societe Generale Group's results in 2016 reflects the good commercial and operating performances in all its businesses and its rigorous control of costs and risks. In an uncertain environment, the Group has benefited from its well-balanced banking model, the trust shown by its customers and the commitment of its employees.

In an economic environment that is less buoyant and much more demanding on the regulatory front, we have simplified our banking model, optimised capital allocation and continued to invest in the businesses of the future, as we undertook to do in our 2014-2016 strategic plan. These efforts enable us to generally comply with the trajectory of the strategic and financial objectives set in 2014: we have demonstrated our potential for growth and operational excellence, and there has been a significant improvement in our structural profitability. The balance sheet has improved and all our regulatory capital and liquidity ratios are above the regulators' requirements.

Based on these solid foundations, Societe Generale intends to continue with the adaptation and digital transformation of its businesses, simplify its organisational set-up and roll out its Culture and Conduct programme in 2017. The Group is also preparing a new stage in its development, with the presentation at the end of the year of a medium-term strategic plan testifying to our ability to provide even more value for our customers and shareholders."

1. GROUP CONSOLIDATED RESULTS

In EUR m	Q4 16	Q4 15	Change		2016	2015	Change	
Net banking income	**6,129**	**6,053**	***+1.3%***	***+2.0%****	**25,298**	**25,639**	***-1.3%***	***-0.5%****
Net banking income(1)	*6,177*	*6,098*	*+1.3%*	*+2.0%**	*25,653*	*24,968*	*+2.7%*	*+3.7%**
Operating expenses	**(4,398)**	**(4,349)**	***+1.1%***	***+0.5%****	**(16,817)**	**(16,893)**	***-0.4%***	***+0.3%****
Gross operating income	**1,731**	**1,704**	***+1.6%***	***+5.9%****	**8,481**	**8,746**	***-3.0%***	***-2.0%****
Gross operating income(1)	*1,779*	*1,749*	*+1.7%*	*+6.0%**	*8,836*	*8,075*	*+9.4%*	*+10.6%**
Net cost of risk	**(486)**	**(1,157)**	***-58.0%***	***-58.0%****	**(2,091)**	**(3,065)**	***-31.8%***	***-30.6%****
Operating income	**1,245**	**547**	***x 2,3***	***x 2,6***	**6,390**	**5,681**	***+12.5%***	***+13.1%****
Operating income(1)	*1,293*	*592*	*x 2,2*	*x 2,5*	*6,745*	*5,010*	*+34.6%*	*+35.5%**
Net profits or losses from other assets	**(262)**	**239**	***n/s***	***n/s***	**(212)**	**197**	***n/s***	***n/s***
Reported Group net income	390	656	*-40.5%*	*-35.3%**	3,874	4,001	*-3.2%*	*-1.0%**
Group net income(1)	***421***	***686***	***-38.5%***	***-33.4%****	***4,107***	***3,561***	***+15.3%***	***+18.2%****
Adjusted ROE (1)	**2.4%**	**5.0%**			**7.8%**	**7.0%**		

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

Net banking income

The Group's net banking income, excluding non-economic items, totalled EUR 6,177 million in Q4 16, up +1.3% vs. Q4 15, due to the +2.3% increase in the businesses' net banking income over the period. Net banking income, excluding non-economic items, amounted to EUR 25,653 million for the year, up +2.7% vs. 2015. It includes the capital gain on the disposal of Visa Europe shares in H1 for EUR 725 million, which was booked in the Corporate Centre. When restated for this non-recurring item, Group net banking income, excluding non-economic items, was generally stable between 2015 and 2016.

- French Retail Banking's (RBDF) net banking income was down -3.5% (excluding PEL/CEL effect) in 2016 vs. 2015 (and in Q4 16 vs. Q4 15). 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 +2.6% in 2016 vs. 2015 (+4.0%* when adjusted for changes in Group structure and at constant exchange rates), and +6.7% (+4.8%*) in Q4 16 vs. Q4 15. These good performances were driven by dynamic Insurance activities (+7.0% for the year and +5.7% in Q4 16 vs. Q4 15) and a good year for Financial Services to Corporates (+10.7% in 2016 vs. 2015 and +23.4% in Q4 16 vs. Q4 15), while in International Retail Banking, revenues rose in Africa (+6.4% in 2016 vs. 2015) and recovered in Russia and Romania.

- Global Banking & Investor Solutions (GBIS) generated net banking income up +1.5% in Q4 16 vs. Q4 15. Revenues were slightly lower (-2.0%) in 2016 vs. 2015 due to less favourable market conditions. Commercial activity remained at a good level, both in Financing & Advisory after a good year in 2015 and in Global Markets and Investor Services, whereas market uncertainty restrained investors in Asset and Wealth Management.

The accounting impact of the revaluation of the Group's own financial liabilities was EUR -50 million in Q4 16 (EUR -39 million in Q4 15). The impact of the revaluation of own financial liabilities totalled EUR -354 million for 2016, vs. a positive impact of EUR +782 million in 2015.

The DVA impact was positive at EUR +2 million in Q4 16 (EUR -1 million in total for 2016) vs. EUR -6 million in Q4 15 (for a total of EUR -111 million in 2015). These two factors constitute the restated non-economic items in the analyses of the Group's results.

Book net banking income totalled EUR 6,129 million in Q4 16 (+1.3% vs. Q4 15) and EUR 25,298 million for 2016 (-1.3% vs. 2015).

Operating expenses

The Group's operating expenses amounted to EUR -16,817 million in 2016 (-0.4% vs. 2015), including EUR 4,398 million in Q4 16 (+1.1% vs. Q4 15). Without taking into account the partial refund of the Euribor fine (EUR 218 million in Q1 16), operating expenses for 2016 were generally stable (+0.8%) vs. 2015, in accordance with the Group's commitments. The non-recurring costs associated with the savings plans implemented amounted to EUR -230 million in 2016.

Gross operating income

The Group's gross operating income totalled EUR 8,481 million in 2016 vs. EUR 8,746 million in 2015. For Q4 16, gross operating income was EUR 1,731 million vs. EUR 1,704 million in Q4 15. Excluding the effect of the revaluation of own financial liabilities and DVA, gross operating income was substantially higher in 2016 at EUR 8,836 million vs. EUR 8,075 million in 2015, primarily due to the capital gain on the disposal of Visa Europe shares (EUR 725 million). For Q4, gross operating income was EUR 1,779 million in 2016 vs. EUR 1,749 million in 2015.

Cost of risk

The Group's net cost of risk amounted to EUR -486 million in Q4 16, down -58.0% vs. Q4 15, confirming the downward trend observed for several quarters in the three business divisions. The net cost of risk was down -31.8% in 2016 vs. 2015, at EUR -2,091 million, reflecting the improvement year after year in the Group's risk profile. As a reminder, the provision for litigation issues totalled EUR 2 billion at end-2016, following an additional net provision of EUR 150 million in Q4 16 (or an additional net provision of EUR 350 million in respect of 2016).

The commercial cost of risk (expressed as a fraction of outstanding loans) continued to decline, to 30 basis points in Q4 16 and 37 basis points for 2016 (vs. 64 basis points and 52 basis points respectively in 2015).

- In French Retail Banking, the commercial cost of risk was lower in Q4 16 (39 basis points) vs. Q4 15 (43 basis points), illustrating the quality of the loan approval policy. It amounted to 36 basis points for 2016 vs. 43 basis points for 2015.

- At 53 basis points in Q4 16 and 64 basis points for 2016 (vs. 104 basis points in Q4 15 and 102 basis points for 2015), 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. The loan default rate has been reduced by two points in the space of three years (from 8.9% to 6.7%), while the provisioning rate increased by 9 points over the same period (from 68% to 77%).

- More specifically, the cost of risk in Russia and Romania was significantly lower. It declined from 293 basis points in 2015 to 182 basis points in 2016 in Russia and from 185 basis points in 2015 to 98 basis points in 2016 in Romania.

- Global Banking & Investor Solutions' cost of risk was at a very low level of 3 basis points in Q4 16. It amounted to 20 basis points for the year (vs. 65 basis points in Q4 15 and 27 basis points for 2015).

The gross doubtful outstandings ratio declined to 5.0% in 2016 (vs. 5.3% in 2015). The Group's gross coverage ratio for doubtful outstandings stood at 64%, stable vs. 2015.

With regard to certain **specific risks**, oil/gas or minerals/metallurgy sector exposure represents less than 3% and 1.5% respectively of the Group's overall exposure. It does not therefore constitute significant exposure for Societe Generale, which has a diversified portfolio where no business sector represents more than 10% (percentage of exposure to non-financial companies).

With regard to the Group's geographical exposure, the main exposure remains France, which represents 42% of Societe Generale's total exposure. In terms of the exposure to certain countries (China, Turkey) where there has been an economic slowdown, this is insignificant at Group level.

The Brexit vote has also had a very relative impact given the Group's limited exposure to the United Kingdom, which represents 5.9% of its commitments, principally on sovereign, large corporate and financial institution exposure. As a reminder, concerning the Group's situation with regard to the consequences of the United Kingdom's scheduled exit from the European Union, the Group's operating infrastructure is based on an organisational set-up split between Continental Europe and the United Kingdom, where it has all the authorisations, licences and infrastructure necessary to carry out its activities. The Group has reiterated its intention to maintain an active presence in the United Kingdom for all its activities, notably Corporate & Investment Banking and Private Banking, where it strengthened its position in 2016 through the acquisition of the private banking activities of Kleinwort Benson in the United Kingdom.

Operating income

The Group's operating income totalled EUR 1,245 million in Q4 16 vs. EUR 547 million in Q4 15. Operating income amounted to EUR 6,390 million for 2016 vs. EUR 5,681 million for 2015. If non-economic items are stripped out, operating income more than doubled vs. Q4 15, to EUR 1,293 million in Q4 16 vs. EUR 592 million in Q4 15. Operating income, excluding non-economic items, totalled EUR 6,745 million for 2016 vs. EUR 5,010 million in 2015.

Net income

Group net income amounted to EUR 390 million in Q4 16, vs. EUR 656 million for the same period in 2015. It includes two non-recurring items: the result of the disposal of the Croatian subsidiary, amounting to EUR -235 million, and an adjustment of deferred taxes included in balance sheet assets for EUR -286 million due primarily to changes in the corporation tax rate in France in 2020.

Group net income totalled EUR 3,874 million for 2016 (vs. EUR 4,001 million in 2015).

When corrected for non-economic items (revaluation of own financial liabilities and DVA), Group net income amounted to EUR 421 million in Q4 16 (EUR 686 million in Q4 15), and EUR 4,107 million for 2016 (EUR 3,561 million in 2015), up +15.3% year-on-year.

This increase is underpinned primarily by the businesses' improved earnings, EUR +518 million year-on-year, based on healthy commercial activity, control of operating expenses, and the decline in the cost of risk related to the structural improvement in the Group's risk profile.

The Group's ROE, excluding non-economic items, was 2.4% in Q4 16 (2.2% in absolute terms) vs. 5.0% in Q4 15 (4.7% in absolute terms) due to the effect of non-recurring and non-operating items in Q4 (disposal of the subsidiary in Croatia, deferred tax adjustment).

For 2016, ROE stood at 7.3%, or 7.8% excluding non-economic items, vs. 7.9% (and 7.0% excluding non-economic items) in 2015.

Earnings per share amounts to EUR 4.26, or EUR 4.55 excluding non-economic items for 2016 (vs. EUR 4.49 and EUR 3.94 excluding non-economic items for 2015).

On this basis, the Board of Directors has decided to propose a dividend payment of EUR 2.20 per share to the General Meeting of Shareholders. The dividend will be detached on May 31st, 2017 and paid on June 2nd, 2017.

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2. THE GROUP'S FINANCIAL STRUCTURE

Group **shareholders' equity** totalled EUR 62.0 billion at December 31st, 2016 (EUR 59.0 billion at December 31st, 2015). Net asset value per share was EUR 63.66, including EUR 1.59 of unrealised capital gains. Tangible net asset value per share was EUR 57.77.

The **consolidated balance sheet** totalled EUR 1,382 billion at December 31st, 2016 (EUR 1,334 billion at December 31st, 2015). The net amount of **customer loan outstandings**, including lease financing, was EUR 403 billion (EUR 386 billion at December 31st, 2015) – excluding assets and securities sold under repurchase agreements. At the same time, **customer deposits** amounted to EUR 397 billion, vs. EUR 360 billion at December 31st, 2015 (excluding assets and securities sold under repurchase agreements).

In 2016, the Group issued EUR 35.3 billion of medium/long-term debt with EUR 30.1 billion at parent company level (exceeding the financing programme of EUR 28 billion for 2016), having an average maturity of 5.5 years and an average spread of 39 basis points (vs. the 6-month mid-swap, excluding subordinated debt), and EUR 5.2 billion by the subsidiaries. The LCR (Liquidity Coverage Ratio) increased and was well above regulatory requirements at 142% at end-December 2016 vs. 124% at end-December 2015.

For 2017, the Group is planning, at parent company level, a vanilla issue programme for around EUR 9 billion, mainly composed of TLAC-eligible debt (including subordinated debt). At February 8th, 2017 the Group had issued EUR 2.1 billion (including USD 1.25bn and SEK 750m of senior non-preferred debt). Moreover, it intends to maintain the current level of long-term structured debt in the balance sheet, i.e. an indicative gross amount of EUR 17 billion to be raised in 2017.

With a level of over 100% at end-2016, the Group already complies with the future requirements of the NSFR (Net Stable Funding Ratio) according to the draft European text.

The Group's **risk-weighted assets** (RWA) amounted to EUR 355.5 billion at December 31st, 2016 (vs. EUR 356.7 billion at end-December 2015) according to CRR/CRD4 rules. Risk-weighted assets in respect of credit risk represent 83% of the total, at EUR 294.2 billion, down -0.6% vs. December 31st, 2015.

At December 31st, 2016, the Group's **Common Equity Tier 1** ratio stood at 11.5%(1) (10.9% at end-December 2015 and 11.4% at end-September 2016), with an increase of +10 basis points in Q4 16 and +62 basis points for the year. It has already reached the Group's target of a fully-loaded CET1 ratio of between 11.5% and 12% at end-2018. The Tier 1 ratio stood at 14.5% (13.5% at end-December 2015 and 14.3% at end-September 2016) and the total capital ratio amounted to 17.9%, an increase of +26 basis points vs. end-September 2016 (17.6%) due to good capital generation during the quarter. At December 31st, 2016, the Group exceeded the TLAC's requirement level, including senior preferred debt for up to 2.5% of RWA and a senior non-preferred debt issue for EUR 1 billion. The issue programme for TLAC-eligible debt (including subordinated debt) will enable the Group to comply with the TLAC ratio, between now and end-2018, without resorting to senior preferred debt.

The **leverage ratio** stood at 4.2% at December 31st, 2016 (4.0% at end-December 2015 and 4.1% at end-September 2016), an increase of 11 basis points in Q4 16.

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).

(1) *The phased-in ratio, at end-December 2016, stood at 11.8%, vs. 11.4% at end-December 2015.*

3. FRENCH RETAIL BANKING

In EUR m	Q4 16	Q4 15	Change	2016	2015	Change
Net banking income	**2,177**	**2,189**	***-0.5%***	**8,403**	**8,588**	***-2.2%***
Net banking income ex. PEL/CEL	*2,090*	*2,167*	*-3.5%*	*8,343*	*8,649*	*-3.5%*
Operating expenses	(1,411)	(1,465)	***-3.7%***	(5,522)	(5,486)	***+0.7%***
Gross operating income	**766**	**724**	***+5.8%***	**2,881**	**3,102**	***-7.1%***
Gross operating income exc. PEL/CEL	*679*	*702*	*-3.3%*	*2,821*	*3,163*	*-10.8%*
Net cost of risk	(182)	(210)	*-13.3%*	(704)	(824)	*-14.6%*
Operating income	584	514	*+13.6%*	2,177	2,278	*-4.4%*
Reported Group net income	**402**	**321**	*+25.2%*	**1,486**	**1,441**	*+3.1%*
RONE	**14.8%**	**12.1%**		**14.0%**	**13.5%**	

French Retail Banking enjoyed a robust commercial momentum and generated healthy earnings in 2016, in a low interest rate environment.

With three complementary brands (Societe Generale, Crédit du Nord and Boursorama), French Retail Banking strengthened its customer base in 2016: with more than 400,000 new customers, the Group had 11.5 million individual customers in 2016 (+4% vs. 2015). With more than 977,000 customers at end-2016, an increase of +29% vs. 2015, Boursorama, the leading mobile bank in France, pursued its growth strategy and exceeded the 1 million customer mark at end-January 2017.

In the business segment, French Retail Banking established relationships with nearly 4,000 new companies in 2016 (+4% vs. 2015) due to new initiatives in this market. These include the launch of SG Entrepreneurs and the planned creation of “pro corners” (“*espaces pro”*) nationwide. Crédit du Nord’s expertise in the professional segment was also recognised in 2016 (No. 1 for customer satisfaction among the liberal professions according to the 2016 CSA study).

French Retail Banking continued to assist individuals and businesses with the financing of their projects. Average outstanding loans rose +2.9% vs. 2015 to EUR 183.3 billion, marked by a sharp increase in housing loans (+4.9%). Housing loan production reached a high level of EUR 18.2 billion in 2016: although down 30% vs. the record level in 2015, the increase was substantial compared to the level in 2014 (+40%). Corporate investment loan production was also healthy: it climbed +8.9% in 2016 to EUR 9.5 billion, leading to a +1.5% rise in average outstandings in 2016.

At EUR 183.2 billion in 2016, average outstanding balance sheet deposits were substantially higher (+7.6%), driven by the robust growth in sight deposits (+16.4%). The average loan/deposit ratio therefore amounted to 100% (vs. 105% in 2015). French Retail Banking posted excellent commercial performances among its growth drivers with, notably, a 22% increase in the net inflow of Private Banking in France (to EUR 3.6 billion) and a +2.1% rise in life insurance outstandings.

The Group’s revenues only partially reflect this good commercial momentum since they are hampered by the negative effects of the low interest rate environment and the increase in mortgage renegotiations. After neutralising the impact of PEL/CEL provisions, net banking income came to EUR 8,343 million in 2016, down -3.5% vs. 2015 (a record year in terms of net banking income). There was also a -3.5% decline in revenues in Q4 16 vs. Q4 15.

Net interest income (excluding PEL/CEL provision) was down -5.6% vs. 2015 (-6.6% in Q4 16): it reflects the negative impact of low interest rates and loan renegotiations, with the production of higher margin loans and robust deposit inflow only partially mitigating these effects.

French Retail Banking experienced stable commissions in 2016, testifying to its resilience. Service commissions were up +0.8% in 2016 (+2.1% in Q4 16), driven by the gradual increase in the number of products subscribed by new customers and the commercial efforts aimed at professional and corporate customers. In contrast, financial commissions continued to be adversely affected by the financial market environment (-4.7% vs. 2015). However, the trend in Q4 16 (-2.6% vs. Q4 15) marked an improvement vs. end-September 2016.

French Retail Banking's operating expenses were slightly higher (+0.7%) in 2016 than in 2015 (and down -3.7% in Q4 16). Direct costs remained under control, in line with the efforts undertaken in previous years, with notably rigorous management of the headcount and operating expenses. At the same time, the Group continued with its investments in the digital transformation process and fast-growing businesses. As part of its transformation plan, the Group has notably closed 92 branches in France since the beginning of 2016.

Operating income came to EUR 2,177 million in 2016 (down -4.4% vs. 2015 and up +13.6% in Q4 16), underpinned by the substantial decline in the net cost of risk reflecting the quality of the portfolio (-14.6% over the year).

French Retail Banking enjoyed robust profitability in 2016, with a contribution to Group net income of EUR 1,486 million, up +3.1% vs. 2015 (+25.2% in Q4 at EUR 402 million). Over the same period, ROE stood at 14.0%, up 50 basis points vs. 2015.

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4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

The division's net banking income totalled EUR 7,572 million in 2016, up +2.6% vs. 2015, driven by the good commercial momentum in all regions and businesses. Operating expenses remained under control and amounted to EUR 4,273 million (-0.8%) over the same period. As a result, gross operating income totalled EUR 3,299 million in 2016 (+7.3%). The net cost of risk improved significantly to EUR 779 million in 2016, down -37.5% due to the improvement in the macroeconomic environment and risk management efforts, notably in Europe and Russia. The division's contribution to Group net income totalled EUR 1,631 million in 2016, substantially higher than in 2015 (+46.8%), thanks to the record contribution of Europe and Africa, the positive earnings for the year of SG Russia, and the good performance of Insurance and Financial Services to Corporates.

In Q4 16, net banking income amounted to EUR 1,941 million (+6.7% vs. Q4 15), gross operating income was EUR 870 million (+18.5%) and the contribution to Group net income came to EUR 438 million, up +50.0% vs. Q4 15.

In EUR m	Q4 16	Q4 15	Change		2016	2015	Change	
Net banking income	**1,941**	**1,819**	***+6.7%***	***+4.8%****	**7,572**	**7,382**	***+2.6%***	***+4.0%****
Operating expenses	(1,071)	(1,085)	*-1.3%*	*-3.9%**	(4,273)	(4,307)	*-0.8%*	*+0.7%**
Gross operating income	**870**	**734**	***+18.5%***	***+17.5%****	**3,299**	**3,075**	***+7.3%***	***+8.5%****
Net cost of risk	(169)	(324)	*-47.8%*	*-47.6%**	(779)	(1,246)	*-37.5%*	*-34.8%**
Operating income	701	410	*+71.0%*	*+69.6%**	2,520	1,829	*+37.8%*	*+36.6%**
Reported Group net income	**438**	**292**	***+50.0%***	***+47.8%****	**1,631**	**1,111**	***+46.8%***	***+45.1%****
RONE	**15.9%**	**11.4%**			**15.2%**	**10.7%**		

International Retail Banking

At end-December 2016, International Retail Banking's outstanding loans totalled EUR 83.9 billion. This represented an increase of +7.8% (+6.6%*) vs. end-2015, confirming the dynamic activity in Europe, where domestic demand continues to benefit from the European Central Bank's accommodative monetary policy, and in Africa. Deposit inflow was also robust. Outstanding deposits rose +5.9% (+4.9%*) vs. end-2015, to EUR 75.2 billion.

International Retail Banking's revenues were up +1.3% vs. 2015 at EUR 5,002 million and operating expenses were down -1.5% at EUR 3,025 million. Gross operating income came to EUR 1,977 million, up +5.9% vs. 2015. At EUR 741 million in 2016, International Retail Banking's contribution to Group net income was 79.4% higher than in 2015. This was due primarily to the improved performance in Europe whose contribution was EUR 551 million with, notably, the rebound in performance in Romania. There was also a considerable improvement in the situation in Russia.

International Retail Banking posted revenues of EUR 1,266 million, gross operating income of EUR 509 million and a contribution to Group net income of EUR 212 million in Q4 16.

In Western Europe, outstanding loans were up +10.6% vs. Q4 15 at EUR 15.8 billion in Q4 16. Car financing remained particularly dynamic over the period. Revenues totalled EUR 693 million and gross operating income EUR 326 million in 2016. The contribution to Group net income came to EUR 154 million, up +23.2% vs. 2015.

In the Czech Republic, the Group delivered a solid commercial performance in 2016. Outstanding loans rose +8.7% vs. Q4 15 to EUR 21.7 billion, driven by dynamic production of loans to individuals and large corporates. Outstanding deposits climbed +4.7% year-on-year to EUR 25.9 billion. Despite this positive volume effect, revenues were stable in 2016 at EUR 1,031 million, given the persistent low interest rate environment. Over the same period, operating expenses remained under control at

EUR 541 million and were stable vs. 2015 (+0.4%, -0.6%*). The contribution to Group net income remained high at EUR 210 million, vs. EUR 217 million in 2015.

In Romania, the economic environment continues to improve. In Q4 16, outstanding loans rose +4.3% (+4.7%*) year-on-year to EUR 6.3 billion, primarily due to growth in the individual customer and large corporate segments. Outstanding deposits were 2.0% (2.4%*) higher year-on-year, at EUR 9.3 billion. In this context, net banking income was up +1.5% (+2.5%*) at EUR 528 million in 2016. Rigorous cost control resulted in stable operating expenses (-0.3%, +0.6%*) at EUR 337 million. With the significant improvement in the net cost of risk over the period, the BRD group's contribution to Group net income was EUR 55 million, after EUR 19 million in 2015.

In other European countries, outstanding loans were up +2.3% (+7.4%*) vs. end-2015, at EUR 11.7 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 +6.8% (+9.8%*) year-on-year at EUR 11.7 billion. In 2016, revenues rose +1.6% (+3.9%*), while operating expenses were down -1.2% (+1.8%*). The contribution to Group net income came to EUR 132 million. Q4 16 was also marked by the announcement of the disposal of the Croatian subsidiary Splitska Banka to OTP Bank.

In Russia, the environment continues to normalise. There was further confirmation of healthy corporate activity, while the recovery in loan production for individual customers continued. Car loan and mortgage activities were particularly healthy. When adjusted for changes in Group structure and at constant exchange rates, outstanding loans were down -3.2%* vs. end-2015 at EUR 9.1 billion (+16.2% in absolute terms, given the rouble's appreciation against the euro over the period). Outstanding deposits were down -4.7%* (+11.7% in absolute terms) vs. Q4 15, at EUR 7.2 billion. Net banking income for SG Russia(1) fell -5.1% to EUR 688 million in 2016 (+8.3%*). Operating expenses remained under control at EUR 519 million (-13.0% vs. 2015, +0.5%*). Ongoing optimisation of the operating infrastructure over the period resulted, notably, in the closure of 67 branches at Rosbank. Overall, SG Russia made a positive contribution to Group net income of EUR 8 million for 2016, including EUR 32 million in Q4 16. In 2015, SG Russia made a loss of EUR -156 million.

In Africa and other regions where the Group operates, outstanding loans rose +5.8% (+6.3%*) to EUR 19.2 billion in 2016, with a healthy commercial momentum in Africa (outstanding loans up +6.2% or +7.0%* when adjusted for changes in Group structure and at constant exchange rates), notably in the corporate segment. Outstanding deposits were up +6.7% (+7.4%*). Net banking income came to EUR 1,408 million in 2016, an increase vs. 2015 (+3.2%). Over the same period, operating expenses rose +3.2%, in conjunction with the Group's commercial development. The contribution to Group net income came to EUR 223 million in 2016, up +17.4% vs. 2015.

Insurance

The Insurance business continued to demonstrate considerable commercial dynamism in 2016, notably in France. Life insurance savings outstandings rose +3.7% vs. end-December 2015, to EUR 98.3 billion. Net inflow amounted to EUR 2.1 billion in 2016, almost entirely generated in unit-linked products (share of unit-linked products represented 99% in 2016 vs. 56% in 2015). In terms of protection (Personal Protection and Property/Casualty insurance), business was also dynamic: premiums climbed +9.4% vs. 2015 on the back of buoyant activity in France and the continued expansion of the business internationally.

The Insurance business turned in a good financial performance in 2016, with net banking income up +7.0% at EUR 883 million and a still low cost to income ratio (38.4% in 2016). The business' contribution to Group net income increased +9.2% in 2016 to EUR 368 million. It amounted to EUR 97 million in Q4 16, representing an increase of +7.8% vs. Q4 15.

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

Following the announcement made by the Societe Generale Group in February 2015 that it intended to exercise its option to purchase Aviva France's 50% stake in Antarius, an insurance company dedicated to the Crédit du Nord networks and owned jointly by Aviva France and Crédit du Nord, the Group has now announced the signing of an agreement with Aviva on the conditions of the acquisition whose actual implementation will take place on April 1st, 2017. This acquisition significantly strengthens the positions of the Group's Insurance business, enabling it to exceed the threshold of EUR 110 billion of outstandings. This transaction has no significant impact on the Group's financial ratios.

Financial Services to Corporates

Financial Services to Corporates maintained its commercial dynamism in 2016.

Operational Vehicle Leasing and Fleet Management experienced a substantial increase in its vehicle fleet (+14.0% vs. Q4 15). The increase can be attributed to the integration of the Parcours Group (+66,000 vehicles) and the successful development of the partnerships with car manufacturers and retail banking networks.

Societe Generale intends to float its ALD subsidiary on the stock market in 2017, subject to market conditions, through the disposal of a limited stake. This strategic operation will enable ALD to accelerate its growth and become a leader in the mobility sector.

Wholly-owned by Societe Generale, ALD has experienced strong growth in recent years. It has established itself as a global leader in operational vehicle leasing, No. 1 in Europe and No. 3 in the world (excluding captives and financial leasing companies), managing nearly 1.4 million vehicles with a geographical coverage spanning 41 countries.

On the strength of this leadership position and its innovative capacity in a rapidly changing mobility sector with substantial growth potential (notably through the development of operational vehicle leasing for individuals), ALD is destined to become a global leader in mobility solutions.

With ALD now benefiting from critical mass and proven growth capacity, its stock market floatation will open up new opportunities for it to accelerate its expansion through new sales channels and partnerships, providing it with the capacity to seize growth opportunities.

Societe Generale considers ALD as a high added value business with substantial commercial and financial synergies within the Group. Its future growth, bolstered by the stock market floatation, will continue to create value for the Group. Societe Generale will retain control of ALD and continue to actively support its subsidiary's growth strategy in the development of commercial relations.

ALD has been a recognised issuer since 2012. It will continue with its proprietary issue policy, with Societe Generale maintaining a major role in its refinancing.

Equipment Finance's outstanding loans were up +6.1% (+5.5%*) vs. Q4 15, at EUR 16.5 billion (excluding factoring), driven by the transport and industrial equipment sectors. New business margins held up well despite an intense competitive environment.

Financial Services to Corporates' net banking income rose +10.7% to EUR 1,677 million in 2016. Operating expenses were higher over the period at EUR 825 million (+6.6% vs. 2015) in conjunction with the business' strong growth. Operating income came to EUR 794 million, up +27.7% vs. 2015 and the contribution to Group net income was EUR 578 million, up +20.4% vs. 2015.

Financial Services to Corporates' revenues totalled EUR 454 million in Q4 16 (+23.4% vs. Q4 15) and operating expenses came to EUR 225 million (+11.4% vs. Q4 15). The contribution to Group net income amounted to EUR 145 million in Q4 16, vs. EUR 120 million in Q4 15.

5. GLOBAL BANKING & INVESTOR SOLUTIONS

In EUR m	Q4 16	Q4-15	Change		2016	2015	Change	
Net banking income	**2,225**	**2,192**	***+1.5%***	***+5.3%****	**9,309**	**9,502**	***-2.0%***	***-0.8%****
Operating expenses	(1,751)	(1,744)	*+0.4%*	*+0.3%**	(6,887)	(6,940)	*-0.8%*	*+0.1%**
Gross operating income	**474**	**448**	***+5.8%***	***+26.6%****	**2,422**	**2,562**	***-5.5%***	***-3.3%****
Net cost of risk	14	(230)	*n/s*	*n/s*	(268)	(404)	*-33.7%*	*-33.8%**
Operating income	488	218	*x 2,2*	*x 3,2*	2,154	2,158	*-0.2%*	*+2.4%**
Reported Group net income	**432**	**286**	***+51.0%***	***+81.5%****	**1,803**	**1,850**	***-2.5%***	***+3.4%****
RONE	**11.8%**	**7.2%**			**11.9%**	**11.5%**		

Global Banking & Investor Solutions' revenues totalled EUR 9,309 million in 2016, representing a decline of -2.0% compared to 2015.

The division posted revenues of EUR 2,225 million in Q4 16, up +1.5% vs. Q4 15, marked notably by the increase in Global Markets which more than offset the decline in Asset and Wealth Management as well as Financing & Advisory.

Global Markets & Investor Services

In an environment marked by political and economic uncertainty, **Global Markets & Investor Services'** net banking income proved resilient, at EUR 5,936 million in 2016 (-1.1% vs. 2015), providing further confirmation of the agility of our business model and the successful transformation implemented for several years. The business' expertise was recognised again in 2016, with the title of "Derivatives House of the Year", awarded by IFR.

Revenues were up +6.9% in Q4 16 vs. Q4 15, at EUR 1,380 million. After the "wait-and-see" attitude of investors which marked the beginning of the quarter, following on from the previous quarter, client activity rebounded sharply in the wake of the US elections, underpinned by more marked trends, notably in foreign exchange, rates and commodities.

- **Equities'** net banking income totalled EUR 2,099 million in 2016, down -16.7% vs. 2015. After a decline in H1 2016 vs. a very good H1 2015, H2, traditionally less favourable, experienced a healthy commercial momentum. Revenues were up +12.9% in Q4 16 vs. Q4 15, at EUR 509 million. The business managed to capitalise on its recognised positions in structured products to respond to increased client demand. This good performance helped offset the drop in volumes, despite rising markets, notably on cash activities, where the Group confirmed its leadership position (No. 3 globally based on Euronext Global volumes).

- At EUR 2,556 million, **Fixed Income, Currencies & Commodities'** net banking income was up +16.2% in 2016 vs. 2015. In a buoyant environment, both for flow and structured products, the business benefited from the restructuring implemented to strengthen its commercial presence in its key franchises, driven by dynamic activity on rate products and commodities. In line with previous quarters, Q4 16 revenues of EUR 551 million were up +6.8% vs. Q4 15. The increased revenues were driven by rate activities, commodities and structured products, which benefited in the second part of the quarter from renewed volatility and more pronounced investor appetite.

- **Prime Services'** net banking income totalled EUR 621 million in 2016, up +4.5% vs. 2015, reflecting increased commercial activity and market share gains. Revenues amounted to EUR 149 million in Q4 16, down -7.5% vs. Q4 15, despite the continued increase in market share.

- **Securities Services'** revenues were down -4.1% in 2016 vs. 2015, adversely affected by the decline in H1. The sharp rise in commissions in H2 reflects robust commercial dynamism, in an ongoing unfavourable rate environment. Revenues were 4.9% higher than in Q4 15 at EUR 171 million. Securities Services' assets under custody amounted to EUR 3,955 billion at end-December 2016, down -0.7% year-on-year. Assets under administration climbed +2.2% to EUR 602 billion.

Financing & Advisory

Financing & Advisory delivered another good performance in 2016, with revenues of EUR 2,372 million, down -1.8% vs. the high level in 2015. Net banking income came to EUR 590 million in Q4 16, down -6.3% vs. Q4 15. Capital market activities continued on the same trend as at the beginning of the year and maintained a good level of revenues, driven by a healthy commercial momentum, both on acquisition and leveraged finance. Activity was also dynamic in Debt Capital Markets, which benefited from an active market in Q4 16. In a bullish and more volatile environment, natural resources financing also enjoyed higher revenues, with numerous transactions recorded in all its businesses. In contrast and despite a good level of activity, structured finance earnings were lower compared with the high level in Q4 15, which was also the case for investment banking, in a less active market. The business' expertise was recognised again in Q4 16, with the title of "Global Adviser of the Year" awarded by Project Finance International.

Asset and Wealth Management

The net banking income of the **Asset and Wealth Management** business line totalled EUR 1,001 million in 2016 (down -7.7% vs. 2015) and EUR 255 million in Q4 16 (down -5.9% vs. Q4 15), in an uncertain market environment with a low level of activity.

In **Private Banking**, 2016 was a transition year, marked by the continuation of our strategy of refocusing on our core geographical markets, with the acquisition of Kleinwort Benson and the repositioning of our franchise in Switzerland, which was at the origin of an outflow in Q4 16. Private Banking's assets under management amounted to EUR 116 billion at end-December 2016, up +2.7% vs. end-2015, with dynamic inflow in France. Net banking income was down -7.1% in 2016 and -10.3% vs. Q4 15, at EUR 208 million, in a market still in "wait-and-see" mode. The gross margin remained at a healthy level (106 basis points in Q4 16).

Lyxor's assets under management came to EUR 106 billion, up +2.4% vs. end-2015, underpinned by rising markets and strong inflow in structured product segments and ETFs. Lyxor consolidated its No. 3 ETF ranking in Europe, with a market share of 9.9% (at end-2016 - source ETFGI). Revenues amounted to EUR 161 million in 2016, down -11.5% vs. 2015, in an unfavourable market environment in H1. Net banking income totalled EUR 44 million in Q4 16, up +29.4% vs. Q4 15.

Operating expenses

Global Banking & Investor Solutions' operating expenses were lower in 2016, at -0.8% vs. 2015, thanks to the benefit of the partial refund of the Euribor fine and rigorous control of expenses, helping to offset the sharp rise in regulatory costs (including the contribution to the Single Resolution Fund) and transformation costs generated by the implementation of the cost savings plans. At end-2016, 75% of the objectives related to the cost savings plans had been achieved: operating expenses, excluding the partial refund of the Euribor fine, settlement of the RMBS litigation, and costs related to the savings plans (EUR -140 million) were lower than in 2015. Operating expenses were up +0.4% in Q4 16 vs. Q4 15, and lower excluding the RMBS litigation (EUR 47 million). The cost to income ratio amounted to 74% in 2016.

Operating income

Gross operating income came to EUR 2,422 million in 2016, down -5.5%, and EUR 474 million in Q4 16, up +5.8% vs. Q4 15.

The net cost of risk in Q4 16 results in a net provision write-back amounting to EUR +14 million. The net cost of risk was EUR -268 million in 2016 (EUR -404 million in 2015).

The division’s operating income totalled EUR 2,154 million in 2016 (stable compared to 2015) and EUR 488 million in Q4 16, increasing by a factor of 2.2 vs. Q4 15.

Net income

The division’s contribution to Group net income came to EUR 1,803 million in 2016, and EUR 432 million in Q4 16 (+51.0% vs. Q4 15). The division’s RONE amounted to 11.9% for 2016.

6. CORPORATE CENTRE

In EUR m	Q4 16	Q4 15	2016	2015
Net banking income	**(214)**	**(147)**	**14**	**167**
Net banking income (1)	*(164)*	*(108)*	*368*	*(615)*
Operating expenses	(165)	(55)	(135)	(160)
Gross operating income	(379)	(202)	(121)	7
Gross operating income (1)	*(329)*	*(163)*	*233*	*(775)*
Net cost of risk	(149)	(393)	(340)	(591)
Net profits or losses from other assets	(256)	165	(282)	163
Income tax	(64)	207	(156)	123
Reported Group net income	**(882)**	**(243)**	**(1,046)**	**(401)**
Group net income (1)	*(849)*	*(217)*	*(814)*	*(914)*

(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 -214 million in Q4 16 (EUR -147 million in Q4 15), and EUR -164 million excluding the revaluation of the Group's own financial liabilities (EUR -108 million in Q4 15). The Corporate Centre's gross operating income was EUR -379 million in Q4 16 vs. EUR -202 million in Q4 15.

When restated for the revaluation of own financial liabilities, gross operating income came to EUR -329 million in Q4 16 (vs. EUR -163 million in Q4 15). In 2016, it amounted to EUR 233 million excluding non-economic items, vs. EUR -775 million for 2015. This variation can be attributed principally to the recording in Q2 16 of the capital gain on the disposal of Visa shares. Excluding the Visa capital gain, gross operating income excluding non-economic items was EUR -492 million in 2016.

The net cost of risk for 2016 includes a EUR 350 million provision for litigation issues (including EUR 150 million in Q4 16), vs. EUR 600 million in 2015, taking the total of this provision to EUR 2 billion.

The Corporate Centre's contribution to Group net income was EUR -882 million in Q4 16 (vs. EUR -243 million in Q4 15) and EUR -1,046 million in 2016 (EUR -401 million in 2015).

7. CONCLUSION

With Group net income, excluding non-economic items, of EUR 4.1 billion, up +15.3% year-on-year, Societe Generale has provided further confirmation of the solidity and robustness of its well-balanced and customer-focused business model: this is reflected in the substantial growth in International Retail Banking & Financial Services, supported by the resilience of French Retail Banking, and the earnings quality of Global Banking & Investor Solutions, whose client-focused model has helped generate sustainable profitability.

With a strengthened and improved balance sheet, Societe Generale is resolutely pursuing its transformation, based on its values of team spirit, innovation, responsibility and commitment: through the targeted development of its businesses in the service of its customers, the ongoing exploitation of synergies between its businesses, rigorous cost discipline and enhanced risk control.

The Group is also pursuing its commitment to its shareholders, to continue to create value. It will also retain its policy of distributing 50% of earnings, excluding non-economic items, with the aim of increasing the dividend.

Accordingly, EPS amounts to EUR 4.55, excluding non-economic items, at end-2016 (vs. EUR 3.94 at end-2015). Tangible net asset value per share amounts to EUR 57.77, up +3.3% vs. end-2015 and more than 18% since end-2013.

Against this backdrop, at the end of the year, the Group will present its medium-term strategic objectives, centred around a new simplified organisational set-up serving the needs of its customers.

8. 2016-2017 FINANCIAL CALENDAR

2016-2017 financial communication calendar

May 4th, 2017	First quarter 2017 results
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
February 8th, 2018	Fourth quarter and FY 2017 results

This document contains forward-looking statements relating to the targets and strategies of the Societe Generale Group.

These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to:

- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences;

- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

Therefore, although Societe Generale believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in Societe Generale's markets in particular, regulatory and prudential changes, and the success of Societe Generale's strategic, operating and financial initiatives.

More detailed information on the potential risks that could affect Societe Generale's financial results can be found in the Registration Document filed with the French Autorité des Marchés Financiers.

Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, Societe Generale does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal.

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9. APPENDIX 1: FINANCIAL DATA

CONSOLIDATED INCOME STATEMENT

In M EUR	2016	2015	Change		Q4 16	Q4 15	Change	
Net banking income	25,298	25,639	-1.3%	-0.5%*	6,129	6,053	+1.3%	+2.0%*
Operating expenses	(16,817)	(16,893)	-0.4%	+0.3%*	(4,398)	(4,349)	+1.1%	+0.5%*
Gross operating income	**8,481**	**8,746**	**-3.0%**	**-2.0%***	**1,731**	**1,704**	**+1.6%**	**+5.9%***
Net cost of risk	(2,091)	(3,065)	-31.8%	-30.6%*	(486)	(1,157)	-58.0%	-58.0%*
Operating income	**6,390**	**5,681**	**+12.5%**	**+13.1%***	**1,245**	**547**	**x 2,3**	**x 2,6**
Net profits or losses from	(212)	197	n/s	n/s	(262)	239	n/s	n/s
Net income from companies accounted for	129	231	-44.2%	-20.4%*	28	65	-56.9%	-56.3%*
Impairment losses on			n/s	n/s			n/s	n/s
Income tax	(1,969)	(1,714)	+14.9%	+15.7%*	(508)	(118)	x 4,3	x 5,3
Net income	**4,338**	**4,395**	**-1.3%**	**+0.8%***	**503**	**733**	**-31.4%**	**-26.2%***
O.w. non-controlling	464	394	+17.8%	+18.0%*	113	77	+46.8%	+46.8%*
Group net income	**3,874**	**4,001**	**-3.2%**	**-1.0%***	**390**	**656**	**-40.5%**	**-35.3%***
Tier 1 ratio at the end of period	14.5%	13.5%			14.5%	13.5%		

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

GROUP NET INCOME AFTER TAX BY CORE BUSINESS

In M EUR	2016	2015	Change	Q4 16	Q4 15	Change
French Retail Banking	1,486	1,441	+3.1%	402	321	+25.2%
International Retail Banking and Financial Services	1,631	1,111	+46.8%	438	292	+50.0%
Global Banking and Investor Solutions	1,803	1,850	-2.5%	432	286	+51.0%
Core Businesses	4,920	4,402	+11.8%	1,272	899	+41.5%
Corporate Centre	(1,046)	(401)	+160.8%	(882)	(243)	n/s
Group	3,874	4,001	-3.2%	390	656	-40.5%

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CONSOLIDATED BALANCE SHEET

Assets - in EUR bn	31.12.2016	31.12.2015
Cash, due from central banks	96.2	78.6
Financial assets measured at fair value through profit and loss	514.7	519.3
Hedging derivatives	18.1	16.5
Available-for-sale financial assets	139.4	134.2
Due from banks	59.5	71.7
Customer loans	426.5	405.3
Revaluation differences on portfolios hedged against interest rate risk	1.1	2.7
Held-to-maturity financial assets	3.9	4.0
Tax assets	6.4	7.4
Other assets	84.8	69.4
Non-current assets held for sale	4.3	0.2
Investments in subsidiaries and affiliates accounted for by equity method	1.1	1.4
Tangible and intangible fixed assets	21.8	19.4
Goodwill	4.5	4.4
Total	**1,382.2**	**1,334.4**

Liabilities - in EUR bn	31.12.2016	31.12.2015
Due to central banks	5.2	7.0
Financial liabilities measured at fair value through profit and loss	455.6	455.0
Hedging derivatives	9.6	9.5
Due to banks	82.6	95.5
Customer deposits	421.0	379.6
Securitised debt payables	102.2	106.4
Revaluation differences on portfolios hedged against interest rate risk	8.5	8.1
Tax liabilities	1.4	1.6
Other liabilities	94.2	83.1
Non-current liabilities held for sale	3.6	0.5
Underwriting reserves of insurance companies	112.8	107.3
Provisions	5.7	5.2
Subordinated debt	14.1	13.0
Shareholders' equity	62.0	59.0
Non controlling Interests	3.8	3.6
Total	**1,382.2**	**1,334.4**

NB. Customer loans include lease financing.

10. APPENDIX 2: METHODOLOGY

1 – The Group's consolidated results as at December 31st, 2016 were approved by the Board of Directors on February 8th, 2017.

The financial information presented in respect of Q4 and the year ended December 31st, 2016 has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. The audit procedures carried out by the Statutory Auditors on the consolidated financial statements are in progress.

Note that the data for the 2015 financial year have been restated due to modifications to the rules for calculating normative capital allocation (based on 11% of RWA – risk-weighted assets – since January 1st, 2016 vs. 10% previously).

2 – Net banking income

The pillars' net banking income is defined on page 39 of Societe Generale's 2016 Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

3 – Operating expenses

Operating expenses correspond to the "Operating Expenses" as presented in note 8.1 to the Group's consolidated financial statements as at December 31st, 2015 (pages 361 et seq. of Societe Generale's 2016 Registration Document). The term "costs" is also used to refer to Operating Expenses.

The **Cost/Income Ratio** is defined on page 488 of Societe Generale's 2016 Registration Document.

4 – IFRIC 21 adjustment

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

5 – 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

Q4 16	Net Banking Income	Operating Expenses	Others	Cost of Risk	Group Net Income	
Revaluation of own financial liabilities*	(50)				(33)	Corporate Centre
Accounting impact of DVA*	2				1	Group
Accounting impact of CVA**	45				31	Group
Review of DTAs			(286)		(286)	Corporate Centre
Splitska Banka disposal			(235)		(235)	Corporate Centre
Provision for disputes				(150)	(150)	Corporate Centre
Provision PEL/CEL	87				57	French Retail Banking
RMBS Litigation		(47)			(47)	Global Banking and Investor Solutions

In EUR m

Q4 15	Net Banking Income	Operating Expenses	Others	Cost of Risk	Group Net Income	
Revaluation of own financial liabilities*	(39)				(26)	Corporate Centre
Accounting impact of DVA*	(6)				(4)	Group
Accounting impact of CVA**	19				13	Group
Provision PEL/CEL	22				14	French Retail Banking
Provision for disputes				(400)	(400)	Corporate Centre
Capital gain on Amundi disposal			165		147	Corporate Centre

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In EUR m 2016	Net Banking Income	Operating Expenses	Others	Cost of Risk	Group Net Income	
Revaluation of own financial liabilities*	(354)				(232)	Corporate Centre
Accounting impact of DVA*	(1)				(1)	Group
Accounting impact of CVA**	54				37	Group
Euribor fine refund		218			218	Global Banking and Investor Solutions
Capital gain on Visa disposal	725				662	Corporate Centre
Review of DTAs			(286)		(286)	Corporate Centre
Splitska Banka disposal			(235)		(235)	Corporate Centre
Provision for disputes				(350)	(350)	Corporate Centre
Provision PEL/CEL	60				39	French Retail Banking
RMBS Litigation		(47)			(47)	Global Banking and Investor Solutions
In EUR m 2015	**Net Banking Income**	**Operating Expenses**	**Others**	**Cost of Risk**	**Group Net Income**	
Revaluation of own financial liabilities*	782				513	Corporate Centre
Accounting impact of DVA*	(111)				(73)	Group
Accounting impact of CVA**	22				15	Group
Provision PEL/CEL	(61)				(38)	French Retail Banking
Provision for disputes				(600)	(600)	Corporate Centre
Capital gain on Amundi disposal			165		147	Corporate Centre

* *Non economic items*

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

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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 39 and 488 of Societe Generale's 2016 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.

		T4-16	T4-15	2016	2015
Banque de détail en France	Coût net du risque (M EUR)	184	199	679	773
	Encours bruts de crédits (EUR M)	187 465	184 970	188 049	181 467
	Coût du risque en pb	**39**	**43**	**36**	**43**
Banque de détail et services financiers internationaux	Coût net du risque (M EUR)	161	302	763	1 185
	Encours bruts de crédits (EUR M)	122 550	115 971	118 880	115 982
	Coût du risque en pb	**53**	**104**	**64**	**102**
Banque de grande clientèle et services aux investisseurs	Coût net du risque (M EUR)	12	231	292	365
	Encours bruts de crédits (EUR M)	154 064	141 712	148 223	136 344
	Coût du risque en pb	**3**	**65**	**20**	**27**
Groupe Société Générale	Coût net du risque (M EUR)	356	726	1 723	2 316
	Encours bruts de crédits (EUR M)	470 124	453 830	465 773	443 613
	Coût du risque en pb	**30**	**64**	**37**	**52**

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").

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7 – ROE, RONE

The notion of ROE, as well as the methodology for calculating it, is specified on page 40 of Societe Generale's 2016 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 39 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	2016	2015	2014
Shareholders' equity Group share	**61,953**	**59,037**	**55,229**
Deeply subordinated notes	(10,663)	(9,552)	(9,364)
Undated subordinated notes	(297)	(366)	(335)
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	(171)	(146)	(179)
Unrealised gains/losses booked under shareholders' equity, excluding conversion reserves	(1,273)	(1,582)	(1,284)
Dividend provision	(1,759)	(1,593)	(942)
ROE equity	**47,790**	**45,798**	**43,125**
Average ROE equity	**46,531**	**44,889**	**42,641**

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 corrected Group net income in methodology note No. 9).

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

	Q4 16	Q4 15	2016	2015
French Retail Banking	**10,854**	10,619	**10,620**	10,690
International Retail Banking and Financial Services	**10,992**	10,234	**10,717**	10,357
Global Banking and Investor Solutions	**14,697**	15,924	**15,181**	16,085

8 – Net assets and tangible net assets are defined in the methodology, page 40 of the Group's 2016 Registration Document ("Net Assets"). The items used to calculate them are presented below.

End of period	2016	2015	2014
Shareholders' equity Group share	**61,953**	**59,037**	**55,229**
Deeply subordinated notes	(10,663)	(9,552)	(9,364)
Undated subordinated notes	(297)	(366)	(335)
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	(171)	(146)	(179)
Bookvalue of own shares in trading portfolio	75	125	220
Net Asset Value	**50,897**	**49,098**	**45,571**
Goodwill	4,709	4,533	5,131
Net Tangible Asset Value	**46,188**	**44,565**	**40,440**
Number of shares used to calculate NAPS**	**799,462**	**796,726**	**785,166**
Net Asset Value per Share (NAPS) (EUR)**	**63.7**	**61.6**	**58.0**
Net Tangible Asset Value (EUR)	**57.8**	**55.9**	**51.5**

** The number of shares used is the number of ordinary shares issued as at December 31st, 2016, excluding own shares and treasury shares but including trading shares held by the Group.

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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 40 of Societe Generale's 2016 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 40 of Societe Generale's 2016 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)	**2016**	**2015**	**2014**
Existing shares	**807,293**	**805,950**	**801,831**
Deductions			
Shares allocated to cover stock option plans and free shares awarded to staff	4,294	3,896	4,404
Other ownshares and treasury shares	4,232	9,551	16,144
Number of shares used to calculate EPS	**798,768**	**792,503**	**781,283**
Group net income	**3,874**	**4,001**	**2,679**
Interest, net of tax on deeply subordinated notes and undated subordinated notes	(472)	(442)	(420)
Capital gain net of tax on partial buybacks	0	0	6
Adjusted Group net income	**3,402**	**3,559**	**2,265**
EPS (in EUR)	**4.26**	**4.49**	**2.90**
EPS* (in EUR)		**3.94**	**3.00**

** 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.

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.

Societe Generale has been playing a vital role in the economy for 150 years. With more than 145,000 employees, based in 66 countries, we serve on a daily basis 31 million clients throughout the world. Societe Generale's teams offer advice and services to individual, corporate and institutional customers in three core businesses:

- **Retail banking in France** with the Societe Generale branch network, Credit du Nord and Boursorama, offering a comprehensive range of multi-channel financial services at the leading edge of digital innovation;
- **International retail banking, insurance and financial services to corporates** with a presence in developing economies and leading specialised businesses;
- **Corporate and investment banking, private banking, asset management and securities services**, with recognised expertise, top international rankings and integrated solutions.

Societe Generale is currently included in the main sustainability indices: DJSI (World and Europe), FTSE4Good (Global and Europe), Euronext Vigeo (World, Europe and Eurozone), Ethibel Sustainability Index (ESI) Excellence Europe, 4 of the STOXX ESG Leaders indices, MSCI Low Carbon Leaders Index.

For more information, you can follow us on twitter @societegenerale or visit our website www.societegenerale.com